

**MINUTES OF THE REGULAR MEETING
OF THE
ADMINISTRATIVE RULES REVIEW COMMITTEE**

Time of meeting The regular meeting of the Administrative Rules Review Committee (ARRC) was held on Tuesday and Wednesday, August 13 and 14, 1996, in Room 22, State Capitol, Des Moines, Iowa.

Members present: Senator Berl E. Priebe and Representative Janet Metcalf, Cochairs; Senators H. Kay Hedge, John P. Kibbie, William Palmer, and Sheldon Rittmer; Representatives Horace Daggett, Minette Doderer, Roger Halvorson, and Keith Weigel.

Also present: Joseph A. Royce, Legal Counsel; Kathleen Bates, Acting Administrative Code Editor; Cathy Kelly, Acting Secretary; caucus staff and other interested persons.

Convened •Cochair Priebe convened the meeting at 10:05 a.m.

**HUMAN
SERVICES**

Mary Ann Walker, Doris Taylor, Denise Middleswart, Gary Gesaman, Debborah Ozga, and Stephen Gross appeared on behalf of the department. Marvin L. Tooman was present from the Iowa Advisory Council on Brain Injury.

ARC 6588A No questions concerning rule 54.1.

ARC 5689A Walker noted comments received at the public hearings held concerning the amendments to Chapters 77, 78, 79, and 83 resulted in further revisions. Subrule 83.82(3) clarified that access to the brain injury waiver services was limited to adult persons residing in an ICF/MR facility for at least 30 days before making application for the waiver. The counties may establish the number of payment slots for these persons or may opt to have none.

ARC 6587A No questions concerning paragraph 78.1(2)“f.”

ARC 6586A No questions concerning subrule 79.9(5).

ARC 6590A •In response to Daggett, Taylor noted the 90-day delinquency support payment was a statute requirement.

•Hedge asked how this was applicable to those who were incarcerated. Taylor stated it would not be but other sanctions were available. She further noted that if a person received a FIP grant, license sanctioning would not be done as long as that person received public assistance. She stated the department could do an income withholding order and take a portion up to 50 percent for child support purposes.

•Priebe inquired if any money could be obtained from those in prison. Taylor responded it was possible even if a person had very limited funds.

•Rittmer pointed out that some county treasurers were concerned about revoking the license of a person who lived in a county other than where the child support order had been issued. Taylor stated confusion existed because the department of revenue also had a license censure program and expected the county treasurers to assist in the notification. The department of human services would notify all people who owed child support. Notice would be sent to the obligors and every opportunity would be given to them to work out payment agreements. She noted the “goal is to receive child support for the children and not take anyone’s license.” If no agreement could be reached, the licensing agency would be notified and that agency in turn would notify the appropriate county treasurer. The department of transportation anticipates putting a code on its computer system to notify the county treasurers of those persons whose licenses should be revoked.

ARC 6591A Middleswart provided answers to three questions posed at the time amendments to rules 99.21 to 99.32 were under Notice. She indicated there was no time requirement in which a mother may file a paternity affidavit. It may be filed or completed by either or both parents up until that person’s death. In answering the second question, she pointed out that genetic testing done to establish paternity was the same as the testing done for organ transplants. Samples were taken from the mother, father, and child and submitted to a

DHS (continued)

state-approved laboratory which eliminated over 90 percent of falsely accused males. In-depth testing was conducted on the remaining samples. Middleswart commented the child support recovery unit was sent the result of paternity establishment which, in the majority of cases, showed either a zero or more than 99 percent probability the father of the child had been ascertained. According to statute, if the paternity testing result was 95 percent or above, that person was acknowledged as the father.

- Priebe asked if support payments were ever collected prior to paternity being established. Middleswart replied this occurred; however, once paternity was disestablished the department would no longer bill a person for the child support once the petition was filed and an order received. The department would then satisfy any unpaid child support owed. Middleswart stated the final question concerning how often the mother contested paternity rarely happened.

ARC 6593A

No questions concerning subparagraph 130.3(1)"d"(2) and paragraph 170.2(4)"d."

ARC 6547A

Walker explained subrules 156.8(1) and 156.11(2) increased the annual clothing allowance in family foster care from \$100 to \$200 per year and increased the amount paid for emergency care.

- Kibbie raised the issue of past complaints brought by foster parents who had taken children long distances for emergency care and received no mileage. Walker stated she would check into this.

ARC 6585A

No questions concerning rule 185.45.

LAW
ENFORCEMENT
ACADEMY

ARC 6564A

Gene Shepard and Dana Peterson were present on behalf of the academy.

Shepard pointed out concerns of the law community over the necessity of an individual meeting minimum standards whenever transferring from one law enforcement agency to another. Under the amendments to Chapter 2, individuals who transferred would undergo only psychological testing, such as the MMPI, and background investigation, including fingerprints.

- Responding to Daggett, Shepard stated these minimum standards would be applicable to police departments, county sheriffs, highway patrol, DCI, department of natural resources, department of transportation, and county conservation offices.

- Daggett asked if the local agency had the option of adopting increased standards. It was Shepard's belief the standards would instead decrease but pointed out entry level standards would remain the same.

- Doderer evinced concern over rule 501—2.4(80B) and the possibility of discrimination and concomitant lawsuits. She inquired whether the standards could be established multiple times and was told by Shepard the local agency could do so in its discretion. He then added the individual would be required to meet minimum standards and would have to get on the civil service list.

- In response to Metcalf, Shepard stated these rules evolved after six statewide meetings were held with law enforcement administrators. The general consensus among the law community was that lateral transfers should be allowed upon completion of certification without having to reverify the minimum standards (eyesight, hearing, physical fitness) that apply to entry level law enforcement officers.

- Kibbie asked and was told that those individuals transferring to the highway patrol and DCI were required to undergo 14 weeks of retraining at the academy.

- Metcalf pointed out the number of questions engendered by this issue and asked that the amendments be resubmitted but not filed on an Emergency basis simply to meet the arbitrary implementation date of September 1. Shepard agreed to do so.

REAL ESTATE

ARC 6563A

Roger Hansen represented the real estate commission for the following.

- Hansen responded to Halvorson that subrule 1.2(4) provided a guideline to those activities that were permitted and prohibited by unlicensed support personnel. He acknowledged there would always be exceptions and this was not a comprehensive list.

**ETHICS AND
CAMPAIGN**

ARC 6614A

ARC 6613A

ARC 6612A

Kay Williams was present on behalf of the ethics and campaign disclosure board.

No questions concerning Chapters 4, 6, and 13.

No questions concerning rule 4.7.

No questions concerning rule 4.18.

REVENUE

ARC 6565A

Carl Castelda appeared from the department for the following.

Castelda stated that all amendments to Chapters 38, 39, 40, 41, 42, and 46 dealt with individual income tax.

- Halvorson asked the effects of small business changes in the minimum wage bill. Castelda indicated the state probably was coupled with the federal changes, although he cautioned not all credits were automatically coupled. Halvorson then inquired whether all changes were retroactive to January 1, 1996, and Castelda replied a determination was being made whether some were prospective to January 1, 1997.

INSURANCE

ARC 6548A

Rosanne Mead, John Leonhart, and Craig Goettsch represented the insurance division for the following.

- In response to Palmer, Mead replied the changes to Chapter 15 resulted from market concerns raised by the conduct of some agents and companies. Palmer stated his belief that most companies closely monitored such conduct. Mead stated some companies indicated it was very difficult to specifically monitor designations.

- Palmer inquired about the advertising changes and was told the basic change was in the electronic bulletin board media. Mead added it was the intent to monitor the Internet when violations were brought to the attention of the department. Palmer then asked how television advertising was being currently enforced. Mead responded that once the division had been notified of a violation, the company was contacted and asked to alter or remove the advertising.

- Weigel asked if the definition of "twisting" differed and was told policy retention was now encouraged. He was further advised there had been no change in the notice for the "uninsured" and "underinsured" coverage. Weigel raised the issue of an accident high risk individual who could purchase a minimal amount of liability insurance. He noted the high probability of accidents that could occur with liability limits set too low, but easily available to that individual.

- Halvorson posed the question of whether the amendment changes could be delineated. He pointed out the amendments contained existing language which now was inserted in different areas making it difficult to ascertain the new language. Mead agreed to do so.

ARC 6615A

- Goettsch stated numerous requests for clarification had been received concerning Chapter 18. Priebe inquired whether "religious organization was spelled out" and was told it had been clarified.

- Metcalf asked how information would be disseminated to smaller cemeteries. She was informed the division was in contact with the trade associations and that information was being provided on a regular basis.

- Halvorson pointed out the annual audit which had previously been objected to by the small cemeteries was still included. Goettsch stated it was necessary for the cemeteries to report whether ten or more sales occurred.

- In response to Daggett, Goettsch stated county boards of supervisors were exempt from these rules.

INS (Continued)
ARC 6617 A

- Daggett inquired about reciprocity with other states concerning prearranged funeral contracts and was told by Goettsch there were no such provisions.
- Priebe asked why an oral prearranged funeral contract was included in Chapter 19 and asked how it could be enforced. Goettsch was uncertain.
- Doderer then questioned the ramifications if a prearranged funeral contract was canceled. Goettsch indicated he would obtain that information.

ARC 6616A

No questions concerning rule 54.20.

TELECOMM.
ARC 6611A

Present from the Iowa Telecommunications and Technology Commission were Harold Thompson and Richard Opie and Libby Nelson appeared on behalf of the attorney general's office.

Nelson said a later inclusion to these rules would be the governor's initiative regarding the information technology. Thompson explained the governor established a capstone over the three data centers of state government which included transportation, workforce development, and general services. This was done in an effort to eliminate redundancy between the three and ultimately lead to one data center which would support all state agency operations. Because it was not within the governor's purview to establish a department, it would be placed under the auspices of ICN until such time next session as the legislature can be presented the information and establish enabling language.

- Metcalf raised the issue of public notification over this added language.
- Kibbie asked if this could be done through the network and whether a period for comments from all sites in the state could also be included. Thompson agreed with the concept and indicated plans were being developed for this. Discussion ensued. It was agreed to eliminate this section and present it as a separate rule making.

Recess

The committee recessed at 11:50 a.m. and reconvened at 1:20 p.m.

SELECTIVE
REVIEW

Roger Brooks, Jim Smallenberger, and Michael Sproule were present from the AmerUs Group; Therese Vaughan from the Insurance Division; Dave Lyons from the IDED; and Serge Garrison from ILHTA.

Brooks explained that Iowa was the leader in the mutual insurance holding companies restructuring law. Smallenberger noted that since it had gone into effect July 1, 1995, five other states had adopted similar legislation and by the end of the year an additional ten states would also have similar laws. Brooks added it provided one of the few ways for mutuals to attract capital and predicted it would lead to consolidations.

•He noted the length of time involved in obtaining a no action letter from SEC resulted in a delay of restructuring until July 1, 1996. Doderer requested clarification and was apprised that a no action letter was sought so a prospectus did not have to be delivered each time a life insurance policy was sold.

•Priebe queried whether it was anticipated this would be filed Emergency. Brooks stated it would since the SEC delay created time difficulties and additional SEC regulations and market issues were also factors in going public this year. They hoped to retain first in the nation status.

Vaughan agreed with the advantages extended through restructuring and acknowledged the concerns of AmerUs but expressed additional concern over the possibility of an Emergency filing. She then added that mutual companies are owned by the policyholders and mutual insurance holding companies are allowed to sell stock to outside shareholders. In essence, the company was owned by both policyholders and outside shareholders and complex issues could evolve. Vaughan said contact had been received from other states and other nations regarding this concept and cautioned that changes in Iowa would be closely monitored. Extensive discussion was held regarding the filing of rules on an Emergency basis.

**SELECTIVE
REVIEW**

(Continued)

Lyons noted it was a time of merger and acquisition in the insurance industry. This afforded Iowa a unique marketing advantage and a tool to be used for growth, both helpful for economic development portfolio.

September Agenda

•Metcalf requested this matter be brought for special review at the September meeting. Vaughan indicated she was reluctant to have a deadline imposed by which rules would be drafted since complex issues were involved and complete accord had not been reached with the industry. It was determined to attempt completion to file Notice of Intended Action on August 23.

**PROFESSIONAL
LICENSING**

ARC 6600A

Carolyn Adams and Marge Bledsoe represented the professional licensure division for the following.

ARC 6597A

No committee action concerning Chapter 91.

ARC 6599A

No committee action concerning Chapters 130 and 131.

ARC 6566A

No questions concerning Chapter 191.

ARC 6601A

No questions concerning Chapters 200, 201, and 202.

•Kibbie asked the number of licensed social workers in Iowa. Bledsoe responded that at the time the bill was passed, there were approximately 800. The bill went into effect July 1 and there currently are 2,000 with an anticipated total of 6,000 to 8,000. Kibbie pointed out Chapter 280 grandfathered in hundreds of people who might not have degrees in social work. He expressed concern over notification and the hearing site.

•Priebe advised use of the Internet at various locations throughout the state for public hearings.

ARC 6594A

No questions concerning Chapter 350.

PUBLIC HEALTH

Appearing on behalf of the department were Carolyn Adams, Marge Bledsoe, Don Flater, Frank Biagioli, Mike Marshall, Gary Ireland, Ronald D. Eckoff, Judy Solberg, and Lorrie Graaf.

ARC 6567A

No questions concerning Chapter 9.

ARC 6557A

No questions concerning Chapters 38, 39, 40, 41, 42, 45, and 46.

ARC 6596A

No committee action concerning Chapter 73.

ARC 6595A

No committee action concerning subrules 132.4(3) and 132.4(4).

ARC 6605A

No questions concerning subrule 132.4(4) and paragraph 132.11(1) "o."

ARC 6562A

•Metcalf asked why the change had occurred in subparagraph 73.9(3) "d"(1). Solberg responded the grocers' association requested the change in order to get in store brand cereals which were cheaper.

ARC 6561A

No questions concerning Chapter 193.

**PROPOSED APA
REVISION**

Arthur Bonfield from the University of Iowa Law School; Robert Downer, Lorelei Brewick, Carl V. Nielsen, and David Brown from the Iowa State Bar Association; Administrative Rules Coordinator Paula Dierenfeld; Brice Oakley from MBC; and Elizabeth Osenbaugh from the attorney general's office were present for the following.

Bonfield presented position papers on the Iowa Administrative Procedure Act and delineated each section of Senate File 2404. The following questions, comments, and answers were posed during the discourse.

•Rittmer was told interpretive rules, although possibly more apt to personal prejudice, allowed more room for choice.

•Weigel asked if the summary of rules would be included in the bulletin and was informed that it would be kept in the ARC office. Weigel expressed the opinion the summary should be published and the substance of the rules kept in the ARC office.

•Priebe cautioned that public hearings never be eliminated since the general public sometimes called a problem to the committee's attention.

**PROPOSED APA
REVISION**

(Continued)

- Daggett was told an agency had implied interpretive power but not to the binding force of law unless specifically given that authority by the legislature.
- Metcalf was apprised a department head's employment could probably be terminated by the governor.
- Kibbie stated the legislature did not always act upon matters referred to it by the ARRC. Bonfield explained it would be unconstitutional under Iowa law should the ARRC attempt to retain authority in such matters. Some courts in other states had ruled this to be constitutional, but laws in those states differed from that of Iowa.
- Weigel asked if there had to be an existing rule to have a waiver and was answered in the affirmative. He then asked what oversight existed pertaining to waivers and was told the agency would have to tell ARRC why waivers were granted and to whom.
- Rittmer pointed out that too many rules were adopted Emergency and was told that 17A.3103 changed the perceived necessity for this.
- In response to Hedge, Bonfield stated the additional power given to ARRC was purely procedural enhancement that would enable it to review more law being made.
- Daggett inquired whether a rewrite was necessary and was told by Bonfield the Act passed in 1973 and numerous changes had occurred since that time. Oakley, Dierenfeld, and Osenbaugh agreed and added public attitudes had changed and this provided for greater notice and greater public participation.

HEALTH DATA

Motion

Carried

- Metcalf moved the ARRC approve removal of rules of the health data commission, repealed on July 1, 1996, from the Iowa Administrative Code. Motion carried.

Reconvened

- Priebe reconvened the meeting Wednesday, August 14, 1996, at 9 a.m. Senator Rittmer was excused from the meeting.

AGRICULTURE

Senate File 2446,
Section 30

Walter Felker and Lawrence Birchmier appeared on behalf of the department for the following and present from the Iowa Pork Producers Association was Jeff Schnell.

- Priebe asked Felker to speak to the concern of purebred hog breeders who were required "to vaccinate swine coming in from clean herds" at a cost that was becoming prohibitive. Felker responded all feeder swine imported from other states must be vaccinated for pseudorabies within 45 days of arrival. This granted a 90-day window of 45 days before and 45 days after the arrival. He stated 4 to 5 million head per year are imported into the state and all must be from noninfected herds and must be from monitored herds or better. Many states do not allow vaccination except in infected herds and those infected herds cannot export pigs into Iowa. Imported pigs must come from herds that are free from pseudorabies, be identified, and have health papers. Iowa producers who raise and offer for sale feeder pigs that are not clean are placed on a restricted status and are allowed only in 13 nontriggered counties located in the middle, northeast, and northwest part of the state.
- Kibbie pointed out many pigs being imported at three weeks were too young to vaccinate. He indicated a consensus should be reached among all concerned to attain a pseudorabies-free state. In response to Kibbie, Felker said the department would attempt to devise an alternate plan to set aside certain high-incidence counties and require pigs going into that area to be vaccinated. He added once a county reached a certain incidence level, it would have certain privileges of moving pigs not available to a high-incidence county.

**NATURAL
RESOURCE**

ARC 6580A

Bill Farris appeared on behalf of the department.

Farris stated the amendment to rule 71.3 increased nursery stock prices approximately 10 percent above current prices.

- Halvorson asked how these prices would compare with the private sector and when told the prices were lower commented this was a source of irritation to nurseries. Farris responded the state contracted with two nurseries in the past six years to grow stock and

**NATURAL
RESOURCE**
(Continued)

lost money on each tree contracted. Farris said it was the intent to provide reforestation rather than make revenue. Halvorson then asked how costs could be covered and legislative intent met. Farris indicated this was done through volume and noted there were few nursery complaints since the majority did not deal in the same type of stock.

- Hedge asked for a comparison of costs between the private sector and the state and was told the major difference was that the private sector paid property taxes and incurred costs in land acquisition.

- Metcalf queried whether the rules for buying from the state were strictly enforced. Farris replied individuals must sign and certify how the trees would be used and any complaints received against a buyer would be investigated. He noted the trees could only be used for wildlife, reforestation, and erosion control and could not be used for windbreaks, ornamental purposes, or resold with roots attached.

- In response to Weigel, Farris stated revenues were turned back to the general fund.

- Priebe asked if sale of the Ames property was considered. Farris responded it had been considered and the idea rejected because it was not deemed economically feasible, was a major asset as a classroom for ISU, and was a central distribution point.

EPC

Present from the department were Robert Drustrup, James Bulman, David Wornson, Keith Bridson, Jack Riessen, Jeff Fiagle, and Roy D. DeWitt. Others in attendance included Brenda Crouse, Dennis Crouse, Mandi Crouse; Representative Norman Mundie, Richard Heatcote from the Iowa Groundwater Association, and Jon Clancy from ISU-Elkhorn Equipment.

ARC 6579A

No questions concerning subrule 53.7(1).

ARC 6581A

No committee action on Chapters 65, 68, and 121.

ARC 6555A

Wornson stated 17 meetings were held between January and July with extensive public comment received, and it was felt more public comments and additional public hearings were needed. The amendments to Chapters 133 and 135 were filed Emergency since the department was unable to complete the process before the expiration of the 180-day termination rule.

- In response to Metcalf, Wornson noted that in accordance with the statute a corrective action set of rules based upon the ASTM standard was designed. Iowa adopted a three-tier approach to contaminated sites which exceeded the ASTM standard. He provided a brief overview of the approaches and stated these methods reduced costs, reduced the amount of assessment work, and provided a basis for determining what receptors would be impacted.

Crouse stated her family purchased a business within the past three years and because of underground storage tank site contamination could not sell the property. She expressed dismay over the contamination that had been created by previous owners and the subsequent financial burden to her.

- Priebe asked if Crouse was eligible for the insurance fund and was informed she had to meet a \$5,000 deductible. The fund then would pay 80/20 which Crouse estimated could cost her an additional \$20,000 or more. She stated the property was not worth that and she was financially unable to pay such an amount.

Wornson stated there currently were very few sites where the conditions required an expensive cleanup. He pointed out costs incurred in removing tanks was applicable to the \$5,000 copayment. He said some limited monitoring, following the payment of the \$5,000, might be required but the limited monitoring drastically reduced the costs.

- Halvorson then inquired what had to be done for resale by the owner of a contaminated site where actual cleanup had not taken place. Bridson replied the DNR does not actually tell an owner what to do. A groundwater professional was required to assess and classify and make recommendations. DNR then may approve or disapprove those recommendations. Bridson continued that if an assessment had been done, newer standards permitting some

leniency might now apply. Both Bridson and Wornson advocated working with individual owners as each case arose.

EPC (Continued)

•Hedge questioned what cleanup would be required if a county acquired a piece of property due to bankruptcy and that property contained aboveground storage tanks. Wornson responded the rules did not apply to aboveground storage tanks and the DNR at this juncture would likely not require cleanup. He stated the county did not have to take by tax deed, but if it did it became the owner of the contaminated property and would likely remain unproductive.

ARC 6582A

No questions concerning Chapter 214.

EDUCATION

Appearing on behalf of the department were Don Helvick and Ann Molis.

ARC 6551A

No committee action concerning Chapter 17.

ARC 6550A

No questions concerning 36.15(3)“b”(3)“8.”

ARC 6549A

No committee action concerning Chapter 102.

JOB SERVICE

Joe Bervid appeared on behalf of the workforce development department.

ARC 6560A

No questions concerning Chapter 2, 3, and 4.

AG

DEVELOPMENT

ARC 6553A

Steve Ferguson and Shannon Fesenmeyer were present from the department for the following.

•Ferguson reported the changes requested by the USDA to the IADA loan participation program had been incorporated. The net worth requirement would be a maximum of \$200,000 and the maximum debt level would be \$400,000. In response to Metcalf, Ferguson stated the federal government agreed to this and gave a variance.

ECONOMIC

DEVELOPMENT

ARC 6568A

Appearing on behalf of the department were Mary Lawyer, Melanie Johnson, Bob Henningsen, and Lane Palmer. Larry Grubisch was present from DMACC.

No questions concerning Chapters 4, 10, 14, 18 and 19.

ARC 6570A

Lawyer noted amendments to Chapter 5 allowed an extra 1.5 percent supplemental new jobs tax credit for businesses and industries that paid at least the county or regional average wage for new jobs. One written comment expressed concern that paragraph 5.13(4)“c” used a 40-hour workweek which would limit this to full-time jobs and not include part-time jobs. Lawyer stated the weekly wage information obtained from the department of employment services was subsequently divided by 40 to obtain the hourly rate. The extra 1.5 percent was then applicable to full-time wages. Another comment evoked concern this was not weighted based upon population but rather upon a simple average. She stated a review of the records and the implementation of legislation had been prepared to look at the average wages based upon a simple average instead of a weighted average.

•Priebe requested clarification on the inclusion of part-time wages. Lawyer replied that based on an individual’s work schedule the probable gross wages would be computed, divided by 52 weeks, and that number divided by 40 hours.

•Weigel evinced concern that an inaccurate average could occur if a number of rural counties were grouped with a large urban county. Lawyer responded the department felt the legislature wanted the simple average used.

ARC 6572A

•Kibbie questioned the use of Emergency filing and stated amendments to the Iowa jobs training program were not clear, the legislative intent had been overstepped, and a new training program had been created by the department and business interests. Lawyer replied this had been filed Emergency to implement some of the other changes such as the match and funding maximums. She stated no awards had been made for any business network training and none would be made through the Notice period. Lawyer indicated the department believed the authority for community colleges and the department to fund business network training projects came from SF 2351. She noted the department was

allocated a portion of 260F funds and the community colleges were allocated 10 percent of those funds for business network training.

ECON (Continued)

•Palmer expressed his concern, specifically questioned the intent of subrules 7.4(5) and 7.4(6), and asked what empowerment the department had to design these rules. Johnson stated historically it had been standard operating procedure for any portion of remaining funds in the community college 260F account to revert by May 1 for redistribution to area colleges on a first-come first-served basis. She added that either the community colleges or the department had independent authority to implement the business network training. Palmer refuted this and said he believed the intent was to be a cooperative effort. He indicated one community college was not aware of the May 1 fund distribution.

Motion to Object

•Kibbie moved to object to subrules 7.4(5), 7.4(6) and 7.6(3), rule 261—7.23(260F), and that portion of the definition of “Business network” in rule 7.3 that read “...unless the project is sponsored by the department, to serve as the administrative entity that will coordinate the training program.”

•In response to Doderer, Grubisch stated the diversion of the money and the May 1 deadline were in existence as an administrative rule and had been effective. He pointed out that under a formula basis the 260F funds were divided among the community colleges, which then had from July to May to spend that allocation. Demands in rural areas often exceeded the appropriation and the May 1 deadline permitted those portions unspent by community colleges to revert and be used by those in need.

•Metcalf asked and was told by Lawyer the rules would be on the agenda of their September board meeting. Metcalf suggested the department refrain from acting on those portions objected to by Kibbie and return to the ARRC October meeting with a new filing which stated more specifically what the legislative intent was believed to be.

•Kibbie withdrew his motion to object.

Motion to Object Withdrawn

ARC 6576A

Palmer stated changes to tax increment financing permitted use for public facilities, sewer waters, and streets for new housing developments if a portion of the funds was set aside for low- and moderate-income housing. Amendments to Chapter 26 allowed waivers in the amount of the proportion of benefit to low- and moderate-income-families.

•Daggett pointed out rural counties were under the authority of HUD even though urban development was nonexistent there and asked if this could pose a problem. Palmer did not perceive any problem and stated the relevant issue was that HUD provided figures for the entire state for each county that DED worked with.

•Weigel asked if case-by-case flexibility to do this determination was called for by legislation and Palmer presumed it was. In response to Weigel, Royce stated these waivers provided a mechanism which allowed a person's individual circumstances to be reviewed and necessary adjustments made. Royce added this was a waiver created by statute.

ARC 6574A

No committee action concerning Chapter 58.

BANKING DIVISION

ARC 6577A

Mick Gutttau, Steve Moser, and Rod Reed represented the department and present from the Iowa Credit Union League were Julie Andersen, Mike Heller, and Pat Jury.

•In response to Halvorson, Moser said these amendment brought existing rules up-to-date following the 1995 revision of Chapter 524.

•Priebe was assured by Gutttau the rules would not be submitted until after the August 28 public hearing.

•Daggett asked if many mergers were taking place across the state and whether this could be a future problem. Moser stated most major holding companies merged their banks into one charter in the state. He added that the mergers, though creating a loss of numerous bank charters, did not create a loss of points of service for the customer and believed that free enterprise would prevail.

**BANKING
DIVISION**
(Continued)

•Halvorson asked if industrial loan activity had always been permitted within the same building confines as banking. Reed was uncertain but stated that many of the industrial loan companies also had a regulated loan license and basically performed the same functions under different statutes. He added that under the CCC certain business activities were specifically prohibited. Jury stated the Iowa Credit Union League intended to present comments concerning 51 items at the August 28 public hearing.

**MEDICAL
EXAMINERS**

70-day delay
ARC 6358A

Ann Martino was present from the medical examiners board; Ned Chiodo represented the Iowa Academy of Ophthalmology; Virgil Deering, Larry DeCook, Larry Swanger, Wayne Walters, and Gary Ellies appeared on behalf of IOA; and Art Blake from the Tobin Eye Institute was present for the following.

Martino stated the organizations were working toward a compromise on the surgical care amendments. The board voted August 9 to rescind the rules but made no determination considering refiling them.

Chiodo presented a position paper on behalf of the ophthalmologists.

Minutes

•Metcalf moved the minutes be approved. Motion carried.

September
Meeting

The September meeting was scheduled for September 10 and 11, 1996.

Committee
Business

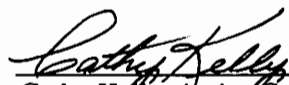
Royce informed the committee Shepherd had clarified the Law Enforcement Academy stance. The recertification issue "is an improvement for everyone." Once certification was received from the academy, it served as evidence of compliance and ultimately decreased paperwork. The remaining issue facing the committee was whether local government could have higher standards.

•Doderer commented information was extremely difficult to obtain in resolving the Iowa City grocery store problem.

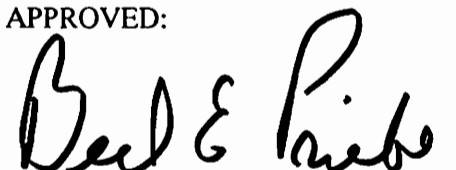
Adjourned

The meeting was adjourned at 12:00 p.m.

Respectfully submitted,


Cathy Kelly, Acting Secretary

APPROVED:


Senator Berl Priebe, Cochair