

**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 Tuesday, July 14, 1998, in Room 118, State Capitol, Des Moines, Iowa, and Wednesday, July 15, 1998, in Hearing Room 1, Lucas State Office Building, Des Moines, Iowa.

**Members present:** Senator H. Kay Hedge, chair, and Representative Christopher Rants, vice chair; Senators Merlin E. Bartz, John P. Kibbie, William Palmer, and Sheldon Rittmer; Representatives Danny Carroll, Minnette Doderer, Janet Metcalf, and Keith Weigel. Representative Metcalf and Senator Palmer were excused Wednesday.

**Also present:** Joseph A. Royce, Legal Counsel; Kathleen K. Bates and Teresa VanderLinden, Administrative Code Office; Jackie Von Ekeren Romp, Administrative Rules Coordinator; caucus staff and other interested persons.

**Convened** •Chair Hedge convened the meeting at 9:31 a.m.

**HUMAN SERVICES DEPARTMENT** Mary Ann Walker, Ruth Schanke, Joe Finnegan, Maya Krogman, Barb Bosch, Krys Lange, Connie Banks, Doug Howard, Cindy Havercamp and Tony Montoya represented the department.

**ARC 8122A** No questions on rehabilitative treatment and supportive services amendments.

**ARC 8097A** Howard explained how the rules relate the \$3.8 million federal funding source for empowerment areas to the continuation of the program.

**Motion to object** •Metcalf voiced the concerns of Representatives Grundberg and Houser and moved an objection to 169.4(1) on the grounds that the department does not have the authority to terminate by rule a program mandated by the legislature.  
•Carroll concurred that the language of the rule is counter to legislative intent.  
Howard responded that the simultaneously published Notice can be adopted to the satisfaction of the committee.

**Motion carried** The motion to object passed.

**ARC 8121A** No questions on amendments concerning demand letters for FIP, RCA and food stamp programs.

**ARC 8067A** Medically needy spenddown control amendments are proposed.  
•Walker told Bartz that the increase from 35 days to 12 months is consistent with the time afforded Medicaid providers.

**ARC 8036A** No questions on individual development account amendments to ch 10.

**ARC 8031A** No questions on amendments to ch 24 accreditation standards.

**ARC 8037A** Amendments to ch 24 expand the pilot project for certification of services for persons with mental retardation and developmental disabilities.  
•The department will look into the situation of Rittmer's constituent who is hearing impaired and requires mental health services.

**ARC 8120A** No questions on FIP grant reductions for noncooperation with child support recovery requirements.

**ARC 8119A** No action on amendments to chs 41, 65, 75, and 95 concerning child support paid to FIP participants and Medicaid coverage for the MAC coverage group.

**ARC 8117A** No questions on 73.4(3)"d"(2), income eligibility guidelines for the emergency food assistance program.

**ARC 8032A** No questions on proposed amendment of 75.1(31), transitional Medicaid.

**ARC 8033A** No questions on proposed payment of home health portion of Medicaid part B premium to HH-SLMB clients, 75.1(37).

**ARC 8116A** Amendments to 77.9 and 78.9 pertain to bonding of home health agencies.  
•Questioning the emergency adoption of the amendments, Bartz asked if the department had considered asking for a federal waiver. Banks responded that federal financial participation is tied to compliance with the regulation, although it appears that significant changes may be forthcoming. The emergency rules allow agencies the maximum time possible in which to obtain the bonds.

**ARC 8040A** No questions on 78.1(2)"f," Medicaid coverage of nonprescription drugs.

**ARC 8114A** No questions on Medicaid provider increases in 79.1(2) and 81.6(16)"e."

**ARC 8039A** The amendment to 81.13(9) provides for electronic transmission of resident assessment information to the state.  
•Carroll was informed that private pay residents are also required to provide the information. Havercamp explained that since 1992 nursing facilities have been required to report resident assessments as part of the licensure process. This amendment provides for electronic transmission of the information.

	<p>•Bartz asked the department to find out if the same licensure requirement applies to facilities that do not accept Medicaid patients.</p>
ARC 8112A	No questions on addition of five counties to the elderly waiver program, 83.22(1)"b."
ARC 8111A	No questions on rescission of 83.61(1)"g"(2) and 83.82(2)"b."
ARC 8068A	No questions on EPSDT lead toxicity screening, 84.3(6)"c."
ARC 8034A	No questions on proposed 93.110(1)"e" allowing PROMISE JOBS payments to nonregistered child care providers while awaiting results of child abuse and criminal records checks.
ARC 8109A	No questions on 93.114(15) and 94.10 which increase the eligibility period for PROMISE JOBS postsecondary educational funding from 24 months to 36 months.
ARC 8095A	No questions on termination of proposed limited benefit plan review process.
ARC 8107A	<p>Ch 98 amendments lower the percentage of income withheld for child support delinquencies from 50 percent of the current support obligation to 20 percent.</p> <p>•Walker clarified for Bartz that, although the state is prohibited from withholding more than 50 percent of the income, an additional 20 percent of the support obligation can be applied toward delinquencies after the current obligation is withheld, as long as the total withheld is less than 50 percent of the total income.</p> <p>•Weigel asked if the withholding for delinquencies is always 20 percent or if the percent can be adjusted according to the individual's capacity to pay. Finnegan explained that individuals can apply for less than 20 percent to be withheld under hardship criteria, and the department will be reviewing all cases in the next two years to ensure that the child support order is the proper amount.</p> <p>•Finnegan responded to Doderer that the child support amount is ordered by the court or administratively set by the department under guidelines issued by the court.</p> <p>•Bartz asked for clarification of the department's role in reviewing and adjusting child support collections. Finnegan responded that the federal government requires the department to review every case within their caseload at least every three years. Changes in income may result in changes in support based on the court-issued guidelines.</p> <p>•Hedge was informed that the 50 percent maximum referred to net income rather than gross income.</p>
ARC 8035A	No questions on proposed 110.12 and 110.35 regarding license sanctions for child support noncompliance.
ARC 8105A	No action on day care policy amendments to chs 109 and 110.
ARC 8103A	<p>Amendments to ch 130 increase financial eligibility for child day care services.</p> <p>•Hedge clarified that in addition to the guidelines, the federal poverty level also increases annually.</p>
ARC 8101A	No questions on service reimbursement rate increases in ch 150.
ARC 8099A	<p>Foster care, group care and subsidized adoption rates are increased by amendments to 156.6(1) and 202.17.</p> <p>•Doderer was informed by Walker that a combination of state and federal moneys subsidizes adoptions. The department will check on the Johnson County foster family's attempt to obtain a subsidized adoption of the child.</p>
ARC 8069A	No questions on priority levels for child day care services, 170.2(3).
ARC 8041A	No questions on required child abuse and criminal record checks for nonregistered child day care home providers receiving public funds, 170.4(3)"h."
ARC 8042A	No questions on amendments to ch 182 concerning family-centered nonrehabilitative treatment services.
Special review	<p>Montoya explained the department's definition of "harm" in determining child abuse.</p> <p>•Palmer voiced concern that individual caseworkers' interpretation of "harm" may result in people being placed on the child abuse registry unjustly.</p> <p>•Bartz suggested that the inclusion of this language might afford the department greater discretion on a case-by-case basis to determine the intent of the action or the potential for injury to have resulted from the action. Conversely, the caseworker's philosophy on corporal punishment might color the assessment.</p> <p>Montoya stated that House File 698 and Senate File 230 asked the department to review cases involving lack of supervision or denial of critical care and physical injury to assess the seriousness of the incident. Thirty-seven percent of those retroactively reviewed have been removed from the registry. Considerations included age, medical condition, mental and physical maturity, and functioning level of the child; location and size of the injury; force used to inflict the injury; and the potential for greater harm.</p>

Walker outlined the appeal process and observed that the attorney general's office and administrative law judges of the department of inspections and appeals do not favor the department's caseworker.

Motion to object and refer

Palmer moved an objection to 175.21 and referral of the matter to the legislature.

Motion carried

The motion to object and refer the matter to the general assembly passed.

**PUBLIC HEALTH DEPARTMENT** Mike Marshall represented the department.

ARC 8060A

No action on proposed new ch 87, Healthy Families Iowa (HFI).

•Hedge observed that there appears to be a duplication of services between the department of public health and the department of human services.

•Carroll confirmed that observation and stated that the result is not only inefficiency, but also confusion on the part of those who are supposed to benefit from the programs.

ARC 8059A

Proposed ch 111 pertains to financial assistance to eligible end-stage renal disease patients.

•Bartz asked about the number of qualified individuals in light of the exempt financial resources, which include both homestead and commercial or farm property. The rules do not take into consideration the value of the homestead and other property or provide for recoupment by the department.

•Weigel questioned the department's authority to place income considerations into the rules. Marshall stated that the program has operated with similar considerations in the past.

•Kibbie asked the department to provide background information on the enabling legislation and the previous language of the rules in responding to the questions raised.

Marshall indicated that the rules have already been adopted; however, the department will respond to the committee's concerns through Royce.

ARC 8061A

No questions on 132.2(4) which allows first responders to apply cervical collars.

**PROFESSIONAL LICENSURE DIVISION** Marge Bledsoe represented the division.

ARC 8053A

No questions on amendments to chs 20, 21 and 29 concerning barbers.

ARC 8051A

No questions on amendments to chs 200 and 202 regarding physical therapists.

ARC 8054A

No action on amendments to ch 201 for occupational therapists.

•Metcalf observed a reduction in fees. Bledsoe replied that there is an attempt to standardize fees among the various boards. The cost of processing an application was determined to be \$100; therefore, fees are being adjusted to reflect that cost.

•Bledsoe responded to Bartz that the boards with large monetary excesses were not the boards of the professional licensure division, but were the commerce department's professional boards and possibly also the larger nursing board and pharmacy board.

ARC 8052A

No question on amendments to ch 260 concerning respiratory care.

**PUBLIC SAFETY DEPARTMENT** Mike Coveyou and Jen Worthington represented the department.

ARC 8055A

Fire safety for small group homes is proposed in 5.620.

•Metcalf asked if these standards apply to the Alzheimer's homes that were a concern in Windsor Heights. Worthington responded affirmatively and pointed out that by statute they are covered by the same fire safety standards.

•Doderer was informed that inspections are conducted annually.

•Coveyou clarified for Weigel that the existing rule was developed for small group homes for the mentally retarded. Iowa Code chapter 135C requires that fire safety standards for small group homes for all forms of mental illness be no more restrictive than those for the mentally retarded. Coveyou added that the small group homes now included in the rules had been held to the same standard by statute.

**INSURANCE DIVISION** Anuradha Vaitheswaren represented the division.

ARC 8070A

Proposed 50.35 permits advertising on the Internet by broker-dealers, investment advisors, broker-dealer agents and investment advisor representatives.

ARC 8075A

No questions on licensing of service contract companies, 54.20.

**RACING AND GAMING COMMISSION** Jack Ketterer and Jeff Farrell represented the commission.

Other interested parties included Steve Roberts, Bill Wimmer, Art Hill, Jeff Terp, Bruce Wentworth, William Hutchins, Carlos Jayne, Paul Stanfield, Robert Miller, Raymond Lasell, and Mark Joyce.

ARC 8071A

Ketterer summarized the July 7 public hearing and distributed a transcript of the hearing. Comments received related to three categories: the limit on the number of licensees; the limit on the number of gaming machines or tables; and the prohibition of ATM and credit card cash advance machines in racetrack enclosures and on riverboats.

Several interested parties offered comments. Roberts, on behalf of the Gaming Association of Iowa, claimed that the commission has usurped legislative powers and violated legislative intent and is setting a dangerous precedent. Wimmer, also on behalf of the Gaming Association of Iowa, related the legislative history of gaming in Iowa, which has aided tourism and economic development and has had the support of the populace. Hill, representing Harvey's Casino in Council Bluffs, differentiated between laws enacted by elected lawmakers and rules and stressed that ATMs should be located for the convenience of customers. Terp, on behalf of the Gaming Association of Iowa, discussed the legislative intent of promoting the gaming industry and tourism and the competitive disadvantage that these rules would place on border operations. Terp countered claims that compulsive behaviors and bankruptcy are related to gaming and ATMs. Wentworth, on behalf of the Gaming Association of Iowa, opposed limiting the number of authorized games. Hutchins, on behalf of the Gaming Association of Iowa, focused on the bipartisan effort regarding separation of powers and commended the administrative rules process. Jayne, of the Iowa United Methodist Church, voiced support for the proposed rules and a desire that they be incorporated into law and emphasized the number of Iowans who want restrictions on the gambling industry. Stanfield, referencing the statutory prohibition, spoke in opposition to the use of credit cards in casinos. Miller, on behalf of the Truth About Gambling Foundation, distributed a report by Professor John Kindt to the National Gambling Impact Study Commission and summarized the ill effects of gambling and costs associated with pathological and problem gambling. Lasell, a recovering gambling addict, supported the rules of the commission, referenced two studies about gambling in Iowa and, noting the correlation between gambling and suicide and destruction of families, characterized this as a life and death issue. Joyce, a lobbyist for the Iowa Riverboat Association, reasserted that the issue belongs in the legislature, not in the rules.

- Rants, although opposed to the expansion of gambling, stated that the issue is not the pros and cons of gambling; it pertains to the balance of power between the executive branch and the legislative branch and, in this instance, the commission has exceeded its authority.

- After inquiry into the specifics of how credit card machines operate in casinos, Bartz suggested that use of the machines may be a practice prohibited by law. Bartz requested that any motion made be divided according to the specific issue involved.

- Kibbie expressed the view that this debate should be conducted in the state government committee of each house of the legislature.

- Rittmer echoed the opinion that the matter belongs within the jurisdiction of the legislature.

- Metcalf stressed the importance of the role of the committee and stated that she would support a motion that preserves legislative intent.

- Carroll observed that use of the credit card machines appears to be a loophole that sidesteps the intent of the law. In response to Carroll's inquiry as to the timing of the rules with respect to the veto, Romp responded that the governor's veto preceded the drafting of the rules and there was no discussion between the governor's office and the commission.

- Hedge was advised that ATM machines in racetrack enclosures do not accept deposits.

#### Motion to object

Rants moved an objection to the rules on the grounds that they are beyond the authority of the agency.

- Bartz, suggesting that the commission may have jurisdiction on the credit card issue, requested a separate motion on each item.

- Weigel cautioned the committee against objecting to a Notice of Intended Action. If the committee follows regular administrative procedure, they can take an action when the commission appears with an adopted rule. The commission has heard the committee concerns; they need to be given an opportunity to take those concerns into consideration.

- Rants stated that the seriousness of the issue merits an official objection.

- Metcalf and Doderer agreed with Weigel that it would be appropriate to wait until an adopted rule is brought before the committee before taking an official action.

- Palmer surmised that the committee has already sent a clear signal to the commission.

#### Motion withdrawn

Rants withdrew the motion to object.

#### Motion to send letter

Kibbie made a motion that Royce send a letter to the commission asking them to withdraw the rule making.

#### Motion failed

Following discussion, the motion did not pass.

- Palmer suggested that Royce send a letter to the commission stating that there

appears to be strong opposition to the rules in their present form. Royce offered to draft a letter for the committee's consideration.

ARC 8072A No questions on the amendments to chs 5, 13, 21, 24, and 25.

**INSPECTIONS AND APPEALS DEPARTMENT** Nancy Ruzicka, Rebecca Walsh, and Larry Bryant represented the department.

ARC 8043A No questions on proposed ch 11 concerning professional licensure investigations and hearings with the department of public health.

ARC 8044A No action on construction in hospitals, 51.50 and 51.51.

•Kibbie was advised that the standards apply to extended care facilities connected to hospitals if they are under the hospital's license. However, medical offices that do not provide in-patient services and are separated from the hospital by a two-hour firewall are required to meet only business occupancy standards.

**AGRICULTURE AND LAND STEWARDSHIP DEPARTMENT** Ron Rowland, Robert Cox and Walter Felker represented the department.

ARC 8129A No questions on prohibition of movement of infested bees, 22.10.

ARC 8045A No questions on proposed chs 41 and 42 concerning commercial feed and pet food.

ARC 8092A Proposed amendments to ch 64 implement Senate File 2371.

•Kibbie inquired about transportation of pseudorabies-positive pigs and was informed that pigs that have not been sold can be transported to another premises.

**PERSONNEL DEPARTMENT** Greg Cusack represented the department.

ARC 8127A Amendments to ch 21 pertain to IPERS.

•Doderer suggested the state should contribute to a 401K plan. Cusack responded that, as a governmental unit, the state cannot offer a 401K plan, but a report will be made by January on a 457 plan.

**ETHICS AND CAMPAIGN DISCLOSURE BOARD, IOWA** Kay Williams, Marie Thayer, Mike Forrest, and Charlie Smithson represented the board.

ARC 8050A No questions on proposed campaign disclosure provisions.

ARC 8046A Williams stated that the amendments to ch 4 regarding use of public funds for political purposes are being revised in response to comments.

•Williams responded to Rittmer that by statute sheriffs' uniforms are allowed to be worn, and it is the position of the board that pictures of candidates in other uniforms may be acceptable in campaign literature.

•Kibbie expressed the view that the end of a campaign cycle is a better time to make changes than during a political campaign and that public facilities should be open to all public uses, including political meetings. Williams stated that these rules address use of public facilities in that, if the facility is open to the public, it is open to political committees; the policy of the facility has to be the same for all groups.

•Doderer suggested that the rules create additional problems by giving opponents something to single out as a violation.

•Bartz offered examples, such as a current officeholder's stationery and business cards, local phone calls and faxes, that are not clearly defined in the rules and pointed out the difficulty in differentiating between what is attributable to an incumbent as an officeholder and as a candidate.

•Williams informed Rittmer that the requirement for hard copy of the cover page to be submitted with an electronic report is a temporary measure to ensure accuracy.

**ENVIRONMENTAL PROTECTION COMMISSION** Catharine Fitzsimmons represented the commission.

ARC 8085A Amendments to chs 20, 22 and 23 pertain to MACT determinations for hazardous air pollutants.

•After determining that EPA made the request last year for rules to be in place by June 29, 1998, Rants inquired about the reason for emergency rules. Fitzsimmons explained that, while the commission has been working with industry sources and EPA, EPA is required to issue MACT regulations by the year 2001; and industry sources will need to comply with those regulations. EPA has issued a ruling that the sources are required to establish MACT determinations, so the state did initiate rulemaking.

ARC 8087A No questions on reestablishment of compliance dates for operating permit program and voluntary operating program and adoption by reference of acid rain exemptions issued by EPA.

ARC 8086A Proposed 28.1 pertains to national ambient air quality standards.

•Fitzsimmons informed Bartz that the commission adopted the national standards for PM<sub>10</sub>, PM<sub>2.5</sub> and ozone and that the state currently has no nonattainment areas for the new standards. Fitzsimmons further clarified that the standards impose no restrictions on emission sources, as the sources are not subject to the national

Special review

ambient air quality standards; the state, however, is subject to the standards. The state is required to prohibit sources from installing equipment that violates the standards because the state will be in violation of the law if a source exceeds the emission standards. In response to the inquiry from Bartz, Fitzsimmons reported that 31 states are adopting rules, but all states must comply with the standards. Bartz suggested adopting by reference the PM<sub>10</sub> standard, but not the PM<sub>2.5</sub> standard. Fitzsimmons agreed that the standards can be separated.

At its May meeting the committee imposed a 70-day delay on 49.9. Since then the department has met with the industry and the consensus is to require that pipe meet the ASTM standard as an assurance of quality. The department has suggested that Shawver provide documentation of the quality of the pipe and request a variance from the rules. The department will consider issuing a variance at the state level.

Motion to refer

Weigel moved a general referral of the issue to the legislature.

Motion carried

The motion to refer carried.

**NATURAL RESOURCE COMMISSION** Steve Dermand, Mike Carrier, Arnie Sohn, and Jim Zohrer represented the commission.

ARC 8133A

No questions on use of crossbows for deer and turkey hunting, 15.5(1).

ARC 8079A

No questions on termination of the notice on 15.8(3)"h," pertaining to hunter education instructor applicant apprenticeship.

ARC 8083A

Proposed ch 29 establishes the local recreation infrastructure grants program. The department intends to follow up with an emergency adoption so that all grants may be awarded by October.

- Carrier reported to Bartz that the adopted rules will specify that the projects must meet the definition of vertical infrastructure according to Iowa Code section 8.57. Lake dredging, for example, will not qualify; land acquisition for the purpose of constructing vertical infrastructure will qualify.

- Carroll asked for other examples of eligible projects. Local recreation centers, renovation of picnic shelters, public restrooms in county parks were offered as examples.

- Bartz was informed that this fund does not give emphasis to historic structures.

- Carrier responded to Weigel that the department anticipates a minimum of 25 projects.

- Hedge pointed out a concern of builders about the allowance of soft match. Carrier expressed sympathy for small communities that may need to rely on donated materials and labor to meet the 2:1 match requirement.

ARC 8130A

No questions on proposed 30.14 concerning the pilot program for state and local cooperative lake rehabilitation.

ARC 8132A

No questions on 38.6"11," regarding registration of used vessels.

ARC 8078A

No action on use of nontoxic shot on wildlife areas, 51.9.

ARC 8077A

No questions on wildlife refuges, 52.1.

ARC 8131A

No action on proposed amendments to ch 53 pertaining to waterfowl hunting.

ARC 8081A

Proposed amendments to ch 61 pertain to state parks and recreation areas.

- Sohn set forth for Kibbie the usual practice regarding inspection of facilities prior to refund of the damage deposit.

ARC 8082A

No questions on correction of rental rate for the shelter at Pleasant Creek recreation area, 61.3(3).

ARC 8080A

No questions on amendments to ch 78 concerning harvest and sale of ginseng.

ARC 8076A

No questions on 92.3(11) regarding the taking of snow geese.

ARC 8091A

No action on amendments to ch 99 concerning wild turkey hunting.

ARC 8090A

No questions on hunting of game birds by falconers, 102.2(3).

ARC 8089A

No action on deer population management areas, ch 105.

ARC 8088A

No action on amendments to ch 106 regarding deer hunting.

**TRANSPORTATION DEPARTMENT** Harry Budd, Margaret Roetman, Daniel Ohman, Dick Hendrickson and Dave Titcomb represented the department.

ARC 8128A

Budd and Roetman presented the Iowa scenic byway program, ch 132.

- Rittmer inquired about the costs of route designation. Budd explained that designation and signing cost approximately \$30,000 per 40- to 50-mile-long route. Each route is evaluated in both directions in spring and fall.

- Budd told Rants that the legislature did not appropriate money for the program although a pilot project for four routes was directed in 1987, and last year a legislative resolution directed signing a route from Montour to Amana.

- Budd indicated to Kibbie that the funds are not for road improvement and routes might involve county, city and state roads.



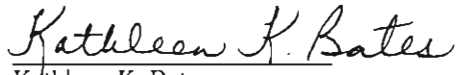
- Special review Bartz requested review of standards for graduated driver's license. The Iowa highway patrol and the department of transportation are interpreting the legislation differently. The DOT interpretation considers moving violations and accidents as disqualifying the driver, whereas the highway patrol views any violation as a disqualification.
- Bartz asked about possession of alcohol, which the highway patrol would view as sanctionable. Hendrickson agreed that there is some ambiguity because the statute includes both the terms "conviction-free" and "convicted of a moving traffic violation." Titcomb added that the court may order a license revocation for a second conviction of possession of alcohol by a minor.
- Special review Bartz requested a review of the department's land use policy for highway and bridge construction. The question was raised by parties in the Missouri Valley part of the state concerning the Loess Hills and 270,000 cubic yards of earth being used by the department for the building of an overpass for the Union Pacific Railroad. This year the legislature passed a Loess Hills resolution to initiate land preservation measures. Ohman responded that this project, which has been underway for quite a few years, is administered by the city with review by the DOT. In this instance, a private property owner is selling the material which is suitable for the project. The Harrison County Board contacted the DOT, indicating that they would like the area restored to vegetation, and the contractor is restoring the area with seeding and other erosion control measures. Ohman outlined the usual site selection process for obtaining soil for such projects. In this instance, DOT found no reason to object to the selection.
- PETROLEUM UNDERGROUND STORAGE TANK FUND BOARD, IOWA COMPREHENSIVE**
- Pat Rounds represented the board.
- ARC 8062A No action on the proposed amendment to 11.1(5)"e," opening the innocent landowners fund for additional applications to be considered on a priority basis.
- EDUCATION DEPARTMENT** Terry Voy and Ann Molis represented the department.
- ARC 8073A Proposed ch 44 pertains to school buses.
- Kibbie was informed that nationally about 10 to 12 fatalities occur on school buses each year and seat belts are not required.
  - Voy indicated to Hedge that some federal standards for body and chassis construction are adopted; other standards are unique to Iowa. Carroll, Doderer, and Kibbie agreed that the requirements seem to be excessively specific.
  - Voy explained to Bartz the rationale for not requiring flashing red lights at the rear of the bus and agreed to check federal motor vehicle safety standards for the legality of such a requirement.
  - In response to Weigel, Voy stated that there is no age limit on vehicles, and every vehicle must be inspected twice annually.
- Special review Carroll requested a review of availability of student records under FERPA. Molis reported that schools are very cautious about what they release. Federal law does permit limited disclosure, and anything can be released with parental consent. If the student is within the juvenile justice system, however, information can be shared.
- Motion to refer Kibbie moved a general referral of the issue of school disclosure of information to the legislature.
- Royce observed that schools need to be less reluctant to involve juvenile justice authorities for nonprosecutorial purposes.
- Motion carried The motion to refer the matter to the legislature carried.
- REVENUE AND FINANCE DEPARTMENT** Carl Castelda represented the department.
- ARC 8124A No action on proposed amendments to 17.1 regarding additional examples of educational, religious and charitable sales tax exemptions.
- ARC 8058A No action on 26.45 concerning taxation of pest eradication service.
- ARC 8057A Individual income tax rules are amended in chs 39, 40, 41, 43, and 46.
- Rittmer inquired about taxation of residents who work out of state and out-of-state residents who work in Iowa. Castelda explained that Iowa has a reciprocal agreement with Illinois whereby tax is paid to the state of residency. If an Iowa resident is required to pay tax in another state, a credit is given on the Iowa return.
- ARC 8056A Proposed 42.3 pertains to nonresident and part-year resident credit.
- ARC 8125A No action on corporate and franchise income tax amendments to chs 52, 53, 55, 59 and 60.

JULY 14 AND 15, 1998

**COMMITTEE BUSINESS**

Minutes	Bartz moved approval of the minutes. The motion passed.
August meeting	The next meeting was set for Tuesday, August 11 and Wednesday, August 12.
Letter	Royce's draft of a letter to the racing and gaming commission was approved.
Adjourn	The meeting was adjourned at 12:28 p.m.

Respectfully submitted,

  
Kathleen K. Bates

APPROVED:

  
Chair H. Kay Hedge

  
Vice chair Christopher Rants