



Fiscal Services Division

ADMINISTRATIVE RULES – FISCAL IMPACT SUMMARIES

December 11, 2012

Iowa Code section 17A.4(4) Iowa Code requires the Legislative Services Agency (LSA) to analyze the fiscal impact of all administrative rules with an impact of \$100,000 or more and provide a summary of the impact to the Administrative Rules Review Committee (ARRC). Fiscal Impact Statements filed by State agencies can be found on our website at http://staffweb.legis.state.ia.us/lfb/docs/Admin_Rules/arfiscal_notes.htm

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***Agencies with a blue border have one or more rules with a significant fiscal impact.**

Utilities Division

ARC 0455C

Rule Summary Establishes the Iowa Utility Board's jurisdiction over electric pole attachments. Under the new rules, the Board, rather than the Federal Communications Commission (FCC), will resolve pole attachment issues. This is expected to be faster, more efficient, and less costly. Safety requirements associated with pole attachments will not change, so utilities will not be affected in terms of how they operate. A second change corrects a reference to a section of the Iowa Administrative Code.

Fiscal Impact No fiscal impact.

STAFF CONTACT: Dwayne Ferguson (Ext. 16561)

Dental Board

ARC 0465C

Rule Summary Establishes a process for a dental assistant trainee that does not become a registered dental assistant within 12 months of the first date of employment as a dental assistant to reapply for dental assistant trainee status. Clarifies that an out-of-state dental assistant applying for an Iowa dental assistant registration must have at least six months of prior dental assisting experience under a licensed dentist within the past two years. Requires a dental assistant trainee to have a certification of dental assistant trainee status issued prior to beginning work as a dental assistant trainee.

Fiscal Impact No fiscal impact.

ARC 0471C

Rule Summary Allows dental hygiene services to be provided in more settings by expanding the definition of public health settings to include programs affiliated with the Early Childhood Iowa initiative and day care centers, excluding home-based day care centers.

Fiscal Impact No fiscal impact.

ARC 0472C

Rule Summary Removes term limits for membership on the Iowa Practitioner Review Committee. Articulates that membership terms begin on May 1 and end on April 30. Requires an annual election of a chair and vice chair with terms that begin on May 1 and clarifies that participation in the program occurs through either a practitioner self-reporting or a referral from the Iowa Dental Board.

Fiscal Impact No fiscal impact.

ARC 0473C

Rule Summary Corrects a cross-reference in the rules applicable to dental hygiene licensure by credentials and streamlines the initial registration process for dental assistants applying for registration within three months of the next renewal due date. Dental assistant applicants applying close to a renewal cycle will pay the application fee and the renewal fee at the same time. Their registration will be issued for a period of 24 months plus the amount of time remaining until the next renewal due date. This change will eliminate the need for applicants to submit two separate applications and fees within one three-month period. Similar rule amendments were adopted for the initial licensure and renewal for dentists and dental hygienists. The proposed amendments extend the same simplified process to dental assistant applicants.

Fiscal Impact No fiscal impact. Minimal fiscal impact to the Board of Dentistry.

STAFF CONTACT: Aaron Todd (Ext. 16764)

Economic Development Authority

ARC 0441C

Rule Summary Updates the Iowa Economic Development Authority's organization to conform to 2011 Iowa Acts chapter 118 (Economic Development Agencies and Programs Act), including changes to the mission of the agency, the composition and meetings of the board, and structure.

Fiscal Impact No fiscal impact.

ARC 0440C

Rule Summary Updates rules for Regional Sports Authority Districts to conform to changes made in SF 2212 (Economic Development—Miscellaneous Changes Act). Updates include revised, expanded, and competitive application procedures, revised certification procedures, clarifications to contract requirements, and additional clarifications regarding the reimbursement of expenses.

Fiscal Impact No fiscal impact.

ARC 0442C

- Rule Summary** Adopts the following amendments:
- Updates existing rules to reflect the repeal of the Grow Iowa Values Fund and Financial Assistance Program effective June 30, 2012.
 - Implements new program features and requirements for the High Quality Jobs Programs (HQJP), including project completion assistance, as well as conforming changes to existing rules regarding standard application review, wage and benefits requirements, and contracting procedures to conform with HF 2473 (Economic Development Programs and Funding Act).
 - Makes additional clarifications, technical changes, and conforming changes to support the more efficient administration of the Authority's programs.
- Since the Notice of Intended Action was filed, changes have been made to ensure that the Department of Revenue issues certain sales tax refunds.

Fiscal Impact No fiscal impact.

ARC 0447C

Rule Summary Amends the definition of “business” in the Targeted Jobs Withholding Tax Credit Program to 2012 Iowa Acts chapter 1018 (SF 2212 Economic Development—Miscellaneous Changes Act). Also makes technical changes.

Fiscal Impact No fiscal impact.

STAFF CONTACT: Kenneth Ohms (Ext. 52200)

Educational Examiners Board**ARC 0445C**

Rule Summary Incorporates the Iowa Department of Education's new assessment and minimum score requirements set by the Department for Iowa licensure candidates. Requires the new assessment requirements for out of state applicants and foreign applicants.

Fiscal Impact No State fiscal impact.

ARC 0446C

Rule Summary Incorporates the highly qualified teacher (HQT) language into the elementary classroom endorsement. Applicants from non-Iowa institutions that have completed the requirements for this endorsement must verify their HQT status. The board is required to determine the test and the minimum passing score for HQT status.

Fiscal Impact No State fiscal impact.

ARC 0448C

Rule Summary Creates a ninth grade math endorsement. This change authorizes middle school teachers to give ninth grade math credit to middle school students. This rule is in response to school districts moving algebra into the middle school.

Fiscal Impact No State fiscal impact.

ARC 0449C

Rule Summary Defines requirements to obtain a basic science (grade 5-12) endorsement. Removes an endorsement for a physical science (grade 5-12) option that has been incorporated in other endorsement areas. Removes an all science (grade 5-8) endorsement rule. Clarifies the requirements for an all science (grade 9-12) endorsement. Decreases the total number of credit hours in science needed for an all science endorsement from 48 to 36.

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Fiscal Impact No State fiscal impact.

ARC 0450C

Rule Summary Changes terminology from mental disabilities to intellectual disabilities.

Fiscal Impact No State fiscal impact.

ARC 0444C

Rule Summary Allows out of state applicants seeking an administrator license in Iowa to obtain a Class A administrator exchange license valid for one year if certain conditions are met. Also address an existing inconsistency between an administrator exchange license and Class A license for administrators.

Fiscal Impact No State fiscal impact.

ARC 0451C

Rule Summary Changes language from “will” to “may” to clarify when an administrator license extension can be given. Eliminates a sunset date that is no longer needed.

Fiscal Impact No State fiscal impact.

ARC 0443C

Rule Summary Creates a preliminary native language teaching authorization for noneducators to teach the applicant’s native language as a foreign language in grades K-6 or 7-12. The language in the amendments mirrors the career and technical license language and creates a pathway for native speakers to teach.

Fiscal Impact No State fiscal impact.

STAFF CONTACT: John Parker (Ext. 52249)

Education Department

ARC 0475C

Rule Summary Establishes the framework and mission of the Iowa Reading Research Center. The establishment of the Center is in response to sections 31 and 32 of Senate File 2284 (Education Reform Act) enacted during the 2012 Session. The purpose of the Center is to apply current research on literacy to provide for the development of the following:

- Instructional strategies for prekindergarten through the 12th grade to achieve literacy proficiency that includes reading, reading comprehension, and writing for all students.
- Strategies for identifying and providing evidence-based interventions for students, beginning in kindergarten, at risk of not achieving literacy proficiency.
- Models for effective school and community partnerships to improve student literacy.
- Reading assessments.
- Professional development strategies and material to support teacher effectiveness in student literacy development.
- Data reports on attendance center, school district, and statewide progress toward literacy proficiency.
- The Center will establish program criteria and guidelines for implementation of an intensive summer literacy program by school districts.

Fiscal Impact The Department received a \$2.0 million appropriation in HF 2465 (Standings Appropriation Act) to establish the Center.

ARC 0476C

Rule Summary Requires students entering a Practitioner and Administrator Preparation Program to take a pre-professional skills test. Upon completion of such programs, students must achieve above the 25th percentile nationally on an assessment that measures pedagogy and knowledge of at least one subject area. The changes are in response to section 39 of Senate File 2284 (Education Reform Act) enacted during the 2012 session. An effective date of January 2, 2013, has been added to the rule since publication under Notice.

Fiscal Impact No State fiscal impact.

STAFF CONTACT: John Parker (Ext. 52249)

Professional Licensure Division

ARC 0462C

Rule Summary Changes the number of physician assistants that can be supervised by a physician from two to five pursuant to SF 2185 (Supervision of Physicians Assistants Act) from the 2012 Legislative Session.

Fiscal Impact No fiscal impact.

STAFF CONTACT: Aaron Todd (Ext. 16764)

Public Health Department

ARC 0453C

Rule Summary Articulates the process that the Iowa Plumbing and Mechanical Systems Board will follow when receiving and responding to a petition for rule making.

Fiscal Impact No fiscal impact.

ARC 0454C

Rule Summary Articulates the process that the Iowa Plumbing and Mechanical Systems Board will follow when a petition for declaratory order is received by the Board.

Fiscal Impact No fiscal impact.

ARC 0456C

Rule Summary Articulates the procedures that the Iowa Plumbing and Mechanical Systems Board will follow when a petition for rulemaking is received by the Board.

Fiscal Impact No fiscal impact.

ARC 0457C

Rule Summary Articulates the procedures that the Iowa Plumbing and Mechanical Systems Board will follow when a request for access to open records is received, how to handle confidential records, and implementation of the Fair Information Practices Act

Fiscal Impact No fiscal impact.

ARC 0458C

Rule Summary Articulates the procedures that the Iowa Plumbing and Mechanical Systems Board will follow when denying the issuance or renewal of a license upon the receipt of a certificate of noncompliance from the Department of Human Services, Department of Revenue, or the College Student Aid Commission.

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Fiscal Impact No fiscal impact.

Rule Summary Articulates how the Division of Acute Disease Prevention and Emergency Response Center for Disaster Operations and Response, establishes, registers, and approves public health response teams to supplement and support disrupted or overburdened local medical and public health personnel, hospitals, and resources in the event of a disaster or threatened disaster or other incident as defined in Iowa Code section 135.143. Removes specific team language and replaces with language that relates to all Public Health Response Teams.

ARC 0474C

Fiscal Impact No fiscal impact.

STAFF CONTACT: Aaron Todd (Ext. 16764)

Revenue Department

Rule Summary Sets an interest rate of 5.0% per annum (0.4% per month) for unpaid taxes and refunds owed for the 2013 calendar year.

ARC 0452C

Fiscal Impact No fiscal impact.

Rule Summary Exempts the value added to residential property by any new construction or refitted installation of a geothermal heating or cooling system from property tax if the geothermal heating or cooling system is constructed or installed on the residential property on or after July 1, 2012. This rule change was originally filed as ARC 0380C. The only change is the word “should” has been changed to “shall” in two examples.

ARC 0467C

Fiscal Impact Implements the statutory changes in HF 2342 (Geothermal, Solar, and Other Tax Changes Act) related to geothermal heating and cooling. The property tax exemption created in the Act is projected to reduce property taxes owed by the affected taxpayers by \$100,000 in FY 2015, and the reduction will grow in annual increments of approximately \$300,000 through FY 2020. State General Fund appropriations will replace approximately 15.1% of the property tax reduction through the school aid formula.

Rule Summary Exempts and defines snow blowers, rear- or front-mounted blades, and rotary cutters from sales tax if they are used in agricultural production and are to be attached to or towed by a self-propelled implement of husbandry. This rule clarifies that certain items are exempt only if they are directly and primarily used in agricultural production, dairy and livestock production, or flowering, ornamental, or vegetable plant production. These changes implement HF 2470 (Agricultural Equipment Sales Tax Exemption) that was enacted during the 2012 legislative session. This rule was originally filed as ARC 0379C.

ARC 0466C

Fiscal Impact The statutory changes being implemented by these rule changes will reduce State sales tax by \$810,000 in FY 2013, with reductions in General Fund revenue totaling \$670,000, the SAVE Fund revenue totaling \$130,000, and LOST revenue of \$120,000. The reduction amounts will increase slightly in future fiscal years.

ARC 0468C

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Rule Summary Adds a requirement that before a city can create a Local Option Sales Tax (LOST) urban renewal area by ordinance, the board of supervisors from which county LOST revenues will be diverted must first approve the city's collection and use of county LOST revenues. This rule change implements HF 2460 (Tax Increment Financing) passed during the 2012 legislative session. These rules are the same as those filed as the ARC 0378C notice of intended action.

Fiscal Impact No fiscal impact.

STAFF CONTACT: Dwayne Ferguson (Ext. 16561)

Soil Conservation Division

ARC 0477C

Rule Summary Establishes an incentive of up to \$25 per acre for planting cover crops. Removes two rules adopted for 2012 to address drought concerns. The first rule allowed haying and grazing during calendar year 2012 without loss of the summer construction incentive. The second rule extended the deadline for summer construction projects from October 15th to December 31st.

Fiscal Impact No fiscal impact.

STAFF CONTACT: Adam Broich (Ext. 18223)

Administrative Services Department

ARC 0460C

Rule Summary Changes the merit system definition of "confidential employee" by adding an employee in a confidential relationship with a director, chief deputy administrative officer, division administrator, or similar position and is a part of that administrator's management or legal team. A confidential relationship exists when the employee has a duty to the administrator not to disclose information. This rule was originally published on September 5, 2012 as ARC 0327. No changes were made to the content of this rule. DAS commented that "Several public comments were received. Several of the comments indicated that some believed the rule is too broad and could be interpreted to include a large number of employees."

Fiscal Impact No fiscal impact.

STAFF CONTACT: Dwayne Ferguson (Ext. 16561)

ARC 0464C

Rule Summary Implements legislation from Act, HF 675 (Mechanics Liens Act) and HF 2465 (Standings Appropriations Act), related to the administration of a residential real estate mechanics' notice and lien registry within the Office of the Secretary of State (SOS). Changes have been made to the rules since they were first noticed. Those changes include, in part:

- Added language to clarify the definitions; parties that must post a notice; the content and format of the owner notice; the demands for acknowledgement of satisfaction of claim, and the demand to commence action to enforce the lien; and the correction statement.
- Fee structure has been modified.
- Deleted language on the removal of records from the registry.

Fiscal Impact The LSA estimates that the SOS will collect approximately \$85,000 in lien fee revenue for FY 2013 and expend approximately \$138,000 for 1.4 FTE positions. The

legislation did not provide funding for the expenses in excess of the revenue collected. For FY 2014, it is estimated that revenues will equal the estimated expenditure of \$162,000 for 1.9 FTE positions. The revenue collected will be used to fund the creation and operation of the Registry including hardware, software, and information technology support. The expenses will be paid for with the fee revenue and other General Fund support available to the SOS. The above estimate is still applicable after the proposed changes.

STAFF CONTACT: Ron Robinson (Ext. 16256)

Accountancy Examining Board

ARC 0459C

Rule Summary Allows CPA and LPA licensees to choose either the current December 31 ending date or a June 30 ending date for their 3-year continuing education cycle. The choice is made upon their license renewal and can be changed with future renewals. Those moving from December 31 to June 30 will have 3 years from the previous June 30.

Fiscal Impact No fiscal impact.

STAFF CONTACT: Dwayne Ferguson (Ext. 16561)

Blind, Department for the

ARC 0461C

Rule Summary Eliminates one subrule that is currently addressed by Iowa Code chapter 142D. Updates the department's business hours and references to the Code of Federal Regulations. The following technical changes are made:

- Updates information to reflect current terminology.
- Deletes unnecessary and redundant text.
- Enrolment in the adult orientation and adjustment center is limited to persons 17 years or older instead of 16 years and older.

Fiscal Impact Minimal fiscal impact.

STAFF CONTACT: John Parker (Ext. 52249)

Engineering and Land Surveying Examining Board

ARC 0470C

Rule Summary Prohibits licensees from accepting, soliciting, or having review authority over private professional contracts for governmental bodies while they, or a member of their organizations, are participants of the governmental body. These rules were originally filed as ARC 0159C and contained provisions dealing with license applications via comity that have been deleted. This rule was subsequently published as ARC 0264C on August 8, 2012. In the current version, a definition of "governmental body" was added in response to comments by the Administrative Rules Committee to ARC 0264C.

Fiscal Impact No fiscal impact.

STAFF CONTACT: Dwayne Ferguson (Ext. 16561)

Regents Board

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ARC 0469C

Rule Summary Condenses and renames a variety of student fees to provide consistency among the Regents universities. Increases two graduate student fees at Iowa State University and establishes a new re-entry fee at University of Northern Iowa to cover processing costs.

Fiscal Impact No significant fiscal impact.

STAFF CONTACT: Robin Madison (Ext. 15270)

Transportation Department

ARC 0438C

Rule Summary Removes the Department of Transportation (DOT) authority to waive suspension of a person's driver's license for nonpayment when the person demonstrated an inability to pay. This change brings the rule into compliance with Iowa Code section 321.210A.

Fiscal Impact No fiscal impact

STAFF CONTACT: Estelle Montgomery (Ext. 52261)

Treasurer of State

ARC 0463C

Rule Summary Implements 1999 Iowa Acts, HF 571 (Deposit of Public Funds – Depository Standards Act), by rescinding Treasurer of State 781 Iowa Administrative Code chapter 3 related to the deposit and security of public funds in savings and loans. The 1999 Acts eliminated Savings and Loans from this part of the Iowa Code.

Fiscal Impact No fiscal impact.

STAFF CONTACT: Ron Robinson (Ext. 16256)

Volunteer Service, Iowa Commission on

ARC 0439C

Rule Summary Clarifies the purpose and requirements of certification for youth mentoring programs and adds additional information about background screening and training requirements.

Fiscal Impact No fiscal impact.

STAFF CONTACT: Kenneth Ohms (Ext. 52200)
