
Department of Administrative Services

ARC 9738B

Rule Summary Amends certain definitions to reflect existing statutes, eliminates unnecessary terms, and makes various technical and grammatical changes. Conforms the Information Technology Enterprise rules with current statutory law by deleting obsolete terminology, replacing the Technology Governance Board with the Technology Advisory Council, and providing for the State Chief Information Officer.

Fiscal Impact No fiscal impact.

STAFF CONTACT: Sue Lerdal (Ext. 17794)

Environmental Protection Commission

ARC 9736B

Rule Summary Parallels regulations for certain stationary sources related to carbon dioxide (CO₂) emissions and the Prevention of Significant Deterioration (PSD) so they are regulated in the same manner as recently amended federal regulations. Additional information is available at: <http://www.epa.gov/NSR/psd.html>.

The Department of Natural Resources (DNR) has seven in-house permitting projects that are potentially affected by this rulemaking. If biogenic emissions are not deferred, at least six of these projects would very likely need to go through PSD review for greenhouse gas emissions.

Fiscal Impact No fiscal impact to the State.

Jobs Impact The jobs impact of this rulemaking cannot be determined as the DNR has not yet received input from requested information from the private sector stakeholders. The DNR estimates that affected facilities will experience reduced regulations as a result of this rulemaking because they will not be subject to the PSD or Title V programs during the deferral period. Therefore, facilities affected by this rulemaking should experience a positive impact on jobs.

ARC 9737B

Rule Summary Updates State drinking water rules to reflect changes in federal rules related to Stage 2 Disinfection By-Products Rule (Stage 2 DBPR) and Long-Term 2 Enhanced Surface Water Treatment Rule (LT2 ESWTR).

Fiscal Impact No fiscal impact to the State. Additional expenditures related to the rule change will be included in the current operating budget.

STAFF CONTACT: Debra Kozel (Ext. 16767)

Natural Resource Commission

ARC 9720B

Rule Summary Updates rules for hunting waterfowl and coot and include season dates, bag limits, possession limits, shooting hours, and areas open to hunting. Makes the annual adjustments to the season dates to comply with federal regulations and to ensure the seasons open on weekends.

Fiscal Impact No fiscal impact.

ARC 9718B

Rule Summary Updates the regulations for nonresident deer hunting and includes season dates, bag limits, possession limits, shooting hours, areas open to hunting, licensing procedures, means and methods of take, and transportation and reporting requirements. Modifies the hunter orange requirement for blinds during the shotgun season so that the visible orange is a minimum size and not a shape. The amendments clarify that antlerless deer are tagged on a leg and antlered deer are tagged on the main beam of the antler.

Fiscal Impact No fiscal impact.

ARC 9717B

Rule Summary Modifies resident deer hunting regulations, requiring that the hunter orange requirement for blinds during the shotgun season include that the visible orange is a minimum size instead of a shape. Clarifies that antlerless deer are tagged on a leg and antlered deer are tagged on the main beam of the antler. This change will keep the tag from being pulled off accidentally during transport.

Fiscal Impact No fiscal impact to the State.

STAFF CONTACT: Debra Kozel (Ext. 16767)

Board of Pharmacy

ARC 9693B

Rule Summary Relates to the responsibilities of a pharmacy when it closes. Those responsibilities include:

- Notification to the pharmacist in charge of the closing pharmacy at least 40 days prior to the pharmacy closing. The pharmacist in charge must be included in the notifications to the Board and the federal Drug Enforcement Administration (DEA) and in the closing processes notification to patients
- The following must be completed within 30 days of the pharmacy closing:
 - Notification by the closing pharmacy to the Board and the federal DEA.
 - Notification of the closing and closing processes to patients, including but not limited to, direct communication to patients and the posting of signs or other public notices.
- Requires cancellation or revocation of all authorizations to utilize the DEA's online controlled substances ordering system on behalf of the closing pharmacy.
- Requires the closing pharmacy to ensure the transfer of all patient records to a pharmacy that is held to the same standards of confidentiality as the closing pharmacy and that agrees to act as custodian for the closing pharmacy's records for the retention periods required under federal and state laws, rules, and regulations.

Fiscal Impact No fiscal impact. The Board of Pharmacy retains fees charged to licensees to fund its operations.

Held Over from September - ARC 9671B

Rule Summary The proposed rules relate to a pharmacy practice as follows:

- Clarifies the required elements of a valid prescription.
- Specifies the requirements for a written prescription, an oral prescription, a prescription transmitted to a pharmacy via fax, and for a prescription that is electronically prepared, signed, and transmitted to the pharmacy.
- Delineates additional requirements for prescriptions that are electronically prepared but subsequently printed or transmitted to the pharmacy via fax.
- Adds the definitions of electronic transmission, facsimile (fax) transmission, electronically prepared prescription, and electronic prescription. Amends the definition of electronic signature.
- Updates the requirements for authorization for electronic prescribing of controlled substances, as established by the federal Drug Enforcement Administration (DEA).
- Identifies record keeping requirements for electronically prepared prescriptions, electronic prescriptions, and facsimile transmitted prescriptions.
- Clarifies the requirements for identification of the prescriber's agent that completes the transmission of a prescription to a pharmacy.

Fiscal Impact No fiscal impact to the State. There may be costs to pharmacies and prescribers associated with implementing and utilizing electronic prescribing and electronic records but the amount cannot be determined. The Board of Pharmacy anticipates savings to these persons or entities due to reduced physical storage needs and possible reductions in liability insurance costs.

STAFF CONTACT: Deborah Thompson (Ext. 16767)

Department of Revenue

ARC 9741B

Rules Summary Adds a refund of sales or use tax for certain producers of biodiesel for calendar years 2012-2014. Permits a retail dealer of gasoline to claim an E-85 gasoline promotion tax credit for tax years beginning on or after January 1, 2006. Permits a retail dealer of biodiesel blended fuel to claim a biodiesel blended fuel tax credit. Permits a retail dealer of gasoline to claim an E-15 plus gasoline promotion tax credit for eligible gallons sold on or after July 1, 2011. Permits a retail dealer of biodiesel blended fuel to claim a biodiesel blended fuel tax credit beginning on or after January 1, 2006. Makes multiple reference changes for specific amounts of tax credits in specific calendar years.

Fiscal Impact Reduces General Fund revenues by \$52.8 million in FY 2012 and \$21.6 million in FY 2013.

ARC 9739B

Rule Summary Excludes active duty pay received by National Guard members and armed forces reserve members for service under military orders for Operation New Dawn for tax years beginning on or after January 1, 2010 from Iowa individual income tax. Excludes all pay received from the federal government for military service performed while on active duty status in the armed forces, armed forces military reserve, or the National Guard for tax years beginning on or after January 1, 2011 from Iowa individual income tax.

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Fiscal Impact Will reduce General Fund revenues (in millions) by the following estimated amounts as delineated in the Fiscal Note for HF 652 (Military Active Duty Income Tax Exemption Act):

<u>Year</u>	<u>Tax Year</u>	<u>Fiscal Year</u>
2011	\$ 8.8	\$ 0.9
2012	\$ 9.2	\$ 11.2
2013	\$ 10.0	\$ 9.5
2014	\$ 10.5	\$ 10.2
2015	\$ 10.6	\$ 10.5

In addition, the total tax liability for the Iowa income tax surcharge for schools will decrease approximately \$0.3 million each year.

Rule Summary

Eliminates the requirement that the Department of Revenue mail an application for the Healthy and Well Kids in Iowa (hawk-i) or Medicaid Programs when the taxpayer is notified as to potential eligibility for the Programs.

Makes multiple individual, corporation, and franchise tax changes including but not limited to:

- Specifies that bonus depreciation from the Internal Revenue Code for assets acquired between December 31, 2009 and January 1, 2013 does not apply for Iowa individual income tax.
- Updates the alternative motor vehicles that qualify for the deduction up to \$2,000 for Iowa individual income tax.
- Clarifies that the exclusion from Iowa individual income tax for health care benefits of nonqualified tax dependents is the same as allowed for federal income tax purposes beginning January 1, 2011.
- Provides for the alternative simplified method to compute the Iowa research activities credit for individual income tax for tax years beginning on or after January 1, 2010.

Fiscal Impact

The reduction in General Fund revenues that are a result of these rules is included in the General Fund impact of ARC 9741B above.

STAFF CONTACT: Sue Lerdal (Ext. 17794)

Board of Educational Examiners

Rule Summary

Makes a technical correction to include an existing fee of \$85 for initial issuance or renewal of the Professional Service License.

Fiscal Impact

No fiscal impact.

ARC 9743B

ARC 9744B

Rule Summary Establishes a path to obtain an initial license for participants in the teacher intern program who are unable to secure a paid teaching position during the internship. Requires verification that the intern successfully completed 40 days of paid substitute teaching and 40 days of co-teaching.

Fiscal Impact No fiscal impact.

STAFF CONTACT: Robin Madison (Ext. 15270)

Department of Human Services

ARC 9698B

Rule Summary The proposed rules relate to the child abuse proceedings and the Central Child Abuse Registry. They are summarized as follows:

- Reduces the time limit for appeal of a child abuse finding from six months to 90 days.
- Clarifies that failure on the part of the person responsible for the care of a child to provide adequate medical or mental health treatment or to provide adequate supervision meets the definition of child abuse.
- Clarifies when a finding of child abuse is to be placed on the Central Child Abuse Registry.
- Removes obsolete provisions for review of abuse cases placed on the Registry before 1997.
- Prohibits certain information, with specified exceptions, on founded abuse cases from placement on the Registry when the Department of Human Services (DHS):
 - Found an allegation of physical abuse but determined that the resulting injury was minor, isolated, and unlikely to reoccur.
 - Found an allegation of abuse by failure to provided adequate supervision or adequate clothing but determined that the resulting risk to the child's health and welfare was minor, isolated, and unlikely to reoccur.

However even in the circumstances listed above, the findings are to be placed on the Registry if:

- The case was referred for juvenile or criminal court action due to the acts or omissions of the alleged perpetrator of abuse.
- The DHS has determined within the past 18 months that other acts or omissions of the alleged perpetrator meet the definition of abuse.
- The DHS determined that the alleged perpetrator will continue to pose a danger to children.
- Prohibits the name of the alleged perpetrator of founded sexual abuse from being placed on the Registry when the alleged perpetrator is age 13 or younger.
- Allows a court to find good cause for not listing the name when the alleged perpetrator is aged 14 through 17. All other child abuse information in these cases will be listed on the Registry.

Fiscal Impact No fiscal impact.

ARC 9734B

Rule Summary Terminates a previous Noticed rule, ARC 9361B that implements debt collection for unpaid premiums assessed by the DHS for the Medicaid and IowaCare Programs. The Council on Human Services was not able to adopt the proposed rule before the 180-day expiration of the Notice of Intended Action, therefore the rule process was restarted with ARC 9701B.

Fiscal Impact Minimal fiscal impact.

ARC 9701B

Rule Summary Implements debt collection for unpaid premiums assessed by the DHS for the Medicaid and IowaCare Programs. Makes a debt based on unpaid premiums subject to the same collection procedures as a debt for assistance that a member received when ineligible. These collection procedures may include setoff of state tax refunds or other payments.

Fiscal Impact This change will result in a minimal savings to the State.

ARC 9735B

Rule Summary Terminates a previous Noticed rule, ARC 9591B relating to increasing the assessment fee charged to intermediate care facilities for persons with mental retardation (ICF/MRs) from 5.5% to 6.0%.

Fiscal Impact No fiscal impact. If the fee increase would have been implemented the change would have increased revenues to the Medicaid Program by \$780,000 in FY 2012 and \$1.0 million in FY 2013.

ARC 9731B

Rule Summary Makes the following technical changes to the nursing facility provider assessment:

- Changes the conditions affecting the amount of the quality assurance assessment fee to comply with federal provider tax waiver regulations.
- Clarifies when the assessment level will be determined.
- Clarifies that inadvertence or oversight does not constitute good cause for failure to pay the nursing facility quality assurance assessment timely.
- Updates legal references.

Fiscal Impact Minimal fiscal impact.

ARC 9729Band 9728B

Rule Summary Makes the following changes to the IowaCare Program:

- Establish covered services to be reimbursed through the new funding pools.
- Establish protocols for the referring of IowaCare members to another provider.
- Make a technical correction that members are assigned to, rather than enrolled in medical homes.
- Require IowaCare providers to develop a process to improve communication and resolve care disputes when referring members for specialty and hospital care.

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Fiscal Impact These changes are estimated to cost \$780,000 in FY 2012 and \$800,000 in FY 2013 in State Funds from the IowaCare Account. Increased funds to the IowaCare Account have been provided by additional Polk County Property Tax levy matching funds.

Rule Summary **ARC 9730B**
Relate to requirements for agencies that provide child placement services in the area of supervised apartment living. They are as follows:

- Requires a description of education and community activity options available to be included in the agency program statement that is given to all children in supervised apartment placement.
- Requires the agency to document findings that the proposed living situation is safe; accessible to the child's school, work, and activities; reasonably priced; and the agency program will meet the child's needs.
- Removes the requirement that the child's combination of school and work must be equivalent to a full-time commitment.
- Requires the agency to involve the child's family in the development of the child's service plan and specifies the elements that the service plan must include.
- Requires that agency staff be present in a cluster-site arrangement at any time when a child is in the living unit and to be available to the children in placement 24 hours per day, seven days per week.
- Requires agency staff to document personal observations that the living situation allows for the child's social and emotional needs to be met, has a telephone and a working smoke detector, and presents no reasonable cause for believing that the child's mode of living presents unacceptable risks to the child's health or safety.

Fiscal Impact No fiscal impact.

STAFF CONTACT: Deborah Thompson (Ext. 16767) Jess Benson (Ext. 14611)

Economic Development Authority

Rule Summary **ARC 9748B**
Increases the aggregate amount of tax credits available under the Endow Iowa Tax Credits Program.

Fiscal Impact The maximum impact will be a reduction in General Fund revenues of \$800,000 beginning in FY 2012. However, based on historical data, only 80.0% of the credit amount is typically claimed by the end of the five-year carryforward period and will likely result in the following General Fund revenue reduction amounts:

- FY 2012 – a reduction of \$291,000
- FY 2013 – a reduction of \$527,000
- FY 2014 – a reduction of \$562,000

ARC 9747B and 9746B

Rule Summary Makes technical changes to the Brownfield and Grayfield Redevelopment Tax Credit Program. Adds multiple application requirements. Changes the definition of “qualifying investment” to include purchase price, cleanup price, and redevelopment costs.

Fiscal Impact No fiscal impact. The Authority allocates not more than \$5.0 million of its aggregate dollar tax credit cap under specified programs for the Brownfield and Grayfield Redevelopment Tax Credit Program.

ARC 9754B

Rule Summary Permits the Director of the Economic Development Authority to approve contract amendments for the Targeted Industries Internship Program instead of approval by the Economic Development Board. Permits the Board to approve or deny any amendment. Deletes a reference to the HOME Program that transferred to the Iowa Finance Authority.

Fiscal Impact No fiscal impact.

STAFF CONTACT: Kenneth Ohms (Ext. 52200)

Department on Aging

ARC 9732B

Rule Summary Terminates the proposed rule that updated the funding formula used to allocate funding to area agencies on aging based on the elimination of the Senior Living Trust Fund.

Fiscal Impact No fiscal impact.

ARC 9733B

Rule Summary Updates definitions and policies for the Senior Internship Program (SIP) due to the reduction of federal funding. Updates wording to align with federal Department of Labor changes in rules and policy.

Fiscal Impact No fiscal impact. Reflects a reduction in federal funding of approximately 25.0%.

STAFF CONTACT: Jess Benson (Ext. 14611)

Department of Agriculture and Land Stewardship

ARC 9757B

Rule Summary Updates rules for gasoline that contains greater than 10.0% volume ethanol and up to 15.0% volume ethanol (E15) to be sold from the same hose as other registered gasoline products. Requires pumps with ethanol classified as higher than E-10 (greater than 10.0% volume) to have the federal sticker identifying the fuel as up to 15.0% ethanol for use only in flex-fuel vehicles and passenger vehicles built in 2001 and after.

Fiscal Impact No fiscal impact.

STAFF CONTACT: Debra Kozel (Ext. 16767)

Capital Investment Board

ARC 9745B

Rule Summary Clarifies current duties and transfers tax credit responsibilities from the Capital Investment Board to the Iowa Economic Development Authority.

Fiscal Impact No fiscal impact.

STAFF CONTACT: Jeff Robinson (Ext. 14614)

Department of Human Services

The rules listed in the Chart on the last page reflect an updated status and financial impact for various Medicaid rules that have been previously reviewed twice in special reviews.

STAFF CONTACT: Jess Benson (Ext. 14611)

Labor Services Division – Department of Workforce Development

ARC 9755B

Rule Summary Complies with federal standards by adopting by reference Phase III of the federal Occupational Safety and Health Administration (OSHA) Standards Improvement Project.

Fiscal Impact No fiscal impact to the State. The OSHA has indicated this is expected to reduce paperwork and result in a cost savings for Iowa employers.

STAFF CONTACT: Ron Robinson (Ext. 16256)

Landscape Architectural Examining Board – Department of Commerce

ARC 9749B

Rule Summary Removes unnecessary date-specific language regarding self-study professional development hours.

Fiscal Impact No fiscal impact.

STAFF CONTACT: Sue Lerdal (Ext. 17794)

Professional Licensure Division – Department of Public Health

ARC 9751B

Rule Summary Board of Massage Therapists: Clarifies that conviction of a crime includes when the judgment of conviction or sentence was deferred.

Fiscal Impact No fiscal impact.

ARC 9750B

Rule Summary Board of Social Work: Removes the requirement for the Board to send a renewal notice to a licensee.

Fiscal Impact Minimal fiscal impact. Some administrative savings will occur due to a reduction of staff time, postage, printing, and paper. The Board retains fees charged to licensees to fund its operations.

STAFF CONTACT: Deborah Thompson (Ext. 16764)

Real Estate Appraiser Examining Board

ARC 9716B

Rule Summary Removes “annual” from the definition of the Uniform Standards of Professional Appraisal Practice reference. Updates definitions for “continuing education,” “live instruction,” “distance education,” and “home-study/correspondence.” Eliminates a report writing continuing education requirement. Clarifies the method to obtain a temporary permit for a non-Iowa certified appraiser.

Fiscal Impact No fiscal impact.

STAFF CONTACT: Sue Lerdal (Ext. 17794)

Real Estate Commission

ARC 9753B

Rule Summary Requires that a broker seeking to enforce a protective clause furnish to an owner by personal delivery with written receipt or by both regular mail and certified mail, return receipt requested, a copy of the names of those persons for whom protection is being sought.

Fiscal Impact No fiscal impact.

STAFF CONTACT: Sue Lerdal (Ext. 17794)

Department of Transportation

ARC 9742B

Rule Summary Implements HF 651 (Special Plates Act) and SF 312 (Business Trade License Plates Act) from the 2011 Legislative Session. House File 651 created seven new special license plates, while SF 312 eliminated seven plates by eliminating standard business trade, special farm, and the five designs for combined business trade and special plates. The seven new special plates per HF 651 are as follows: Civil War Sesquicentennial, Fallen Peace Officers, Combat Infantryman Badge, Combat Action Badge, Combat Action Ribbon, Combat Medical Badge, and Air Force Combat Action Medal. The seven new plates provide revenues for various purposes.

Fiscal Impact Minimal fiscal impact. The elimination of the plates per SF 312 will save production costs that would have been paid from the Road Use Tax Fund. Based on the number of existing vehicles with those types of plates, the savings will be approximately \$5,900 per year for the Road Use Tax Fund.

At the same time, the manufacturing of the seven special plates per HF 651 will be a loss to the Road Use Tax Fund. It is unknown now how many orders for the new plates will be made. The seven new plates require 250 orders, with a start-up fee of \$20.00, before production of the plates begins. The start-up fee will defray the initial costs of manufacturing by providing the first \$5,000 for production of the plates.

Approximate production cost for special plate is \$4.34 per plate with another 10.0% for administrative costs, resulting in total cost per plate of approximately \$4.80. The revenues from the special plates are directed to the specified purposes, so continued production of the plates will be a loss to the Road Use Tax Fund by however many plates are ordered. For example, if 500 plates are ordered in future years, the cost to the Road Use Tax Fund would be \$2,400, but if only 10 plates are ordered, the cost would be \$48.00.

In addition, there are one-time programming costs for the new plates, currently estimated at \$55.00 per hour, that occur no matter how many plates are ordered. The Department of Transportation (DOT) has previously indicated that each new plate will require 80 hours of programming, or approximately \$4,400. The costs are incorporated into the Motor Vehicles Division operating budget that is funded from 96.0% Road Use Tax Fund and 4.0% Primary Road Fund. So, the estimated cost for programming seven new plates is \$29,568 from the Road Use Tax Fund and \$1,232 from the Primary Road Fund. The Motor Vehicle operating budget for estimated FY 2012 is \$35.3 million.

STAFF CONTACT: Marcia Tannian (Ext. 17942)

Utilities Division – Department of Commerce

ARC 9752B

Rule Summary Includes the allowance of renewable energy tax credits produced for on-site consumption with a minimum facility capacity size. Extends the Program's (renewable energy tax credits in Iowa Code Chapter 476C) overall facility in-service deadline by three years. Allows applicants to apply for successive twelve month in-service time limit extensions.

Fiscal Impact No fiscal impact.

STAFF CONTACT: Sue Lerdal (Ext. 17794)
