



**ADMINISTRATIVE RULES – FISCAL IMPACT SUMMARIES**

*Section 17A.4(3) Iowa Code Supplement 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](http://staffweb.legis.state.ia.us/lfb/docs/Admin_Rules/arfiscal_notes.htm).*

**DEPARTMENT OF ADMINISTRATIVE SERVICES**

**ARC 3591B**

**Rule Summary** The amendments incorporate rules on the procurement of information technology and printing into the Department's present Chapter of rules for purchasing, and updates rules on services of the Printing Division that do not relate to procurement. The rules also change the pre-approval process for acquiring information technology and vendor notification. Rules relating to purchasing preferences for Iowa-based products and services are also amended.

**Fiscal Impact** No fiscal impact.

STAFF CONTACT: Ron Robinson 281-6256

**DEPARTMENT OF AGRICULTURE AND LAND STEWARDSHIP**

**ARC 3414B**

**Rule Summary** Requires a feeder pig dealer to provide a bond or an irrevocable letter of credit as a secured asset for the recovery of damages incurred by a purchaser of sick or diseased pigs. Rescinds the previous rule.

**Fiscal Impact** Minimal fiscal impact.

**ARC 3598B**

**Rule Summary** Terminates the rulemaking for ARC 3414B as the rules were Adopted and Filed in Emergency status. No public comments were received and no changes need to be made to the ruling.

**Fiscal Impact** Minimal fiscal impact.

**ARC 3600B**

**Rule Summary** Update the rules governing the operation and inspection of dairy farms, dairy plants, and milk haulers and graders. Adopts updated versions of the federal Pasteurized Milk Ordinance used for the interstate shipment of milk and milk products. Changes the definition of a "habitual violator" and make several changes updating the rules to reflect current industry practices.

**Fiscal Impact** Minimal fiscal impact.

**ARC 3599**

**Rule Summary** Requires custom/exempt establishments to document their daily sanitation standard operating procedures in a manner that is consistent with the procedure used for inspected plants.

**Fiscal Impact** Minimal fiscal impact.

STAFF CONTACT: Deb Kozel 281-6767

**Table of Contents:**

Department of Administrative Services – p. 1	Insurance Division (Dept. Commerce) – p. 5
Department of Agriculture & Land Stewardship. – p. 1	Iowa Finance Authority – p. 5
Architectural Examining Board (Dept. Commerce)– p. 2	Iowa Public Employees Retirement System – p. 5
Iowa Capital Investment Board – p. 2	Natural Resources Commission (DNR) – p. 6
College Student Aid Commission – p. 2	Professional Licensure Division (DPH) – p. 7
Department of Education – p. 2	Department of Public Safety – p. 8
Environmental Protection Commission (DNR) – p. 3	Department of Revenue – p. 8
Department of Human Services – p. 3	Utilities Division (Dept. Commerce) – p. 8

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**DEPARTMENT OF COMMERCE - ARCHITECTURAL EXAMINING BOARD**

**ARC 3583 B**

**Rule Summary** The rule clarifies the Board’s processes for reinstatement of a lapsed registration and the continuing education hours required for reinstatement.

**Fiscal Impact** No fiscal impact.

STAFF CONTACT: Ron Robinson 281-6256

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**IOWA CAPITAL INVESTMENT BOARD**

**ARC 3595B**

**Rule Summary** Provides for changes in the tax credits for investments in qualifying businesses, community-based seed capital funds, and venture capital funds as required by 2004 Iowa Acts, Senate File 443.

**Fiscal Impact** No fiscal impact. The tax credits under this program are capped.

STAFF CONTACT: Russ Trimble 281-4613

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**COLLEGE STUDENT AID COMMISSION**

**ARC 3323B, 3584B**

**Rule Summary** Terminates the action noticed in ARC 3323B. That notice specified student eligibility for the Iowa Tuition Grant would require at least 50 percent of the hours in which the student is enrolled to be taken in a classroom setting. Also, further clarified the priority by which awards would be made.

**Fiscal Impact** No fiscal impact.

**ARC 3585B**

**Rule Summary** Allows the Commission to apply administrative wage garnishment procedures for the collection of all delinquent student loans owed to the Commission, specifically private Partnership Loans. Also changes the chapter name from “License Sanction Program” to “Student Loan Debt Collection.”

**Fiscal Impact** No fiscal impact.

STAFF CONTACT: Mary Shipman 281-4617

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**DEPARTMENT OF EDUCATION**

**ARC 3611B**

**Rule Summary** Adds prescribed minimum experiences and responsibilities for student teaching based on Iowa Teaching Standards.

**Fiscal Impact** No fiscal impact.

**ARC 3612B**

**Rule Summary** Establishes rules for the Extended School Program, required by Section 282.1A, Code of Iowa. Permits school districts, after receiving permission from the Department of Education, to establish an Extended School Program for residents age 21 and older to obtain a high school diploma. The Program may not take away resources from the population of school-age students.

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**Fiscal Impact** Minimal fiscal impact. In the past 12 years since Section 282.1A was enacted, no school has requested permission to implement this Program. The Department has proposed these rules to comply with the requirements of Section 282.1A(3).

STAFF CONTACT: Robin Madison 281-5270, Dwayne Ferguson 281-6561

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**DEPARTMENT OF NATURAL RESOURCES - ENVIRONMENTAL PROTECTION COMMISSION**

**ARC 3588B**

**Rule Summary** Adopts a new Chapter 32 that establishes a health effects value and standard for hydrogen sulfide, and establishes conditions for the development of additional air pollution control programs based on the requests of the field study mandated in Section 459.207, Code of Iowa.

**Fiscal Impact** At this time there is no fiscal impact to the public or owners/operators of animal feeding operations. If it is determined that there is a need for comprehensive plans and programs to regulate air emission from animal feeding operations as a result of the use of the health effects value/standard, then there will be an impact to owners and operators of animal feeding operations. The amount of the impact cannot be determined at this time since it is unknown what plans and programs would be developed.

**ARC 3589B**

**Rule Summary** Revises rules for discarded appliance de-manufacturing and conforms them to federal regulation. Adds flexibility for a new business if a certification course is not presently available.

**Fiscal Impact** Minimal fiscal impact to the State. Information is insufficient to determine the impact to affected businesses, however, it will be a benefit.

**ARC 3587**

**Rule Summary** Creates a new chapter for the recycling of cathode ray tube devices. Allows electronics recycling facilities and electronics collection facilities.

**Fiscal Impact** Minimal fiscal impact to the State. The estimated impact to 13 electronic recycling facilities in the first year is a cost of \$44,000 and \$37,000 for subsequent years. The estimated first year costs to 50 electronic collection facilities is \$50,000, and \$36,000 for subsequent years.

**ARC 3590B**

**Rule Summary** Rescinds three rule chapters to implement HF 2549 (Waste Tire Management Fund Act) passed by the 2004 General Assembly. Reallocates program funding.

**Fiscal Impact** No fiscal impact.

STAFF CONTACT: Deb Kozel 281-6767

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**DEPARTMENT OF HUMAN SERVICES**

**ARC 3605B, 3601B**

**Rule Summary** Pursuant to HF 2134 (Medicaid Savings Act), expands the quality assurance fee charged to Intermediate Care Facilities for the Mentally Retarded (ICF/MR) to the two State Resource Centers. The expansion is retroactive to October 1, 2003.

**Fiscal Impact** Fiscal impact is an estimated net increase in federal revenue to the Medical Assistance Program of \$2.7 million in FY 2004 and \$3.6 million for FY 2005. The estimated net savings was included in the FY 2005 budget.

**ARC 3602B**

**Rule Summary** Expands coverage for a new State Supplementary Assistance (SSA) group. These individuals are eligible for both Medicare and Medicaid. Medicaid currently pays 100.0% State funds for the Medicare premium for this group. Adding coverage under the SSA program will allow federal matching funds to be drawn down for the Medicare premium. This change is pursuant to HF 2134 (Medicaid Savings Act).

**Fiscal Impact** Estimated net savings of \$2.6 million in FY 2004 and \$3.5 million in FY 2005. This change allows approximately 6,200 recipients who are 100.0% State funded to become eligible for the SSA Program, which then allows them to qualify for federal matching funds. The 6,200 recipients will be paid \$1.00 per person per month from the SSA Program. The payments will cost approximately \$74,000 in State funds. In addition, there will be an increased administrative cost of \$13,000 State funds. The estimated savings in the Medicaid Buy-in Program is \$3.6 million in FY 2005, due to the increased federal matching funds. The appropriations for each of these items were adjusted in the FY 2005 budget to reflect these changes, and the estimated net savings were incorporated in FY 2005 estimates.

**ARC 3606B, 3603B**

**Rule Summary** The rule creates a Refugee Services Foundation as enacted by the General Assembly per the request of the Department. The Foundation would solicit and retain donated or grant funds to supplement federal funds received for refugee services.

**Fiscal Impact** The information received from the Department indicates that staff is not able to estimate the fiscal impact. Fiscal note information received during the 2004 General Assembly prior to enactment indicated that there would be no State impact due to the programs being federally funded and the Foundation being created to receive donated or grant funds.

**ARC 3607B, 3604B**

**Rule Summary** Allows a deduction for medical expenses in the Food Assistance Program for expenses related to the Medicare prescription drug discount card. This is intended to prevent a reduction in Food Assistance benefits due to the Medicare discount card. This rule change is required by federal law.

**Fiscal Impact** No fiscal impact.

**ARC 3609B**

**Rule Summary** Various rule changes affecting the six Medicaid Home and Community-Based Services Waivers.

**Fiscal Impact** No fiscal impact. The changes are expected to increase access to the waivers for some individuals. However, since enrollment in the waivers and waiver expenditures per person are capped, the changes are not anticipated to increase costs in the waiver program as a whole.

**ARC 3608B**

**Rule Summary** Adds dental hygiene provided in a maternal health center as a covered service under the Medical Assistance Program.

**Fiscal Impact** Minimal fiscal impact. Estimated increase of \$5,000 State funds and \$8,000 federal funds in FY 2005.

**ARC 3610B**

**Rule Summary** The proposed amendments update Child Care Assistance policies, implement annual poverty level adjustments to the income limits and fee schedule, transfer Child Care Assistance policy from Chapter 130 to 170, and update references.

**Fiscal Impact** No fiscal impact.

STAFF CONTACT: Lisa Burk 281-7942, Sue Lerdal 281-7794, Jennifer Vermeer 281-4611

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**DEPARTMENT OF COMMERCE - INSURANCE DIVISION**

**ARC 3619B**

**Rule Summary** The rule amends Chapter 55 to conform with HF 2269 (Cemetery Merchandising), Sections 4 through 31, which rescinded the registration requirements and transferred administration of the remaining filing requirement (service of process) to the Secretary of State.

**Fiscal Impact** Minimal fiscal impact. The agency has already removed the staff position that worked (part-time) in this area. The loss in revenue is minimal, due to the number of registrations (26 in FY 2003 and 24 in FY 2002): \$10,000 to \$15,000. Affected persons (business opportunity sellers) will save a like amount plus the cost previously paid to prepare and make filings: \$25,000.

STAFF CONTACT: Ron Robinson 281-6256

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**IOWA FINANCE AUTHORITY**

**ARC 3620B**

**Rule Summary** Amends the current Chapter 3, Multifamily Housing, by adding a new division (Division III) for rules concerning a gap financing fund. In addition, the existing divisions of Chapter 3 are being expanded to allow both for-profit and non-profit participation under the predevelopment loan fund, and to expand the types of available loans under the multifamily loan program.

**Fiscal Impact** Minimal fiscal impact.

STAFF CONTACT: Russ Trimble 281-4613

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**IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM (IPERS)**

**ARC 3594B**

**Rule Summary** The amendment establishes the new contribution rates for sheriffs and deputy sheriffs and changes the cost distribution for the contribution rates of sheriffs and deputy sheriffs effective July 1, 2004. This proposed amendment is made to comply with changes in prior filed rules required by HF 2262 (FY 2004 Public Pensions Act).

**Fiscal Impact** Iowa Public Employees' Retirement System (IPERS) reports that the fiscal impact cannot be determined. The amount of wages that will be paid through each fiscal year is not fully known until the end of the fiscal year. The number of employees in each class is also not fully known until the end of the fiscal year.

The Fiscal Note for HF 2262 estimated the impact as follows:

Placing the airport firefighters in the Protection Occupation class will result in the following contribution changes: The combined employer and employee rate will increase from 12.76% to 15.39% of covered wage beginning in FY 2005. The employer will pay 9.23%, an increase of 1.57% or a total State increase of \$41,000 for all airport firefighters. The employees will pay 6.16%, an increase of 1.06% or \$28,000 for all airport firefighter employees. The average employee will contribute an estimated additional \$500 beginning in FY 2005.

Changing the retirement age for sheriffs and sheriffs' deputies and the distribution of the contributions between employers and employees will result in the following contribution changes: The combined employer and employee rate will increase from 12.76% to 16.83% of covered wage by the completion of the phase-in for FY 2009. The employer will pay 8.415%, an increase of 0.755% or \$652,000, and the employees will pay 8.415%, an increase of 3.315% or \$2.9 million by

the completion of the phase-in for FY 2009. The average employee will contribute an estimated additional \$1,800 by the completion of the phase-in for FY 2009. Lower paid employees will pay less and higher paid employee will pay more. The employers will contribute an additional average of \$400 annually for each employee by the completion of the phase-in for FY 2009.

STAFF CONTACT: Ron Robinson 281-6256

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**DEPARTMENT OF NATURAL RESOURCES - NATURAL RESOURCE COMMISSION**

**ARC 3626B**

**Rule Summary** Updates rules with form numbers used for: boat registration, bonding of all-terrain vehicles and snowmobiles, bonding of vessels, and accident reports/registration displays for all terrain vehicles and snowmobiles.

**Fiscal Impact** Minimal fiscal impact.

**ARC 3629B**

**Rule Summary** Establishes areas at Red Rock Lake as no anchoring areas.

**Fiscal Impact** Minimal fiscal impact.

**ARC 3629B**

**Rule Summary** Adds no wake zones to the boating regulations at Green Island and Lake Odessa State Wildlife Areas.

**Fiscal Impact** Minimal fiscal impact.

**ARC 3623B**

**Rule Summary** Adds primitive camping as an allowable recreational activity on wildlife management areas unless specific restrictions are posted on-site. Camping is limited to 48 hours of consecutive use

**Fiscal Impact** Minimal fiscal impact.

**ARC 36253B**

**Rule Summary** Prohibits trespassing on the Middle River and Black Hawk Bottoms Wildlife Areas

**Fiscal Impact** Minimal fiscal impact.

**ARC 3622B**

**Rule Summary** Prohibits culling or sorting of fish; establishes bag and possession limits for shovelnose sturgeon on the Missouri River; closes harvest of shovelnose sturgeon on the Big Sioux River; modifies seasons for muskellunge, tiger musky, and northern pike in Lakes West Okoboji, East Okoboji, and Spirit Lake; modifies bag and possession limits on walleye in the Missouri River; and modifies the closed area for fishing below Lock and Dam 11 on the Mississippi River.

**Fiscal Impact** Minimal fiscal impact.

**ARC 3627B**

**Rule Summary** Establishes a list of prohibited aquatic invasive species; restricts the introduction, sale, possession, and transportation of these species; and establishes methods for identifying and prohibiting activities in water bodies infested with these species.

**Fiscal Impact** Minimal fiscal impact. Some fines will be collected, however, the amount will be minimal.

**ARC 3624B**

## Administrative Rules – Fiscal Impact Summaries

September 8, 2004

7

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**Rule Summary** Establishes the hunting regulations for ducks, geese, and coots. Changes season length and hunting dates for hunting Canadian geese.

**Fiscal Impact** Minimal fiscal impact.

**ARC 3621B**

**Rule Summary** Changes wild turkey spring hunting season rules by adding a resident youth hunting season and clarifying tagging requirements.

**Fiscal Impact** Minimal fiscal impact.

**ARC 3630B**

**Rule Summary** Specifies that an adult that accompanies a youth during a special youth educational hunt, must be a licensed hunter.

**Fiscal Impact** Minimal fiscal impact.

STAFF CONTACT: Deb Kozel 281-6767

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### DEPARTMENT OF PUBLIC HEALTH - PROFESSIONAL LICENSURE DIVISION

**ARC 3616B**

**Rule Summary** The proposed amendment defines physiotherapy educational requirements for chiropractors.

**Fiscal Impact** No fiscal impact.

**ARC 3582B**

**Rule Summary** The proposed amendments change the appointment period for a provisional administrator from one year to six months as provided in the Code of Iowa, adopts a new license renewal rule that includes a mandatory reporter training requirement, and adds provisions for duplicate and reissued certificate and wallet cards and associated fees.

**Fiscal Impact** Minimal fiscal impact for licensees that need mandatory reporter training. These courses are often offered at no or low cost.

**ARC 3615B**

**Rule Summary** The proposed amendment makes changes to licensure educational program accreditation requirements for psychologists.

**Fiscal Impact** No fiscal impact.

**ARC 3618B**

**Rule Summary** The proposed amendments require licensees to make supervisor termination evaluations available to the Board of Social Work Examiners upon request as opposed to being automatically submitted to the Board.

**Fiscal Impact** No fiscal impact.

**ARC 3617B**

**Rule Summary** The proposed amendments remind licensees of responsibilities relating to license renewal even if they do not receive renewal application and change the way continuing education will be reported and audited for social workers.

**Fiscal Impact** No fiscal impact.

STAFF CONTACT: Lisa Burk 281-7942

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**DEPARTMENT OF PUBLIC SAFETY**

**ARC 3586B**

**Rule Summary** The proposed rule rescinds the current chapter of rules adopted under the former Department of Personnel and adopts five new chapters in its place under the Department of Public Safety. Chapter 404, which deals with temporary incapacity, has a fiscal impact associated with it.

**Fiscal Impact** Based on experience with temporary incapacity claims from members of the Public Safety Peace Officers' Retirement, Accident, and Disability System in FY 2004, the fiscal impact is estimated to be at least \$134,000 per year. Future payouts for sick leave will be at current value of the members' salary. Payments will be made from the Department's General Fund appropriations.

STAFF CONTACT: Jennifer Acton 281-7846

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**DEPARTMENT OF REVENUE**

**ARC 3613B**

**Rule Summary** These rules set forth amendments based on SF 2296 (Tax Policy Administration Act), which update references to the Internal Revenue Code for the research activities credit, decouple with bonus depreciation and increase in section 179 expensing, and eliminates the requirement to include voter registration forms in income tax booklets.

**Fiscal Impact** Minimal fiscal impact. Coupling with 2003 federal tax law changes related to the Research Credit will not significantly impact the General Fund.

**ARC 3614B**

**Rule Summary** Updates, modernizes, and condenses the Department's electronic filing rule.

**Fiscal Impact** No fiscal impact.

**ARC 3596B**

**Rule Summary** The rules implement SF 443 (Seed Capital Investments), providing tax credits for investments in qualifying businesses, community-based seed capital funds, and venture capital funds.

**Fiscal Impact** No fiscal impact.

STAFF CONTACT: Ron Robinson 281-6256

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**DEPARTMENT OF COMMERCE - UTILITIES DIVISION**

**ARC 3592B**

**Rule Summary** Proposes changes to various pipeline permitting and safety rules to update references to federal technical standards, correct potential inconsistencies, and generally update the rules.

**Fiscal Impact** No fiscal impact.

**ARC 3593B**

**Rule Summary** The proposed amendments make changes to the Utilities Board consumer service rules for natural gas and electric service. Some of the changes are updates and clarification. The substantive amendment is to require a utility to offer a second payment agreement to a customer who has defaulted on a first payment agreement if the customer has paid a certain amount.

**Fiscal Impact** No fiscal impact.

STAFF CONTACT: Ron Robinson 281-6256