

MEMORANDUM

TO: Administrative Rules Review Committee
 FROM: Fiscal Services Division, Legislative Services Agency
 DATE: February 2, 2004
 RE: Fiscal Impact of Agency Administrative Rules

House File 636 (Legislative Services Agency Consolidation Act) 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). This memorandum provides an overview of the fiscal impact of the rules presented by the agencies for the February 10, 2004 ARRC meeting.

<u>Rule</u>	<u>Rule Summary</u>	<u>Fiscal Impact Analysis</u>
Administrative Services Department		LSA Contact: Ron Robinson 1-6256
ARC 3082B	Amend and transfer rules of the former Department of Personnel [581], Chapter 13, "Performance Review," and Chapter 20, "Equal Employment Opportunity and Affirmative Action," to the Department of Administrative Services [11], Chapter 62, "Performance Review," and Chapter 68, "Equal Employment Opportunity and Affirmative Action." Also, added language in Chapter 63 "Performance Review," to comply with the focus on strategies and goals in the individual performance plan as required by the Accountable Government Act.	No fiscal impact.
ARC 3083B	The purpose of this proposed rule making is to transfer personnel rules regarding employee leave to agency identification number 11 for the new DAS. The single policy change effects when approval of an intermittent or reduced work schedule for an employee on Family and Medical Leave is at the discretion of the appointing authority and when approval is mandatory.	No fiscal impact.
ARC 3084B	The purpose of this proposed rule making is to transfer rules on the Combined Charitable Campaign to agency identification number 11 for the new DAS.	No fiscal impact.
ARC 3085B	The purpose of this proposed rule making is to consolidate uniform rules on waivers and variances from the former departments of General Services, Personnel, and Information Technology, that now comprise the DAS.	No fiscal impact.

<u>Rule</u>	<u>Rule Summary</u>	<u>Fiscal Impact Analysis</u>
ARC 3086B	<p>Changes are proposed to rules on group insurance benefits to delete outdated information and to conform the rules to current contracting practices. Language regarding organized delivery systems (ODS) is deleted since the State no longer contracts with an ODS. A rule was added to clarify when employees become eligible for benefits.</p> <p>The purpose of the proposed rule making for Deferred Compensation is to conform to the federal Economic Growth and Tax Relief Reconciliation Act of 2001 and HF 534 (Department of Administrative Services Act), section 69. Some duplicative language is deleted. The most significant changes allow more flexibility in distribution options and to allow the State to market its plan to other governmental entities.</p> <p>A rule was added to allow reimbursement for temporary living expenses. The rule on moving expenses was modified to bring it into compliance with the policy by allowing for reimbursement for promotions but not transfers.</p> <p>Proposed changes in the tax-sheltered annuities section will conform the plan to the federal Economic Growth and Tax Relief Reconciliation Act of 2001 and make minor changes to clarify current enrollment and change practices.</p> <p>Minor changes were made in the Dependent care, pretax program, and health flexible spending account sections to clarify coverage upon termination of employment and to standardize language.</p>	No fiscal impact.
ARC 3087B	The purpose of this proposed rule making is to consolidate uniform rules on public records and fair information practices by rescinding chapters adopted by the former Departments of General Services, Personnel, and Information technology that now comprise the new DAS.	No fiscal impact.
ARC 3102B	These amendments are for the purpose of converting chapters from the authority of the former Department of General Services to the new DAS.	No fiscal impact.
ARC 3103B	The purpose of this proposed rule making is to transfer four chapters of personnel rules to agency identification number 11 for the new DAS. Amendments have clarified the time period for scheduling a	No fiscal impact.

<u>Rule</u>	<u>Rule Summary</u>	<u>Fiscal Impact Analysis</u>
	classification appeal, deleted the sub-rule concerning eligibility for "protection occupation" coverage within the Iowa Public Employees Retirement System, and sub rules distinguishing between actions relating to a failure of an employee to maintain a required license or certificate and a discharge for cause are renumbered to provide a distinction between appeals concerning disciplinary actions and grievances alleging a violation of statute or rule.	
ARC 3104B	The purpose of this proposed rule making is to transfer rules regarding human resources definitions to agency identification number 11 for the new DAS.	No fiscal impact.
ARC 3105B	The purpose of this proposed rule making is to comply with HF 534 (Department of Administrative Services Act), transferring rules from the former Department of Information Technology to the new DAS.	No fiscal impact.
Agriculture and Land Stewardship		LSA Contact: Deb Kozel 1-6767
ARC 3079B	Weights & Measures--Updates rules to reflect changes in current practice and national standards, including updating references to handbooks. Allows pitless livestock scales. Makes technical changes to moisture meter tolerances.	Minimal fiscal impact.
Attorney General		LSA Contact: Beth Lenstra 1-6301
ARC 3098B	This rule deals with compensation paid to crime victims from the Victim Compensation Fund. Proposed amendments correct the official address of the Crime Victim Assistance Division. The proposed amendments also provide a process for granting waivers to the rules, plus authorize disability statements related to mental health disability from a licensed mental health provider on behalf of a crime victim.	Minimal fiscal impact. Implementing a waiver process has the potential to increase payments made to victims from the Victim Compensation Fund. The provision related to disability statements may decrease costs. The potential cost increase for any waivers that may be granted is offset by the potential decrease in costs related to disability statements.
ARC 3099B	This rule deals with payments to examiners and facilities under the Sexual Abuse Examination Program. Proposed amendments correct the official address of the Crime Victim Assistance Division, amend the description of covered medical procedures; and increases the payment limit for facility use and examiner fees for collection of evidence in sexual abuse cases. Maximum examiner fees are increased from \$100 to \$200 and maximum facility fees are increased from \$200 to \$300 per examination.	The estimated impact on payments made from the Victim Compensation Fund is approximately \$229,000 annually (\$148 per case x 1,500 cases). NOTE: 60.0% of the expenditures are reimbursed by the federal Victims of Crime Act (VOCA) for use in the following year. Increased federal revenue will offset some of the costs of the proposed increase. However, the increase in receipts occurs in the next fiscal year, while expenditures may increase in the current fiscal year. This lag in federal receipts may create cash flow problems for the Victim Compensation Fund.

<u>Rule</u>	<u>Rule Summary</u>	<u>Fiscal Impact Analysis</u>																														
Department of Cultural Affairs		LSA Contact: Robin Madison 1-5270																														
ARC 3110B	Implements the Cultural and Entertainment District Program as authorized by HF 683 and HF 692, enacted in 2003.	Fiscal impact of \$500,000 in FY 2006 and FY 2007. Funding provided in HF 683, enacted in 2003.																														
Department of Economic Development		LSA Contact: Russ Trimble 1-4613																														
ARC 3109B	Implements the University Based Research Utilization Program as authorized by HF 692 (FY 2004 Taxation Changes, Grow Iowa Values, and Regulatory Reform Act) and HF683 (FY 2004 Grow Iowa Values Fund Act). Establishes application and award procedures and describes the tax benefits available for participants.	<p>Assumptions:</p> <ol style="list-style-type: none"> Each fiscal year, three applicants will be approved for the program. One of the applicants will have sufficient Iowa income tax liability to fully utilize the tax credits over five years and the other two will utilize less than the maximum. Once issued, all credits will be utilized by the applicant (the applicant will continue to be profitable). <p>Fiscal Impact:</p> <table border="1"> <thead> <tr> <th></th> <th>Company Tax Credits</th> <th>Univ. Employee Tax Credits</th> <th>Univ. Standing Approp.</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>FY 05</td> <td>\$ 60,000</td> <td>\$ 20,000</td> <td>\$ -</td> <td>\$ 80,000</td> </tr> <tr> <td>FY 06</td> <td>\$ 525,000</td> <td>\$ 175,000</td> <td>\$ 60,000</td> <td>\$ 760,000</td> </tr> <tr> <td>FY 07</td> <td>\$ 650,000</td> <td>\$ 217,000</td> <td>\$ 525,000</td> <td>\$ 1,392,000</td> </tr> <tr> <td>FY 08</td> <td>\$ 1,000,000</td> <td>\$ 333,000</td> <td>\$ 650,000</td> <td>\$ 1,983,000</td> </tr> <tr> <td>FY 09</td> <td>\$ 1,275,000</td> <td>\$ 425,000</td> <td>\$ 1,000,000</td> <td>\$ 2,700,000</td> </tr> </tbody> </table> <p>The maximum allowable tax credits for FY 2005 is \$2.0 million. For FY 2006 and succeeding fiscal years the maximum allowable tax credits is \$10.0 million each year.</p>		Company Tax Credits	Univ. Employee Tax Credits	Univ. Standing Approp.	Total	FY 05	\$ 60,000	\$ 20,000	\$ -	\$ 80,000	FY 06	\$ 525,000	\$ 175,000	\$ 60,000	\$ 760,000	FY 07	\$ 650,000	\$ 217,000	\$ 525,000	\$ 1,392,000	FY 08	\$ 1,000,000	\$ 333,000	\$ 650,000	\$ 1,983,000	FY 09	\$ 1,275,000	\$ 425,000	\$ 1,000,000	\$ 2,700,000
	Company Tax Credits	Univ. Employee Tax Credits	Univ. Standing Approp.	Total																												
FY 05	\$ 60,000	\$ 20,000	\$ -	\$ 80,000																												
FY 06	\$ 525,000	\$ 175,000	\$ 60,000	\$ 760,000																												
FY 07	\$ 650,000	\$ 217,000	\$ 525,000	\$ 1,392,000																												
FY 08	\$ 1,000,000	\$ 333,000	\$ 650,000	\$ 1,983,000																												
FY 09	\$ 1,275,000	\$ 425,000	\$ 1,000,000	\$ 2,700,000																												
Board of Educational Examiners		LSA Contact: Robin Madison 1-5270																														
ARC 3111B	Combines superintendent and AEA administrator endorsements; modifies requirements to include national standards for school leaders and federal, state, and local fiscal policies.	No fiscal impact to State. Reduces educational costs for superintendents seeking AEA administrator endorsement.																														
ARC 3089B	Outlines expectations for educators regarding misconduct, both criminal and ethical.	No fiscal impact.																														
ARC 3088B	Change references to "conditional" licenses in Chapter 15 – the special education chapter – to the new license classifications that were recently approved for Chapter 14 – the general licensure chapter.	No fiscal impact.																														
ARC 3112B	Licensure requirements for the new evaluator endorsement or license created as part of the Student Achievement and Teacher Quality Program. The process and fees remain the same as under earlier rules.	No fiscal impact.																														
ARC 3090B	Places the previously created "Canon" of educator rights and responsibilities as a new rules chapter.	No fiscal impact. No complaint can be filed citing this chapter.																														
Ethics and Campaign Disclosure Board		LSA Contact: Sam Leto 1-6764																														
ARC 3047B	New Chapter on the use of public	No fiscal impact.																														

<u>Rule</u>	<u>Rule Summary</u>	<u>Fiscal Impact Analysis</u>
	resources for a political purpose. This chapter reflects Board policies and practices from past years.	
Environmental Protection Commission (Department of Natural Resources)		LSA Contact: Deb Kozel 1-6767
ARC 3092B	Establishes an animal feeding operations health effects value and standard for hydrogen sulfide, with associated ambient sampling manual, to be used to compare the hydrogen sulfide monitoring data being collected for a legislative field study.	No fiscal impact to the public or owners and operators of animal feeding operations. If there is a need for comprehensive plans and programs to regulate air emissions from animal feeding operations as a result of the standard, then there will be an impact to owners and operators of animal feeding operations. The amount of impact cannot be determined at this time since it is unknown what plans and programs could eventually be developed.
ARC 3094B	<p>Department of Natural Resources (DNR) State Drinking Water (SDW) Program changes:</p> <ol style="list-style-type: none"> 1. Reinstating a construction permit fee for Water Protection Fund. 2. Restructures fees that support the laboratory certification program. 3. Rescission of unregulated contaminant monitoring rules. 4. Requirements for ammonia sample collection and analysis. 5. Amends self-monitoring flow categories to include facilities with less than 25,000 gallons per day. 6. Waiver of bottled water monitoring requirements when water is from a community public water supply that meets all SDW Program requirements. 7. Prohibits return of water from steam condensate, engine cooling jackets, heat exchange devices, or wastewater treatment processes to a public water supply system. 8. Lists components of a sanitary survey and required timelines for correction of deficiencies. 9. Allows the Department to require systems currently unable to operate within design standards to upgrade their system before issuing a construction permit for another project not meeting deficiencies. 10. Updating references to the construction standards for public water supplies. 11. Incorporating statutory requirements that well construction be done by a certified well contractor. 12. Updates well-siting requirements, 	<p>Fiscal impact for changes:</p> <ol style="list-style-type: none"> 1. The construction permit fee will vary from \$100 to \$5,000 for water main projects and from \$100 to \$16,000 for water treatment plant construction. This is estimated to generate \$125,000 per year. Funds will be deposited into the Water Quality Protection Fund. 2. Establishes a certification program for laboratories that analyze samples for solid waste and contaminated sites programs. Restructures the fees for existing programs: wastewater, water supply, and underground storage tanks. The new fees will increase revenue by \$55,000 per year with three to five certified laboratories for solid waste and contaminated sites. 3. Fiscal impact to implement remaining rule changes is estimated at \$375,000 per year. Includes salaries, benefits, travel, etc. to support an additional 5.00 FTE positions with an average cost of \$75,000 each. These costs were based on a model developed by the federal Environmental Protection Agency (EPA). Funding is from EPA grants, construction permit fees, and State funding.

<u>Rule</u>	<u>Rule Summary</u>	<u>Fiscal Impact Analysis</u>
	<p>including revision of the separation distances from wells to contamination sources.</p> <p>13. Amends the drinking water revolving loan program rules to allow a public water supply to incorporate all projects costs for an eligible project to be included in the loan.</p> <p>14. Amends operator certification rules requiring an applicant to meet all education and experience requirements upon reapplication if their operator certificate has previously been revoked.</p> <p>15. Requires any entity holding courses in Iowa for which continuing education credit is offered for water treatment, water distribution, or wastewater operator certification to allow DNR staff to audit the training and receive all training materials at no cost to the department.</p> <p>16. Adopts laboratory certification requirements for the solid waste and contaminated sites programs.</p> <p>17. Includes federal EPA rule changes: revisions for lead and copper, radionuclides, public notification, analytical methods, arsenic, filter backwash recycle, and long-term surface water treatment.</p>	
Ethics and Campaign Disclosure Board		LSA Contact: Sam Leto 1-6764
ARC 3048B	Clarify procedural requirements for filing voluntary disclosure reports and provide exception from reporting requirements.	No fiscal impact. Amendment considered technical cleanup to current rule.
ARC 3046B	Corporate contributions prohibitions do not apply to an incorporated media organization that hosts a candidate debate when at least two or more candidates are invited to participate.	No fiscal impact. There is no requirement for fees or to expend additional funds.
ARC 3047B	New Chapter on the use of public resources for a political purpose. This chapter reflects Board policies and practices from past years.	No fiscal impact.
Department of Human Services		LSA Contact: Sue Lerdal 1-7794, Lisa Burk 1-7942, Jennifer Vermeer 1-4611
ARC 3108B	Reflects deadlines for application for funding from and action by the Risk Pool Board based upon changes from the 2003 General Assembly.	This rule change has no fiscal impact. As a result of the change within the administrative rule based upon the enactment of SF 458, funding remaining after action by the Risk Pool Board for mental health expenditures, the remaining funds are distributed to various eligible counties.
ARC 3074B	Use of credits from counties for billings	No fiscal impact.

<u>Rule</u>	<u>Rule Summary</u>	<u>Fiscal Impact Analysis</u>
	from a State institution. The amendment permits credits only to transfer from one non-net budgeted institution to another non-net budgeted institution due to the Constitutional limitation that prohibits the Department from transferring money from the General Fund.	
ARC 3114B	Amends various requirements for the Family Investment Agreement in the Family Investment Program (FIP), including requiring that the Agreement be signed prior to FIP approval. Also, eliminates FIP eligibility for households that contain a member who is enrolled in an educational program beyond a bachelor's degree.	Estimated savings of \$41,000 in FY 2004 and \$692,000 in FY 2005 in federal Temporary Assistance for Needy Families block grant funds. For FY 2005, this includes savings of \$488,000 due to the changes to the Family Investment Agreement, and \$195,000 due to the changes related to education beyond a bachelor's degree.
ARC 3075B	Adds the online <i>hawk-i</i> application as a valid application for Medicaid.	No fiscal impact.
ARC 3115B	Under the Medicaid Program, adds coverage for non-emergency transportation of pregnant mothers to Maternal and Child Health Centers.	Minimal fiscal impact.
ARC 3072B	Establishes the process for filing electronic <i>hawk-i</i> applications. Clarifies that only the income of family members who are living together is considered for <i>hawk-i</i> eligibility. Clarifies that the parent who has physical custody of a child may apply for that child.	Minimal fiscal impact.
ARC 3116B	Clarification of standards that detention and shelter facilities must follow for providing health care and in administering and managing medications for children residing in these facilities. The changes do not initiate new requirements but provide clarification with the goal of providing more consistent care for children residing in these facilities.	No fiscal impact.
ARC 3117B	Revision of independent living foster care rules regarding eligibility criteria, allowing youth who leave foster care at 18 to voluntarily return prior to their 20 th birthday in order to complete their high school education or obtain a GED, lifting cap on service unit for youth 18+, removing cap on amount of time a youth can reside in a cluster arrangement.	State fiscal impact of \$291,000, which would have to be managed by each of the eight DHS service areas within the current funding allocations received for child welfare services. This includes: <ul style="list-style-type: none"> • Cost for increasing the minimum number of face-to-face contacts - \$158,000. • Cost for youth returning before 20th birthday to complete high school education/GED - \$133,000.
ARC 3076B	Amendments define how the sanction for child care provider fraud will be determined. The DHS will impose a sanction when an administrative or judicial hearing finds that a child care provider had fraudulently obtained \$1,000 or more in child care assistance payments.	No fiscal impact. Implements SF 351 (Child Care Protections Act) passed during the 2003 Legislative Session.

<u>Rule</u>	<u>Rule Summary</u>	<u>Fiscal Impact Analysis</u>
ARC 3073B ARC 3078B	Changes requirements for group care therapy and counseling for various levels of group care (community, comprehensive, and enhanced). Under current rules, there is an "average weekly requirement;" under the proposed rules, the number of hours of therapy and counseling required is based on the number of days in the calendar month that the child is present in the facility. In addition, the rules describe how overpayments are calculated.	Fiscal impact cannot be determined; however, any change in recoupment of overpayments impacts funding available for serving children and families in the child welfare and juvenile justice system.
ARC 3077B	Rule change allows families now receiving subsidy for child care to continue to receive it, regardless of whether they would be eligible under the new rules and without applying for benefits under the Child Care Assistance Program. However, the amount of payment will be limited to the maximum allowed (\$500) for the child's age and type of care under the Child Care Assistance Program.	<p>The estimated State savings for FY 2004 is \$23,000.</p> <p>Adoption of this rule will negate some of savings projected from ARC 3021B, which prior to the change, was \$434,000 as follows:</p> <ul style="list-style-type: none"> • An increase in the number of families qualifying for child care assistance of 10.0%, or 90 children, for a cost of \$318,000 (100% federal funds). • The shift from adoption subsidy to child care assistance results in a savings in the adoption subsidy program of \$164,000 in State funds. • Changes to the definition of a special needs child is estimated to save \$242,000 in State funds. • Changes specifying a maximum child care rate when subsidy funds are used is estimated to save \$261,00 in State funds. • Establishing a maximum attorney fee and legal costs is estimated to save \$85,000.
Insurance Division (Dept. Commerce)		LSA Contact: Ron Robinson 1-6256
ARC 3106B	The proposed rule sets forth requirements for insurers that use credit reports, credit information or insurance scores with respect to certain lines of personal insurance to provide the Insurance Commissioner with the necessary information to ensure that the use of the credit reports or credit scores is in accordance with Iowa statutes and administrative rules. The proposed rule is a National Conference of Insurance Legislators (NCOIL) model.	No fiscal impact.
Inspections and Appeals Department		LSA Contact: Doug Wulf 1-3250
ARC 3081B	The proposed rules require long-term care facilities participating in the Medicaid program to assist the Iowa Commission on Veterans Affairs in identifying those	It is anticipated that there may be some minimal cost to the regulated entities and the Department as a result of these proposed rules. However, information is

<u>Rule</u>	<u>Rule Summary</u>	<u>Fiscal Impact Analysis</u>
	residents eligible for benefits through the federal Veterans Administration. The proposed rules also require facilities to seek reimbursement from the VA or other third-party payors prior to seeking reimbursement from the Medicaid program.	not available to calculate the costs, if any, at this time. Additionally, there may be some savings of Medicaid funds, however there is insufficient data to provide an estimate.
ARC 3080B	Implements the provisions of House File 594 (Electrical and Mechanical Amusement Devices Act) and requires the regulation and licensing of each amusement device and the registration of manufacturers, manufacturer's representatives and distributors, and provides for penalties.	<p>No General Fund impact. Fees collected are to be deposited into a separate fund for use by the departments to pay the costs of regulation.</p> <p>The DIA estimates that implementation of the rules will cost approximately \$72,000 in FY 2004 and \$45,000 in FY 2005. The increased cost for DIA includes 1.0 FTE position and necessary computer equipment and software to establish and maintain an online registration system.</p> <p>The Department of Public Safety will need 2.0 FTE positions to enforce these rules at an estimated cost of \$177,000 in FY 2004 and \$144,000 for FY 2005.</p> <p>Estimated receipts of an estimated \$468,000 will be generated each year from fees charged:</p> <ul style="list-style-type: none"> • Manufacturers, manufacturer's representatives and distributors will be subject to an annual registration fee of \$2,500 (\$118,000). • Owners/operators of amusement devices are required to obtain an annual registration tag for each device at a cost of \$25 per device (\$250,000 - \$450,000).
Law Enforcement Academy		LSA Contact: Jennifer Acton 1-7846
ARC 2978B	Establishes the personnel standards for Iowa reserve peace officers.	<ul style="list-style-type: none"> • There are approximately 2,000 reserve peace officers in Iowa. Currently, only those reserve officers who carry weapons are required to submit forms for record purposes. Each agency adding a reserve peace officer after the effective date will be required to submit forms that ILEA staff will manage for record purposes. The Academy is estimating that an additional part-time person would need to be hired at approximately \$20,000 per year. • The cost for agencies that currently do not have personal standards for reserve officers is estimated between \$350 and \$400 per person. The 2,000 current reserve officers would be

<u>Rule</u>	<u>Rule Summary</u>	<u>Fiscal Impact Analysis</u>
		grandfathered in. The number of new reserve officers required to meet the new personal standards cannot be determined. The individual reserve peace officer may be asked to fund the costs of meeting the hiring standards. Costs could vary from agency to agency. The fee will go to whichever agency is conducting the personal standards training.
Department of Management		LSA Contact: Ron Robinson 1-6256
ARC 3069B	These rules establish the procedures used by the Local Government Innovation Fund Committee for application review and grant and loan awards and ensure that the proceedings of the Committee are conducted in an orderly manner.	<p>The fund contains \$975,000 of which up to 20% may be awarded as grants or forgivable loans. The remaining portion of the money is to be disbursed as loans to local governments at an equitable interest rate to be repaid within 5 years. At the end of the 5-year term, the fund will contain \$914,000.</p> <p>The rules allow additional loans to be made by the committee from the fund as the fund matures. These estimates do not include any interest earned on money held by the State Treasurer.</p> <p>There would be a minimal fiscal impact to the Department of Management and staff time. The seven member committee that award the loans and grants would be eligible for compensation and reimbursement of expenditures as defined in Section 7E.6, Code of Iowa.</p>
Natural Resources (Dept. Natural Resources)		LSA Contact: Deb Kozel 1-6767
ARC 3091B	Participants receiving grant money from the Resource Enhancement and Protection (REAP) Fund must provide evidence of public communication of the project. This includes photographs, newspaper clippings, brochure, public displays, etc.	Minimal fiscal impact.
ARC 3093B	Adds Middle River State Park Lake, located in Warren County, to the list of artificial lakes under 100 acres in size with unlimited boat motor size and no-wake speed.	Minimal fiscal impact.
Professional Licensing Division (Dept. Commerce)		LSA Contact: Ron Robinson 1-6256
ARC 3113B	The proposed amendment established a fee for replacement of a licensee's wall certificate for the Landscape Architectural Examining Board. The architect's title was changed from "landscape architect" to "professional landscape architect" effective July 1, 2002.	<p>No fiscal impact to the State.</p> <p>There are currently 160 licensees. The fee will be \$25. The number who will request a new license is unknown.</p>

<u>Rule</u>	<u>Rule Summary</u>	<u>Fiscal Impact Analysis</u>
Iowa Public Employees' Retirement System		LSA Contact: Ron Robinson 1-6256
ARC 3095B	IPERS proposes to reestablish its administrative rules as an independent agency within the executive branch of State government as required by HF 534 (Department of Administrative Services Act). The preamble of the proposed noticed rule describes the new chapter structure for IPERS under agency number 495. Over the next year, IPERS will continue to amend 581—21 and move these amendments into new chapters under 495. These particular proposed amendments also coordinate the creation and rescission of rules currently shared with the Personnel Department, now part of the Department of Administrative Services.	No fiscal impact to the State.
Professional Licensure Division (Dept. Public Health)		LSA Contact: Lisa Burk 1-7942
ARC 3070B	Amendments adopt new subrules for the conduct of persons who attend public meetings, adopt criteria for issuing a duplicate or re-issued license certificate or wallet card, and adopt a new discipline chapter. The proposed amendments also revise the requirements for notifying the Board of a name or address change and revise procedures for license renewal.	Minimal fiscal impact. The cost is not expected to exceed \$50.
Department of Revenue		LSA Contact: Ron Robinson 1-6256
ARC 3100B	<p>This rule provides for additional tax credits for the Property Rehabilitation Tax Credit as set forth in 2003 Iowa Acts, HF 683 (Iowa Values Fund Act). This rule also provides for the University-based Research Utilization Program Tax Credit, which implements 2003 Iowa Acts, HF 692 (Property Tax Reform, Part I, Act).</p> <p>Item 1 amends sub rule 42.15(2) to provide for additional Property Rehabilitation Tax Credits for individual income tax for projects located in cultural and entertainment districts.</p> <p>Item 2 updates an implementation clause.</p> <p>Item 3 adopts new rule 42.21(422), which provides for a University-based Research Utilization Program Tax Credit for individual income tax. This credit, which is administered by the Iowa Department of Economic Development, is intended to promote the adoption of new technology developed at the three State universities.</p>	<p>General fund revenues will be reduced by as much as \$2.0 million for FY 2005, since section 111 of HF 692 capped the amount of tax credits at \$2 million. The potential reduction in General Fund revenues could reach \$10.0 million starting in FY 2006, based on the cap in section 111 of House File 692. The change to the Property Rehabilitation Tax Credits does not impact General Fund revenues until FY 2006, as set forth in Section 90 of HF 683. Processing these tax credits are part of the normal job duties of the Department.</p> <p>Individual income, corporation income and franchise taxpayers will be impacted by the rule, and they should benefit from the additional guidance in these rules.</p> <p>This change is similar to the one in Item 3. The proposed amendments will not necessitate additional expenditures by political subdivisions or agencies and entities, which contract with political subdivisions.</p>

<u>Rule</u>	<u>Rule Summary</u>	<u>Fiscal Impact Analysis</u>
	<p>Item 4 amends sub rule 52.18(2) to provide for additional Property Rehabilitation Tax Credits for corporation income tax for projects located in cultural and entertainment districts. This change is similar to the one in Item 1.</p> <p>Item 5 updates an implementation clause.</p> <p>Item 6 adopts new rule 52.24(422), which provides for a University-based Research Utilization Program Tax Credit for corporation income tax. This credit, which is administered by the Iowa Department of Economic Development, is intended to promote the adoption of new technology developed at the three State universities.</p>	
Secretary of State		LSA Analyst: Douglas Wulf 1-3250
ARC 3067B	<p>This amendment is intended to implement Iowa Code section 47.1 and Section 302 of the Help America Vote Act of 2002 (Pub. L. 107-252) (HAVA). Iowa Code section 47.1 requires the State Commissioner of Elections (Secretary of State) to promulgate rules regarding election emergency situations. Iowa's HAVA state plan provides that the State Commissioner of Elections will promulgate administrative rules to implement Section 302(c), which requires that any person who votes after the statutory hour for closing the polls shall vote only by casting a provisional ballot if the voting hours have been extended by a court order.</p>	No fiscal impact.
ARC 3101B	<p>The amendment is intended to implement Iowa Code section 49.21, the U.S. Voting Accessibility for the Elderly and Handicapped Act and the Americans with Disabilities Act, which require polling places to be accessible to persons with disabilities. This amendment provides a definition for the term "off-street parking" as used in the survey form used for determining the accessibility of polling places. The parking space specifications are taken from "ADA Accessibility Guidelines for Buildings and Facilities" (ADAAG) and from rule 661—18.3(321L), which sets forth the dimensions of parking spaces for persons with disabilities.</p>	No fiscal impact.
ARC 3068B	<p>These amendments prescribe forms for petitions and motions requesting elections regarding local option taxes for school infrastructure. The purpose of the</p>	No fiscal impact.

<u>Rule</u>	<u>Rule Summary</u>	<u>Fiscal Impact Analysis</u>
	amendments is to provide a uniform structure for the sources of ballot language for these elections.	
Department of Transportation		LSA Analyst: Mary Beth Mellick 1-8223
ARC 3096B	Rescinds Chapter 718: General Aviation Hangar Revolving Loan Fund.	Minimal fiscal impact. This fund was created during the 2000 legislative session and was appropriated \$500,000. The first loans were granted in FY 2002 and totaled \$140,000. The 2002 General Assembly passed legislation that reverted the \$360,000 of unobligated moneys to the General Fund. The \$140,000 that had already been loaned will be repaid over a 10-year time period. Senate File 97 (FY 2004 DOT Omnibus Act) provided that the loan repayments will be used for future aviation infrastructure grants. The political subdivisions will use the grants instead of the loan program.
ARC 3097B	Amends Chapter 700: Aeronautics Administration; Chapter 710: Airport Improvement Program; Chapter 715: Commercial Air Service Marketing Program; Chapter 716: Commercial Air Service Airport Infrastructure Program; and Chapter 720: Iowa Airport Registration.	No fiscal impact. The amendments correct contact information, add an Internet address, change deadlines, remove unnecessary language, change the title of Chapter 716, create consistency between other administrative rules, update an implementation clause, clarify language, and update references to publications.
Utilities' Division (Dept. of Commerce)		LSA Analyst: Ron Robinson 1-6256
ARC 3071B	Reflects agreement to insurance provisions of crossing of railroad rights-of-way rules reached by the railroads and small utilities.	No fiscal impact to the State. The fiscal impact to persons affected by the rule includes small utilities and railroads. The insurance requirements in the original rules were changed, allowing small utilities to obtain small policy limits, thereby, reducing their costs.
ARC 3118B	The proposed rules add new Chapter 43, and are intended to implement the broadband initiative created in 2003 Iowa Acts, SF 368 (Iowa Broadband Initiative Act).	It was estimated that the Iowa Utilities Board would expend approximately \$45,000 and add 1.0 FTE position to work on rate rebalancing, the broadband initiative, and conduct studies of the current state of exchange competition in Iowa and intrastate access charges. Since the utility companies reimburse the expenses of the Iowa Utilities Board, there would be no net fiscal impact on the Utilities Board. Local exchange service customers of Qwest, Iowa Telecom, and Frontier, may experience a price increase of up to \$2 per month, or \$24 per year, if those companies choose to participate in the broadband initiative. If the companies choose to participate, they will receive additional

<u>Rule</u>	<u>Rule Summary</u>	<u>Fiscal Impact Analysis</u>
		annual revenues that must be spent only on the deployment of advanced telecommunication services in Iowa. Assuming that the charge to the customers is the maximum amount allowed by statute, Qwest's annual revenues could increase by up to \$24.0 million (approx. 1 million customers x \$24); Iowa Telecom's revenues could increase by up to \$7.7 million annually (approx. 300,000 customers x \$24); Frontier's revenues could increase annually by up to \$1.2 million (approx. 50,000 customers x \$24).

Please contact the LSA analyst listed for each rule, Jennifer Vermeer (281-4611), or Tim Faller (281-4615) if you have any questions.

LSA: g:\projects\fiscal notes-rules\feb 04 ARRC\ARRC 2 9 03 memo final.doc: 2/2/04