



Fiscal Services Division

ADMINISTRATIVE RULES – FISCAL IMPACT SUMMARIES

January 6, 2015

Iowa Code section 17A.4(4) 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://www.legis.iowa.gov/law/administrativeRules/arrc/fiscalImpact>

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Department of Human Services

ARC 1754C

Rule Summary Adopts changes to implement 2014 Iowa Acts, chapter 1029 (Adoption Investigations and Reporting Requirements). Requires licensed child-placing adoption agencies or certified adoption investigators to complete additional record checks on prospective adoptive applicants. Records include national criminal background checks, sex offender registry, and child abuse records in states where applicants lived for five years prior to the investigation date. For international adoptions, postplacement investigation reports must address the unique needs of the child. Extends the validity date for home studies to two years. Also makes technical changes.

Agency Stated Authority: 2014 Iowa Acts, chapter 1029.

Fiscal Impact Agency Response: No fiscal impact.

LSA Response: The LSA concurs.

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Department of Agriculture and Land Stewardship

ARC 1802C

Rule Summary Reduces the number of required low-path avian influenza tests for large turkey and chicken flocks.

Agency Stated Authority: Iowa Code chapter 163.

Fiscal Impact Agency Response: No fiscal impact.

LSA Response: The LSA concurs.

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Economic Development Authority

ARC 1801C

Rule Summary Establishes a program to implement 2014 Iowa Acts, HF 2448 (Enterprise Zone Transition Act), and administer a new tax incentive program for assisting the development of workforce housing as directed by the General Assembly. The new Workforce Housing Tax Credits will be accessible in all 99 Iowa counties compared to the enterprise zone housing tax credits that were accessible in 45 counties.

The General Assembly also made a number of changes to the High Quality Jobs Program (HQJP) and the Enterprise Zone Program. House File 2448 amends these programs in conformance with the legislation that will allow broader access and more standard tax credit awards for economic development.

Clarifies amendments to other rules affected by the legislation, including some changes from prior Legislative Sessions.

Changes have been made since the rules were first noticed. The changes include the following:

- Specifies that a distressed workforce housing designation will last for one year at a time.
- Removal of the requirement that 30.0% of the available tax incentives is initially allocated for the purpose of new construction in the distressed workforce housing communities.

Agency Stated Authority: Iowa Code section 15.106A.

Fiscal Impact **Agency Response:** Fiscal impact of \$100,000 (or more) annually or \$500,000 (or more) over five years. The Program applications will fully utilize the available credit allocation.

LSA Response: The estimated General Fund fiscal impact remains the same as stated in the Fiscal Note for HF 2448, reducing General Fund revenue in FY 2016 through FY 2022.

General Fund Revenue Impact	
In millions	
	Revenue
FY 2015	\$ 0.0
FY 2016	-5.1
FY 2017	-3.8
FY 2018	-0.9
FY 2019	-1.0
FY 2020	-3.7
FY 2021	-5.0
FY 2022	-6.3

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Department of Education

ARC 1775C

Rule Summary Provides statewide standards and guidance for adult education and literacy programs. Defines the qualifications of staff, professional development, and performance and accountability.

Agency Stated Authority: Iowa Code section 256.7(5).

Fiscal Impact **Agency Response:** No fiscal impact.

LSA Response: The LSA concurs.

ARC 1783C

Rule Summary Revises rules related to the Pathways for Academic Career and Employment (PACE) Program and the Gap Tuition Assistance Program to reflect changes made in HF 604 (Education Appropriations Act) during the 2013 Legislative Session. The changes include the addition of pathway navigators and regional industry sector partnerships, increasing the federal poverty level benchmark to 250.0% for target populations and applicants for Gap Tuition Assistance, and the inclusion of staff support services as eligible costs.

Agency Stated Authority: Iowa Code section 256.7(5).

Fiscal Impact **Agency Response:** No fiscal impact.

LSA Response: The LSA concurs. In FY 2015, the PACE Program received an appropriation of \$5.0 million from the Skilled Worker and Job Creation Fund.

ARC 1779C

Rule Summary Sets out the requirements for the operation of summer camps, clinics, and coaching contact for out of season sports activities by changing the time period that summertime coaching activities cannot conflict with sports in season from “summertime” to specific dates “between June 1 and the first day of fall sports practices.”

Agency Stated Authority: Iowa Code section 256.7(5).

Fiscal Impact **Agency Response:** No fiscal impact.

LSA Response: The LSA concurs.

ARC 1781C

Rule Summary Establishes a statewide work-based learning intermediary network to prepare students for the workforce by connecting business and the education system and offering relevant work-based learning opportunities to students and teachers. The network is established in statute in Iowa Code section 256.40.

Agency Stated Authority: Iowa Code section 256.7(5).

Fiscal Impact **Agency Response:** No fiscal impact.

LSA Response: The LSA concurs. The network is funded in FY 2015 by an appropriation of \$1.5 million from the Skilled Worker and Job Creation Fund.

ARC 1778C

Rule Summary Amends various administrative rules for the Division of Vocational Rehabilitation Services that govern use of federal and state funds for services to persons with mental or physical disabilities that are seeking to obtain or retain employment.

Agency Stated Authority: Iowa Code section 256.7(5).

Fiscal Impact **Agency Response:** No fiscal impact.

LSA Response: The LSA concurs.

ARC 1776C

Rule Summary Sets the standards for the identification of students of limited English proficiency and programming to serve the educational needs of such students by Iowa school districts. Requires the State Board of Education to adopt rules to establish standards for the identification, selection, and use of research-based educational and instructional models for students identified as limited English proficient, and to establish standards for the professional development of the instructional staff responsible for the implementation of those research-based educational and instructional models.

Agency Stated Authority: Iowa Code section 256.7(5).

Fiscal Impact **Agency Response:** No fiscal impact.

LSA Response: The LSA concurs.

ARC 1780C

Rule Summary Alters the standards and program requirements that all educator preparation programs must meet in order to be accredited to prepare educators.

Agency Stated Authority: Iowa Code section 256.7(5).

Fiscal Impact **Agency Response:** No fiscal impact.

LSA Response: The LSA concurs.

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Environmental Protection Commission

ARC 1795C

Rule Summary The Department of Natural Resources (DNR) proposes to rescind the following air quality rules:

- Voluntary Operating Permit Program.
- Conditional permits.
- Adoption by reference of several federal air toxic and new source performance standards that do not apply to any Iowa sources.
- References to air quality forms that no longer exist or are explained elsewhere in rule.

The DNR is proposing two rule updates to reduce regulatory requirements:

- Sunset the rules for testing and monitoring mercury emissions as these are addressed by federal regulations.
- Update the definition of volatile organic compounds to match recent federal amendments.

Agency Stated Authority: Iowa Code section [455B.133](#).

Fiscal Impact Agency Response: No fiscal impact.

LSA Response: The LSA concurs.

Rule Summary **ARC 1757C**
Renews the General Permit No. 6 that authorizes the discharge of wastewater associated with water well construction and service activities.

Agency Stated Authority: Iowa Code sections [455B.105](#) and [455B.198](#).

Fiscal Impact Agency Response: No fiscal impact.

LSA Response: The LSA concurs.

Rule Summary **ARC 1796C**
Clarifies the process that the DNR provides credit toward certification qualifications for military service. This includes education and training and procedures for reciprocal certification for veterans that are certified water or wastewater operators in another state.

Agency Stated Authority: Iowa Code sections [272C.4](#) and [455B.222](#).

Fiscal Impact Agency Response: No fiscal impact.

LSA Response: The LSA concurs.

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Department of Inspections and Appeals

Rule Summary **ARC 1751C**
Provides hospitals with additional time to verify the conviction or entry of a record of founded abuse by potential employees from 48 hours to seven calendar days.

Agency Stated Authority: Iowa Code sections [10A.104\(5\)](#) and [135B.7](#).

Fiscal Impact Agency Response: No additional cost to the State because under current law, hospitals are required to conduct criminal history background and abuse record checks prior to hire of new personnel.

LSA Response: The LSA concurs.

Rule Summary **ARC 1753C**
Updates and amends the rules of Iowa Administrative Code Chapter 57 “Residential Care Facilities.” These replace the current chapter with modified rule organization and clarified language.

The new Iowa Administrative Code Chapter 57 includes the following provisions.

- Adds “Crisis Intervention” and “Memory Care Unit” requirements.
- Revises service plans and qualifications for administrators.
- Updates electronic records.
- Defines required policies and procedures, staff training, and in-service.

The new Iowa Administrative Code chapter also replaces the references of “physician” or “physician extender” with that of “primary care provider” throughout the chapter. The definition of a “qualified intellectual disabilities professional” was removed from the chapter as well.

Agency Stated Authority: Iowa Code sections 10A.104(5) and 135C.14.

Fiscal Impact

Agency Response: No fiscal impact to the State. Any procedural or construction costs associated with the updating of facility standards per the above listed requirements are the responsibility of each facility.

LSA Response: The LSA concurs.

Rule Summary

ARC 1752C

Adopts technical changes by amending and clarifying rules associated with involuntary discharge or transfer of individuals residing in the following types of care facilities as provided by the State Board of Health:

- Chapter 58 – Nursing Facilities.
- Chapter 62 – Residential Care Facilities for Persons with Mental Illness (RCF/PMI).
- Chapter 63 – Residential Care Facilities for the Intellectually Disabled.
- Chapter 64 – Intermediate Care Facilities for the Intellectually Disabled.
- Chapter 65 – Intermediate Care Facilities for Persons with Mental Illness (PCF/PMI).

The rule also updates the language of the provisions, modifying the term “physician” or “attending physician” to “primary care provider,” referencing those providing counseling assistance as licensed “mental health care professionals” under Iowa Code section 228.1(6), and updates the term “legal guardian” to “legal representatives.”

Agency Stated Authority: Iowa Code sections 10A.104(5) and 135C.14

Fiscal Impact

Agency Response: No fiscal impact to the state.

LSA Response: The LSA concurs.

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Insurance Division

Rule Summary

ARC 1794C

Delays the effective date of Rule 43 “Annual Mortality Tables for Use in Determining Reserve Liabilities for Annuities” of the Iowa Administrative Code from January 1, 2015, to January 1, 2016. The delay will prevent Iowa domiciled insurers from being placed at a competitive disadvantage in the marketplace and adversely affect the insurer and its policy holders.

Agency Stated Authority: Iowa Code section 505.8.

Fiscal Impact

Agency Response: No fiscal impact to the State. The amendment simply changes the effective date of the rule.

LSA Response: The LSA concurs.

ARC 1784C

Rule Summary Establishes procedural requirements to implement statutory changes that institute a disclosure framework for enterprise risk. The amendments enable the Insurance Division to assess the financial stability of domestic insurers. Through the implementation of various reporting forms, including a new form known as “Form F,” the amendments identify specific disclosures that must be addressed by an insurer when entering into a cost-sharing or management agreement with an insurance affiliate.

The amendments affect all Iowa domiciled insurers that are members of an insurance holding group as defined under Iowa Code chapter 521A.

Agency Stated Authority: Iowa Code sections 505.8 and 521A.8.

Fiscal Impact **Agency Response:** No fiscal impact. No material or financial costs are expected as a result of implementing the statutory changes.

LSA Response: The LSA concurs.

ARC 1772C

Rule Summary Adopts the new Chapter 79 of the Iowa Administrative Code, entitled “Prior Authorization-Prescription Drug Benefits” as enacted by the 2014 Iowa Acts, HF 2463, Section 98. Provides for a single prior authorization form as well as a prior authorization process for approval of prescription drug benefits by health carriers, health benefit plans, and pharmacy benefits managers. The new rules also provide for urgent and nonurgent claim protocols.

The submitted authorization form is subject to any prior authorization developed by federal Medicare, Medicaid, and prescription drug and health and human services standards. Utilizing a single form will increase transparency and streamline the authorization process.

Agency Stated Authority: Iowa Code section 505.26.

Fiscal Impact **Agency Response:** No fiscal impact. Any procedural costs associated to developing and submitting the form will be subject to the Insurance Division’s approval.

LSA Response: The LSA concurs.

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Iowa Public Employees’ Retirement System (IPERS)

ARC 1800C

Rule Summary IPERS proposes the following rule changes:

- Implements contribution rates for regular and special service members beginning July 1, 2015, and adds two new protection occupation class groups enacted during the 2014 Legislative Session (Insurance Fraud Investigators and Parole Officers employed by Community-Based Corrections and certified through the Iowa Law Enforcement Academy).
- Changes the timing of service purchases made by permitting members to purchase service credit only at the time of retirement, effective January 1, 2016.
- Clarifies requirements of a completed retirement or disability retirement application when submitted by a member with regards to termination dates

provided by the employer and acceptable proof of birth, to conform overpayment rules for recovery of overpayments, and interest charged in the case of fraud, to the business rules, and procedures currently in place.

- Clarifies vesting requirements and that level payment options are not available to members applying for disability benefits.
- Updates rules to remove language regarding same gender spouse or former spouse or same sex spouse or former spouse or Administrable Domestic Relations Order or ADRO or any definitions of and/or related provisions, to conform IPERS with Internal Revenue Service (IRS) reporting requirements for distributions to nonspouse successor alternate payees and to update rules regarding IPERS' administration of Domestic Relations Orders.
- Updates the definition of a record to be consistent with business rules and procedures.

Agency Stated Authority: Iowa Code sections 97B.4 and 97B.15.

Fiscal Impact

Agency Response: Included in these rules is the decrease in contribution rates for FY 2016 for the Protection Occupation group under IPERS. The decrease in the contribution rate from 16.9% to 16.4% will result in a savings of \$1.7 million. The contribution amounts are split 60/40 between employers and members resulting in an estimated member rate decrease of \$675,000 and an estimated employer decrease of \$1.0 million.

Also, included in these rules, is a change in the current service purchase credit method. The rule change restricts the actual purchase of service credit until the time of retirement, rather than permitting members to buy at any time prior to retirement. The current method is based on actuarial assumptions that result in some members underpaying and others overpaying the actual cost. The change also requires members to be vested by years of service at the time of purchase, rather than vested by age. IPERS and its actuary determined that this approach will better protect both the member and IPERS as the member's actual work experience, termination date, actual age, and final average salary will be used to calculate the service purchase cost rather than projections as to these cost elements. In the past, quarters purchased were averaged together for the quarterly cost. This change will also require the quarters to be valued individually. Individual quarters can significantly increase a member's pension benefit and likewise, the cost of the service purchased. By requiring individual quarters to be calculated, it will reflect a more true cost of the service purchase. This change is expected to be cost neutral to the System.

LSA Response: The LSA concurs.

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Labor Services Division

ARC 1782C

Rule Summary

Adopts by reference changes to the federal Occupational Safety and Health Administration (OSHA) recordkeeping and reporting regulations. The federal changes update the list of industries that are exempt from recordkeeping requirements due to low occupational injury and illness rates. It eliminates the requirement for an employer to report a catastrophe and instead requires an employer to report a work-related hospitalization, amputation, or the loss of an eye. The rules also change the instructions for reporting workplace incidents to the Iowa Division of Labor Services. Technical changes have been made since the rules were first noticed.

The U.S. Department of Labor estimated the average annual cost for employers newly required to keep records is \$82. Nationally, the net annual cost is estimated at \$9.0 million.

Agency Stated Authority: Iowa Code section 88.5.

Fiscal Impact

Agency Response: No fiscal impact on the Division of Labor. The U.S. Department of Labor stated in the Federal Register: This rulemaking will have a net annualized cost of \$9.0 million for employers.

LSA Response: The LSA concurs.

Rule Summary

Adopts by reference technical changes to federal OSHA standards for electrical protective equipment and electrical power generation, distribution, and transmission.

ARC 1803C

Agency Stated Authority: Iowa Code section 88.5.

Fiscal Impact

Agency Response: No fiscal impact.

LSA Response: The LSA concurs.

Rule Summary

Adopts by reference changes to the federal OSHA requirements concerning crane operators' safety by extending the deadline for crane operators to become certified until November 10, 2017, and by extending the deadline for employers to ensure that crane operators are competent.

ARC 1797C

Agency Stated Authority: Iowa Code section 88.5.

Fiscal Impact

Agency Response: No fiscal impact.

LSA Response: The LSA concurs.

Rule Summary

Adopts by reference most of the new American Society of Mechanical Engineers' (ASME) A17.1 safety code for elevators and escalators and the most recent National Electric Code. An exception is not allowing the alternative test described in ASME A17.1 (2013) to be used as a substitute for a full-load safety test once every five years. Additionally, the rules will prohibit the automatic reset of safety devices on escalators and moving sidewalks. A technical correction was made to the reference since the rule was first noticed and changes have been made to the effective dates.

ARC 1766C

Agency Stated Authority: Iowa Code section 89A.3.

Fiscal Impact

Agency Response: No fiscal impact.

LSA Response: The LSA concurs.

Rule Summary

Adopts by reference most of the new ASME A17.3 (2011) safety code for existing elevators and escalators, with an enforcement date of May 1, 2020.

ARC 1771C

Agency Stated Authority: Iowa Code section 89A.3.

Fiscal Impact **Agency Response:** Fiscal impact cannot be determined. There will be costs for elevator owners to upgrade their equipment. The Board did not adopt the most costly requirements and set a five-year period for compliance.

LSA Response: No fiscal impact to the State. Owners of existing elevators may incur expenses and will have until May 1, 2020, to bring the equipment up to the requirements.

Rule Summary Amends definitions. Updates codes by reference to the current codes and the effective dates of those changes. Requires all boilers and pressure vessels to have a current and valid certificate before they are operated. Specifies documentation of certain repairs is to be made and left on site for an inspector. **ARC 1798C**

Agency Stated Authority: Iowa Code section 89.14.

Fiscal Impact **Agency Response:** This will have no fiscal impact on the State. There will be slightly higher costs for companies that repair or alter boilers and pressure vessels.

LSA Response: The LSA concurs.

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Medicine Board

Rule Summary Establishes a new Iowa Administrative Code chapter on the standards of practice for physicians that use telemedicine, information technology, or other means of interaction between a licensee in one location and a patient in another location with or without an intervening health care provider. **ARC 1769C**

Agency Stated Authority: Iowa Code chapters 147, 148, and 272C.

Fiscal Impact **Agency Response:** No fiscal impact.

LSA Response: The LSA concurs.

Rule Summary Implements the licensing reciprocity provisions of the Home Base Iowa Act (2014 Iowa Acts, chapter 1116). **ARC 1804C**

Agency Stated Authority: 2014 Iowa Acts, chapter 1116.

Fiscal Impact **Agency Response:** Minimal fiscal impact.

LSA Response: The LSA concurs.

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Pharmacy Board

Rule Summary Eliminates all references to the now expired extended deadline for national certification for pharmacy technicians and all references to “uncertified pharmacy technicians.” **ARC 1785C**

Agency Stated Authority: Iowa Code sections 147.72, 147.107, 155A.6A, 155A.23, 155A.33, and 155A.39.

Fiscal Impact **Agency Response:** No fiscal impact.

LSA Response: The LSA concurs.

Rule Summary Combines the requirements for compounding drug products that are currently in Iowa Administrative Code Chapters 13 and 20 into a single chapter. Includes changes to adopt national minimum practice standards for compounding. Also incorporates new federal regulations as established in the Drug Quality and Security Act of 2013.

ARC 1791C

Agency Stated Authority: Iowa Code sections 124.302, 124.303, 124.306, 124.308, 124.501, 126.9, 126.10, 126.18, 155A.2, 155A.13, 155A.28, 155A.33, and 155A.35.

Fiscal Impact **Agency Response:** No fiscal impact.

LSA Response: The LSA concurs.

Rule Summary Permits the delegation of immunization administration by an authorized pharmacist to an authorized pharmacist-intern under the direct supervision of the authorized pharmacist. Provides definitions, requires continued cardiac life support certification, and outlines the actions that this protocol must contain.

ARC 1786C

Agency Stated Authority: Iowa Code sections 147.76 and 155A.6.

Fiscal Impact **Agency Response:** No fiscal impact.

LSA Response: The LSA concurs.

Rule Summary Updates and clarifies the persons responsible for various activities required by Board rules for multiple chapters.

ARC 1793C

Agency Stated Authority: Iowa Code sections 124.301, 126.11, 147.107, 155A.13, 155A.13A, 155A.15, 155A.19, and 155A.33.

Fiscal Impact **Agency Response:** No fiscal impact.

LSA Response: The LSA concurs.

Rule Summary Removes the requirement of a signature of the owner or corporate officer of a pharmacy when there is a temporary change in the pharmacist in charge, but maintains written notification to the Board.

ARC 1792C

Agency Stated Authority: Iowa Code sections 155A.13, 155A.13A, 155A.13B, 155A.15, and 155A.19.

Fiscal Impact **Agency Response:** No fiscal impact.

LSA Response: The LSA concurs.

ARC 1787C

Rule Summary Temporarily classifies products containing tramadol, alfaxalone, and suvorexant as Schedule IV controlled substances and temporarily removes the classification of hydrocodone combination products from Schedule III, thereby classifying all hydrocodone-containing products in Schedule II of the Controlled Substances Act. This classification conforms to recent changes of these same substances by the U.S. Department of Justice, Drug Enforcement Administration. Changes are also made to provide more clear direction for the notification process when a registrant has experienced a theft or loss of controlled substances.

Agency Stated Authority: Iowa Code sections 124.201(4) and 124.301.

Fiscal Impact **Agency Response:** No fiscal impact.

LSA Response: The LSA concurs.

ARC 1788C

Rule Summary Requires notification to Iowa patients when a nonresident pharmacy intends to cease business in Iowa. Prohibits a nonresident pharmacy from canceling its license as a means of avoiding disciplinary action.

Agency Stated Authority: Iowa Code sections 155A.13A and 155A.19.

Fiscal Impact **Agency Response:** No fiscal impact.

LSA Response: The LSA concurs.

ARC 1789C

Rule Summary Establishes rules implementing the licensing reciprocity provisions of the Home Base Iowa Act (2014 Iowa Acts, chapter 1116).

Agency Stated Authority: 2014 Iowa Acts, chapter 1116.

Fiscal Impact **Agency Response:** Minimal fiscal impact.

LSA Response: The LSA concurs.

ARC 1790C

Rule Summary Revises and adds more direct references to violations of pharmacy licensees or registrants when initiating and hearing disciplinary action.

Agency Stated Authority: Iowa Code sections 147.55, 272C.3, 272C.5, 155A.15, 155A.23, 126.3, 124.304, and 124.401 through 124.407.

Fiscal Impact **Agency Response:** No fiscal impact.

LSA Response: The LSA concurs.

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Public Employment Relations Board

ARC 1773C

Rule Summary Adopts three changes:

- Moves two rules governing prohibited practice proceedings to another Iowa Administrative Code chapter that governs general hearing procedures.

- Clarifies rules.
- Provides a new rule to implement Iowa Code section 20.11(3). Nonprevailing parties in prohibited practice cases will be charged with the costs of a certified shorthand reporter and any transcript requested by the Board.

Agency Stated Authority: Iowa Code section 20.6(5).

Fiscal Impact

Agency Response: Minimal fiscal impact. The rule taxing the costs of a certified shorthand reporter and any transcript requested by the Agency in prohibited practice cases that culminate in a contested case hearing will have a minimal positive fiscal impact on the Public Employment Relations Board (PERB) since the agency has paid the cost of the reporter's time in the past and not been reimbursed by a party. This expense has averaged about \$2,300 per fiscal year over the last two fiscal years. Taxing the cost of a transcript to the parties will not produce a fiscal impact on the PERB. The PERB has only very rarely ordered a transcript from the reporter. The PERB has purchased only one transcript of a prohibited practice hearing in the last two fiscal years. The average transcript cost per hearing is estimated to be \$675.

LSA Response: The LSA concurs.

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Department of Public Health (DPH)

ARC 1747C

Rule Summary

Adopts final rules for a newborn hearing screening program called the Iowa Early Hearing Detection and Intervention to the purview of the Center for Congenital and Inherited Disorders. Revises and adopts final rules for the Iowa Department of Public Health authority to collect, test, and store newborn screening specimens and conduct follow up and quality assurance activities.

Agency Stated Authority: Iowa Code section 135.131 and chapter 136A.

Fiscal Impact

Agency Response: No fiscal impact.

LSA Response: The LSA concurs.

ARC 1745C

Rule Summary

Repeals and replaces Iowa Administrative Code Chapter 155 on licensure standards for substance-related disorder and problem gambling treatment programs. These changes implement changes that were made to Iowa Code chapter 125 including conforming the current standards to changes to the Iowa Code, updating the current standards to match revisions to national practice standards, aligning the current standards with national accreditation standards for similar programs, and making technical corrections.

Agency Stated Authority: Iowa Code sections 125.13, 125.21 and 135.150.

Fiscal Impact

Agency Response: No fiscal impact.

LSA Response: The LSA concurs.

ARC 1750C

Rule Summary

Amends rules to provide for a second review process of applications for the service delivery area if the application receives an equal number of points by management and nonmanagement employees. Provides that public notice of available funds will

be made through the lowaGrants.gov system. Designates the time period for decision and order of the director from the date of the receipt of an appeal.

Agency Stated Authority: Iowa Code sections [135.11](#), [17A.3\(1\)](#), and [17A.15](#).

Fiscal Impact **Agency Response:** Minimal fiscal impact. The DPH will expend an estimated \$30,000 to develop a specific database application and grant forms in lowaGrants.gov.

LSA Response: The LSA concurs.

Rule Summary Establishes rules implementing the licensing reciprocity provisions of the Home Base Iowa Act (2014 Iowa Acts, chapter [1116](#)). **ARC 1749C**

Agency Stated Authority: 2014 Iowa Acts, chapter [1116](#) (Home Base Iowa Act).

Fiscal Impact **Agency Response:** Minimal fiscal impact.

LSA Response: The LSA concurs.

Rule Summary Updates terminology, clarifies current practices, and makes technical changes for the Certificate of Need Program including allowing the electronic submission of materials. **ARC 1748C**

Agency Stated Authority: Iowa Code sections [135.61](#) through [135.79](#).

Fiscal Impact **Agency Response:** No fiscal impact.

LSA Response: The LSA concurs.

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Racing and Gaming Commission

Rule Summary Amends the following Chapters of the Iowa Administrative Code: **ARC 1770C**

- [Chapter 5](#) – Track and Excursion Boat Licensees’ Responsibilities.
- [Chapter 8](#) – Wagering and Simulcasting.
- [Chapter 10](#) – Thoroughbred and Quarter Horse Racing.
- [Chapter 11](#) – Gambling Games.
- [Chapter 12](#) – Accounting and Cash Control.

Updates and clarifies a number of requirements, including those for peace officer presence at a licensed facility and independent network assessments to be done on a biennial basis. Removes references to the Gambling Treatment Fund as well as nullifies the use of month-end reporting. Updates rule language and regulations in regard to live racing and trifecta wagering circumstances. The amendments also provide for the use of microchipping and multistate wide area progressive slot machine systems, subject to agreement between participating states.

Agency Stated Authority: Iowa Code sections [99D.7](#) and [99F.4](#).

Fiscal Impact **Agency Response:** No fiscal impact.

LSA Response: The LSA concurs.

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Utilities Division

ARC 1768C

Rule Summary Updates Iowa Administrative Code Chapter 20.11 to provide more flexibility to electric utilities in times of peak usage. Amends the rule to provide annual notice of reduction in electricity consumption as well as explanations of conditions that require such action. Allows utility companies to be more flexible in developing peak alert messages.

Agency Stated Authority: Iowa Code sections 17A.3, 476.1, 476.1A, and 476.17.

Fiscal Impact **Agency Response:** No fiscal impact.

LSA Response: The LSA concurs.

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Department of Revenue

ARC 1767C

Rule Summary Implements an interest rate of 5.0% per annum or 0.4% per month on unpaid, interest-bearing taxes and refunds owed for the 2015 calendar year.

Agency Stated Authority: Iowa Code sections 421.14 and 422.68.

Fiscal Impact **Agency Response:** The interest rate has remained steady at 5.0% for the past four years. No fiscal impact is expected for the State, but small businesses may be minimally impacted.

LSA Response: The LSA concurs.

ARC 1765C

Rule Summary Implements 2013 Iowa Acts, SF 295 (Commercial Property Tax Credit Act), Division III. The Act creates a new property tax classification for human habitat commercial property (apartments, nursing homes, assisted living facilities, etc.). The new classification begins in Assessment Year (AY) 2015. Property included in the new classification is assigned a rollback percentage of 86.25% for AY 2015, and that percentage declines 3.75 percentage points each year through AY 2021. Beginning in AY 2022, the multiresidential classification is assigned a rollback equal to the residential rollback each assessment year.

Agency Stated Authority: Iowa Code section 421.14.

Fiscal Impact **Agency Response:** Refer to the LSA fiscal note for 2013 SF 295:

The Department has indicated that the reclassification of property as multiresidential will reduce local property tax revenues beginning after FY 2016 when the impact created by the new classification is no longer reimbursed by the State General Fund.

LSA Response: Under the provisions of SF 295, the new multiresidential classification will be taxed at 95.0% of assessed value in FY 2015 and at 90.0% in

FY 2016. In those two years, local governments will be reimbursed for the property tax revenue reduction by the State General Fund.

Beginning in FY 2017, the new multiresidential classification will benefit from annual 3.75% reductions in the percent of assessed value subject to property tax. Beginning in FY 2024, multiresidential property will be taxed at the same percentage as residential each year.

The State reimbursement only applies to property classified as commercial or industrial, so once the new multiresidential classification is established, the local government revenue reductions associated with multiresidential property will not be reimbursed (schools will continue to receive reimbursement for the \$5.40 levy through the State school aid formula). In FY 2017, the revenue reduction to local governments caused by the 86.25% multiresidential rollback is estimated to be \$20.0 million. By FY 2024, when the multiresidential and residential property classes are taxed at the same percentage of assessed value, the local government revenue reduction is projected at \$91.0 million.

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College Student Aid Commission

ARC 1799C

Rule Summary Clarifies priorities for grant funding in the All Iowa Opportunity Scholarship Program when funding is not sufficient to award all eligible applicants. Clarifies the types of expenses that can be covered by the grants.

Agency Stated Authority: Iowa Code section 261.87.

Fiscal Impact **Agency Response:** No fiscal impact.

LSA Response: The LSA concurs. In FY 2015, the Program received a General Fund appropriation of \$2.2 million.

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Iowa Finance Authority

ARC 1764C

Rule Summary Revises the chapter related to the Group Home Facilities Loan Program.

Agency Stated Authority: Iowa Code section 17A.3(1)(b) and 16.5(1)(r).

Fiscal Impact **Agency Response:** No fiscal impact.

LSA Response: The LSA concurs.

ARC 1763C

Rule Summary Updates rules to conform to the 2014 Iowa Acts, SF 2328 (Agricultural Development Division of Iowa Finance Act).

Agency Stated Authority: Iowa Code section 17A.3(1)(b), 16.5(1)(r), and 16.5C.

Fiscal Impact **Agency Response:** No fiscal impact.

LSA Response: The LSA concurs.

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Rule Summary ARC 1762C
Updates rules related to the Multifamily Housing Program to conform to the 2014 Iowa Acts, SF 2328 (Agricultural Development Division of Iowa Finance Act).

Agency Stated Authority: Iowa Code section 17A.3(1)(b), 16.5(1)(r), and 16.5C.

Fiscal Impact **Agency Response:** No fiscal impact.

LSA Response: The LSA concurs.

Rule Summary ARC 1760C
Rescinds the Small Business Loan Program.

Agency Stated Authority: Iowa Code section 17A.3(1)(b), and 16.5(1)(r).

Fiscal Impact **Agency Response:** No fiscal impact.

LSA Response: The LSA concurs.

Rule Summary ARC 1759C
Rescinds the Group Home Facilities Loan Program.

Agency Stated Authority: Iowa Code section 17A.3(1)(b), and 16.5(1)(r).

Fiscal Impact **Agency Response:** No fiscal impact.

LSA Response: The LSA concurs.

Rule Summary ARC 1761C
Updates rules and definitions related to the Iowa Main Street Loan Program to conform to the 2014 Iowa Acts, SF 2328 (Agricultural Development Division of Iowa Finance Act).

Agency Stated Authority: Iowa Code section 17A.3(1)(b), 16.5(1)(r), and 16.5C.

Fiscal Impact **Agency Response:** No fiscal impact.

LSA Response: The LSA concurs.

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Natural Resource Commission

Rule Summary ARC 1755C
Rescinds two rules that are no longer used:

- 571 Chapter 9 – State Migratory Waterfowl, Trout and Habitat Stamp Design Contests.
- 571 Chapter 53 – Controlled Hunting Areas.

Agency Stated Authority: Iowa Code section 455A.5(6)(a).

Fiscal Impact **Agency Response:** No fiscal impact.

LSA Response: The LSA concurs.

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Professional Licensure Division

ARC 1758C

- Rule Summary** Makes the following changes to the licensure of marital and family therapists and mental health counselors:
- Revises the examination requirements for a temporary license.
 - Defines the requirements for the counseling theories and supervised counseling practicum educational requirements.
 - Revises requirements for licensure by endorsement.

Agency Stated Authority: Iowa Code chapter 147, and Iowa Code sections 154D.2 and 154D.7.

Fiscal Impact **Agency Response:** No fiscal impact.

LSA Response: The LSA concurs.

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Secretary of State

ARC 1746C

- Rule Summary** Revises the configuration settings for the Unisyn OpenElect voting system that is currently certified for use in the State of Iowa. The configuration settings are based on the newest version of the certified Unisyn election management software. In addition, authorizes County Commissioners that have purchased the Unisyn OpenElect voting system to use ballot alerts if they so choose and adds references to newly certified Election Systems and Software and Dominion voting systems to an existing rule. Ballot alerts, when activated in the Unisyn voting system, print an alert when voters insert a ballot that is blank or contains an overvote. These alerts will eliminate the need for the election official to examine the voter's actual ballot.

Agency Stated Authority: Iowa Code sections 47.1 and 17A.4.

Fiscal Impact **Agency Response:** No fiscal impact to the State.

LSA Response: The LSA concurs.

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Veterinary Medicine Board

ARC 1756C

- Rule Summary** Permits the Veterinary Medicine Board to waive State fees and continuing education requirements for persons or spouses of people that have served in the military during the past 12 months.

Agency Stated Authority: Iowa Code section 169.5.

Fiscal Impact **Agency Response:** No fiscal impact.

LSA Response: The LSA concurs.

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