



## Fiscal Services Division

### ADMINISTRATIVE RULES – FISCAL IMPACT SUMMARIES

**August 5, 2016**

*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/arcc/fiscalImpact>*

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#### Department of Human Services

**ARC 2605C**

#### Rule Summary

Adopts the following amendments:

- Increases the statewide average cost of nursing facility services to a private-pay person. The figure is being revised to reflect the increase in the cost of private-pay rates for nursing facility care in Iowa. The change is not related to rates paid by Medicaid for nursing facility care.
- Updates the average charges for nursing facilities, Psychiatric Medical Institutes for Children (PMICs), Mental Health Institutes (MHIs), and the maximum Medicaid rate for Intermediate Care Facilities for the Intellectually Disabled (ICF/IDs), which are used to determine the disposition of the income of a Medical Assistance Income Trust (MAIT).

**Agency Stated Authority:** Iowa Code section 249A.4.

#### Fiscal Impact

**Agency Response:** The budget is developed from a base rate and bed day trend that is reflective of past changes in private-pay cost and the average charge rate. The changes that go into effect July 1, 2016 will be included in the FY 2017 budget. Other long-term care budgets, HCBS waivers, MHIs, PMICs, and ICFs/ID are developed using similar methodologies. Given the marginal nature of these changes, coupled with the level of income required in order to be impacted, any fiscal impact is expected to be less than \$100,000 annually.

**LSA Response:** The LSA concurs.

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### ARC 2604C

**Rule Summary** Adds deferred judgements to what is considered as part of a background check for the performance of record check evaluations by the Department of Human Services (DHS).

**Agency Stated Authority:** Iowa Code section 234.6.

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

**LSA Response:** The LSA concurs.

### ARC 2637C

**Rule Summary** Establishes the process for the DHS to approve licensing applications to the Department of Inspections and Appeals (DIA) for subacute mental health care facilities and subacute care facilities. This rulemaking establishes the process to determine the disbursement of 75 beds to the most qualified providers. The DIA has established the licensing rules for subacute care facilities.

**Agency Stated Authority:** Iowa Code section 225C.6.

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

**LSA Response:** The LSA concurs.

### ARC 2652C

**Rule Summary** Implements the federal Preventing Sex Trafficking and Strengthening Families Act, Pub. L. No. 113-183. Pursuant to 2016 Iowa Acts, SF 2258 (Foster Care, Alternative Permanent Living Arrangements, and Sex Trafficking), these amendments update the description of reasonable supervision of foster children including language regarding the liability of foster parents, and add new requirements regarding annual fire inspections and building codes. Updates the requirement for provision of transition plan documents to any child leaving foster care at the age of 18 or older.

**Agency Stated Authority:** Iowa Code section 217.6.

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

**LSA Response:** The LSA concurs.

### ARC 2651C

**Rule Summary** Implements the federal Justice for Victims of Trafficking Act, Pub. L. No. 114-22, to require state child protective service agencies to consider a child to be a victim of child abuse and neglect, and of sexual abuse if the child is identified as being a victim of sex trafficking or a victim of severe forms of human trafficking. The federal law also requires individuals that patronize or solicit persons for a commercial sex act to be equally culpable for sex trafficking offenses.

As a result of the federal law, an 11th category of abuse, child sex trafficking, was adopted in 2016 Iowa Acts, SF 2258. While modifying the state law, the definition to the current category of sexual abuse was also modified.

**Agency Stated Authority:** Iowa Code chapters 232 and 235A.

**Fiscal Impact** **Agency Response:** Minimal fiscal impact. Any costs associated with updating systems, training of field staff and potential increase in appeals will be absorbed by the DHS. In May 2016, 15 children entered foster care with sexual abuse as the

primary reason for placement. It is estimated that there may be an additional increase of 1 to 2 children in placement as a result of sexual abuse, for an average stay of nine months. The annual cost to the state for a child placed in family foster care is approximately \$7,100.

**LSA Response:** The LSA concurs.

**ARC 2646C****Rule Summary**

Amends current language on child care centers to conform to federal Child Care and Development Block Grant Act (CCDBG) changes, provides a general update, and makes technical corrections.

The following changes are proposed to implement federal requirements:

- Orientation training in health and safety content areas for all staff within three months of employment.
- Enhanced emergency planning requirements.
- Safe sleeping standards as recommended by the American Academy of Pediatrics.

The following changes are proposed to enhance current regulations:

- Requires a regulatory fee to be paid at the time of application. This is current practice but not stated in rule.
- Limits the need for separate group and self-study training, allowing training to be completed throughout the registration period.
- Adds an approved training organization.
- Requires centers to protect child confidentiality.
- Requires the same number of training hours for all staff.

The following changes are proposed to implement technical updates:

- Removes form numbers.
- Removes unnecessary external agency rule citations.
- Removes references to years no longer applicable.
- Removes requirements to “fully” comply with all standards to be downgraded to “provisional.” Allows for being “imperfect.” Current practice does not require “provisional” if not 100.0% compliant.
- Updates education table to include post-bachelor education.
- Clarifies expectations for sole providers in a center.
- Amends child care definition to be in line with Iowa Code chapter 237A.

**Agency Stated Authority:** Iowa Code section 237A.12.

**Fiscal Impact**

**Agency Response:** No fiscal impact.

**LSA Response:** The LSA concurs.

**ARC 2647C****Rule Summary**

Rescinds and re-adopts requirements for child development homes to conform to federal requirements resulting from the reauthorization of the federal Child Care and Development Block Grant Act (CCDBG), enhances the safety of children in care, and makes technical corrections.

The following changes are proposed to implement federal requirements:

- Compliance checks for health, safety, and fire standards will be required prior to registration. Annual unannounced visits will be conducted.
- Medication cannot be administered without completion of training.

- Enhanced emergency planning requirements.
- Safe sleep standards as recommended by the American Academy of Pediatrics.
- Documentation that minimum health and safety training has been completed.

The following changes are proposed to enhance the safety of children in care:

- Prohibition on the use of illegal drugs, alcohol, or prescriptions that could impair the ability to provide safe supervision.
- Requirement of driver's license, insurance, and appropriate use of child restraint devices for child transportation.
- Requires drinking water accessibility throughout the day.
- Permits midmorning or afternoon snacks, instead of requiring both.
- Limit the needs for separate group and self-study training. Allows training to be completed throughout registration period.
- Adds an approved training organization.

The following changes are proposed to implement technical changes:

- References to private sewer system requirements.
- Mirrors language of fencing requirements for both above ground and in-ground pools.
- Modifies requirements of file contents for child care provider's own children.
- Clarifies that medical consent authorization treatment covers both medical and dental treatment.
- Immunization certificate must be from Iowa, aligning with Iowa Department of Public Health (DPH) rules.

**Agency Stated Authority:** Iowa Code section 237A.12.

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

**LSA Response:** The LSA concurs.

**Rule Summary**      **ARC 2648C**  
Adopts a new chapter on child care homes for providers that want to receive reimbursement through CCDBG funds that were previously not required to be registered with the state. Requirements outline registration, provider agreements, minimum standards for health, safety, fire, sleeping, and recordkeeping, professional development, and record checks. Annual inspections are required.

**Agency Stated Authority:** Iowa Code section 237A.12.

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

**LSA Response:** The LSA concurs.

**Rule Summary**      **ARC 2649C**  
Amends language regarding child care services, updating references to in-home providers as to conform to the federal Child Care and Development Block Grant Act (CCDBG) changes. Removes references to nonregistered providers.

**Agency Stated Authority:** Iowa Code section 234.6.

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

**LSA Response:** The LSA concurs.

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### Economic Development Authority

#### **ARC 2653C**

**Rule Summary** Updates the title of the Iowa Main Street Program to the Main Street Iowa Program. Adds new Program definitions, including the definition for “Traditional Commercial District,” and updates the description of the application process. Also updates the four strategies of the Program and modifies the selection criteria.

**Agency Stated Authority:** Iowa Code section 15.106A.

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

**LSA Response:** The LSA concurs.

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### Department of Education

#### **ARC 2609C**

**Rule Summary** Implements HF 2264 (2016 Open Enrollment for Bullying Victims). House File 2264 permits a student to participate in varsity interscholastic athletic contests and athletic competitions immediately upon open enrollment if the student’s district of residence determines that the student was previously subject to a founded incident of harassment or bullying while attending school in the district of residence. The proposed administrative rule also makes technical changes.

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

**Fiscal Impact** **Agency Response:** No fiscal impact. The money representing the district cost per pupil follows the open enrolling student to the receiving district. No additional funds are required.

#### **ARC 2608C**

**Rule Summary** Implements HF 2264 (2016 Open Enrollment for Bullying Victims). House File 2264 permits a student to participate in varsity interscholastic athletic contests and athletic competitions immediately upon open enrollment if the student’s district of residence determines that the student was previously subject to a founded incident of harassment or bullying while attending school in the district of residence. The proposed administrative rule also makes technical changes.

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

**Fiscal Impact** **Agency Response:** No fiscal impact. The money representing the district cost per pupil follows the open enrolling student to the receiving district. No additional funds are required.

**LSA Response:** The LSA concurs.

#### **ARC 2627C and ARC 2620C**

**Rule Summary** Requires each student enrolled in grade eight to have an individualized career and academic plan developed by the school district and that the plan must be reviewed and revised each year until the student graduates high school. ARC 2627C is the notice of intended action for ARC 2620C, an adopted and filed emergency rule.

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

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**Fiscal Impact**      **Agency Response:** There will no fiscal impact on the State of Iowa. The fiscal impact on school districts cannot be determined at this time.

**LSA Response:** The LSA concurs.

### **ARC 2606C**

**Rule Summary**      Outlines the standards and program requirements that all alternative licensure educator preparation programs must meet to be accredited programs for prepared educators in Iowa. The revisions are made to remain current with research-based best practices. Compliance with these standards is required and evaluated during each educator preparation program accreditation review.

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

**Fiscal Impact**      **Agency Response:** There is no fiscal impact for this rule.

**LSA Response:** The LSA concurs.

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## Department of Homeland Security and Emergency Management

### **ARC 2618C**

**Rule Summary**      Adopts two changes dealing with training requirements for local emergency management coordinators. The first reduces the time frame to complete baseline and professional development training from five years to two years. The second change removes the list of 10 specific baseline courses and allows the Department Director to develop the needed courses in consultation with the Iowa Emergency Management Association. This list of courses will be maintained on the Homeland Security and Emergency Development's public website.

**Agency Stated Authority:** Iowa Code section 17A.3.

**Fiscal Impact**      **Agency Response:** There is no fiscal impact.

**LSA Response:** The LSA concurs.

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## Department of Inspections and Appeals

### **ARC 2643C**

**Rule Summary**      Eliminates the requirement that an individual must first be a certified nursing assistant (CNA) prior to becoming a certified medication aide (CMA) in residential care facilities, residential care facilities for persons with mental illness, or residential care facilities for the intellectually disabled. References to a residential aide course are also eliminated as this course is no longer available.

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

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

**LSA Response:** The LSA concurs.

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### Insurance Division

#### **ARC 2664C**

**Rule Summary** Allow surplus lines insurance producers, under a defined method, to electronically deliver notices if specific guidelines are followed. The amendments also propose updates to several citations, and general updates to the chapter.

**Agency Stated Authority:** Iowa Code sections 515E.8, 515E.14, and 515I.15.

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

**LSA Response:** The LSA concurs.

#### **ARC 2665C**

**Rule Summary** Rescinds Iowa Administrative Code Chapter 23 and replaces it with Chapter 104. The proposed new chapter updates the prior chapter to include, among other things, procedures that allow the electronic administration of Iowa Code chapter 516 and associated rules.

**Agency Stated Authority:** Iowa Code section 516E.7.

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

**LSA Response:** The LSA concurs.

#### **ARC 2668C**

**Rule Summary** Amends current rules to comply with Iowa Code section 502.305, as amended by 2016 Iowa Acts, House File 2394, Section 2, related to the fee charged for filing a registration statement or a notice of filing. The amendments also propose updates to several citations and general updates to the chapter.

**Agency Stated Authority:** Iowa Code section 502.305.

**Fiscal Impact** **Agency Response:** No fiscal impact. The amendments were designed to be revenue neutral.

**LSA Response:** The LSA concurs.

#### **ARC 2666C**

**Rule Summary** Rescinds Iowa Administrative Code Chapter 54 "Residential Service Contracts" and adopts the new Chapter 103 in its place.

**Agency Stated Authority:** Iowa Code section 523C.10.

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

**LSA Response:** The LSA concurs.

#### **ARC 2667C**

**Rule Summary** Clarifies that preneed sellers must maintain records of sales agents that have made sales on behalf of preneed sellers, and that preneed sellers shall report the names of any affiliated sales agents to the Insurance Division annually. Clarifies how preneed sellers and financial institutions should create and report funds and transactions of master trust agreement accounts. Updates references to the 2016 Iowa Code.

**Agency Stated Authority:** Iowa Code section 523A.809.

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

**LSA Response:** The LSA concurs.

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### Iowa Finance Authority

#### **ARC 2659C**

**Rule Summary**      Updates the 2017 Qualified Allocation Plans (QAPs) for the federal Low Income Housing Tax Credit (LIHTC) programs and adds conforming and corrective changes. The qualified allocation plans set forth the purpose of the plans, the administrative information required for participation, threshold criteria, selection criteria, post reservation requirements, the appeal process, and the compliance monitoring component. The plans also establish the fees for filing an application for low-income housing tax credits.

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

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

**LSA Response:** The LSA concurs.

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### Labor Services Division

#### **ARC 2615C**

**Rule Summary**      Adopts by reference changes to the Occupational Safety and Health Administration (OSHA) regulations for reporting and recordkeeping. The federal requirements are to be phased in over a two-year period and Iowa will match those dates. Employers are already required to keep certain records and data concerning workplace illnesses and injuries. These changes will require that some employers submit that same data electronically once a year. Other changes will encourage employees to report illnesses and injuries to employers.

**Agency Stated Authority:** Iowa Code section 88.5.

**Fiscal Impact**      **Agency Response:** Fiscal Impact cannot be determined at this time. The federal OSHA estimates that the total nationwide cost of the changes is \$15.0 million; however, there is not a figure available for Iowa. The federal OSHA estimated an annual cost of \$11.13 for a business that is covered by the new requirement and that has from 20 to 249 employees. The estimated cost for a business with over 250 employees is \$214 per year.

**LSA Response:** The LSA concurs.

#### **ARC 2603C**

**Rule Summary**      Establishes new safety standards and fees for inspections of material lift elevators. A material lift elevator installed after the effective date of this rule will be required to obtain an installation permit, inspections, and operating permits. The material lift elevator fee is set at \$500 and includes the initial print review, installation permit, initial inspection, and first-year operating permit, while the fee for other hydraulic elevators is \$750 and other traction elevators is \$1,000. The adopted rule was revised to remove references to vertical reciprocating conveyors while the Board continues to study the issues raised in the comments. The effective date of the rules



related to Conveyance and Material Lift Elevators have been changed to apply to Conveyance or Material Lift Elevators installed on or after August 10, 2016.

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

**Fiscal Impact**      **Agency Response:** Fiscal impact of less than \$100,000 annually or \$500,000 over five years. Since this proposal only applies prospectively, the costs are anticipated to be minimal. Most manufacturers build new equipment to conform to the current codes.

**LSA Response:** The LSA concurs.

**Rule Summary**      Establishes new rules specific to elevators in broadcast towers, including providing for existing practices for scheduling inspections. Requires safety upgrades, including anchor points for fall protection gear and an emergency stop switch on top of the car. There are approximately 12 elevators in broadcast towers in Iowa. Since the rules were first noticed, the scheduling practice for inspections has been expanded to create more flexibility by permitting the inspection to take place during non-normal business hours if agreed to by the Commissioner of Labor and a rule pertaining to vision panels for viewing ropes and guide rails has been removed.

**ARC 2607C**

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

**Fiscal Impact**      **Agency Response:** Fiscal impact of less than \$100,000 annually or \$500,000 over five years. The projected cost of installing the safety mechanisms is about \$4,000 per elevator for a state wide total of under \$50,000. Since the Iowa Public Television owns three of the towers, the cost to the state would be about \$12,000.

**LSA Response:** The LSA concurs.

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### **Iowa Lottery Authority**

**Rule Summary**      Adopts rules for the Iowa Lottery Authority's sale of instant lottery tickets that do not contain the latex coating presently found on traditional scratch tickets.

**ARC 2660C**

**Agency Stated Authority:** Iowa Code section 99G.9(3).

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

**LSA Response:** The LSA concurs.

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### **Medicine Board**

**Rule Summary**      Revises rule on Contested Case Proceedings to be consistent with Iowa Code section 148.7(4).

**ARC 2610C**

**Agency Stated Authority:** Iowa Code section 147.76.

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

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**LSA Response:** The LSA concurs.

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### Pharmacy Board

#### **ARC 2638C**

**Rule Summary** Terminates ARC 2286C.

**Agency Stated Authority:** Iowa Code section 147.76.

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

**LSA Response:** The LSA concurs.

#### **ARC 2639C**

**Rule Summary** Removes language prohibiting an electronically transmitted original prescription from being printed and retained.

**Agency Stated Authority:** Iowa Code sections 124.301 and 147.76.

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

**LSA Response:** The LSA concurs.

#### **ARC 2662C**

**Rule Summary** Rescinds Iowa Administrative Code Chapter 30 (Impaired Pharmacy Professional and Technician Recovery Program), and establishes the Iowa Monitoring Program for Pharmacy Professionals to support the evaluation and monitoring of licensees that are impaired as a result of alcohol or drug dependency, addiction, or by any mental or physical disorder or disability, while protecting the health, safety, and welfare of the public.

**Agency Stated Authority:** Iowa Code section 272C.3.

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

**LSA Response:** The LSA concurs.

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### Department of Public Health

#### **ARC 2614C**

**Rule Summary** Updates an omitted reference in the Iowa Plumbing Code to the 2015 edition of the Uniform Plumbing Code.

**Agency Stated Authority:** Iowa Code section 105.4.

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

**LSA Response:** The LSA concurs.

#### **ARC 2634C**

**Rule Summary** Establishes rules for the Anatomical Gift Public Awareness and Transplantation Fund outline the funding requirements for state agencies or nonprofit legal entities conducting anatomical gift public awareness projects. Establishes funding

requirements for hospitals conducting anatomical gift public awareness projects and improving referral protocols. Establishes requirements for transplant recipients, donors, and a single caretaker for the reimbursement of out-of-pocket expenses not covered by insurance.

**Agency Stated Authority:** Iowa Code section 142C.15.

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

**LSA Response:** The LSA concurs.

**Rule Summary**      **ARC 2628C**  
Updates the Iowa Emergency Medical Care Provider Scope of Practice to the January 2016 edition. Also updates the Critical Care Paramedic curriculum, removing references to EMT-I. Expands the Scope of Practice to allow First Responders, Emergency Medical Responders, Emergency Medical Technicians, and Advanced Emergency Medical Technicians to administer intra-nasal opioid antagonists such as Narcan and Naloxone, as per service protocol pursuant to 2016 Iowa Acts, SF 2218 (Opioid Antagonist Act) and HF 2460 (FY 2017 Health and Human Services Appropriations Act).

**Agency Stated Authority:** Iowa Code section 147A.4.

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

**LSA Response:** The LSA concurs.

**Rule Summary**      **ARC 2655C**  
Updates reportable conditions to conform to Iowa Code changes. Amends current rules to reflect the reportable conditions for brain and spinal cord injury to transition to the International Classification of Diseases, 10th Revision, Clinical Modification.

**Agency Stated Authority:** Iowa Code section 135.22.

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

**LSA Response:** The LSA concurs.

**Rule Summary**      **ARC 2654C**  
Rescinds the requirement that prohibits the collection of patient names from the Iowa Hospital Association as part of the Health Data Collection Program. Requires all health data to be collected, maintained, and disseminated only in accordance with both Iowa and federal Law. Also makes technical updates.

**Agency Stated Authority:** 1996 Iowa Acts, chapter 1212 (FY 1997 Health and Human Rights Appropriations Act).

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

**LSA Response:** The LSA concurs.

**Rule Summary**      **ARC 2656C**  
Amends current rules regarding the practice of tattooing to update definitions, application requirements, and fee schedules, clarify general provisions for tattoo artists and tattoo establishments, and update sanitation and infection control provisions. The amendments also clarify tattoo equipment requirements and

tattooing procedures, establishment permit requirements, propose guidelines for guest artists, and prohibits the establishment of any new mobile tattoo units. Inspection and inspector requirements and enforcement actions are also clarified.

**Agency Stated Authority:** Iowa Code section 135.37.

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

**LSA Response:** The LSA concurs.

**Rule Summary**      **ARC 2621C**  
Implements the revised Board-Certified Behavior Analyst and Board-Certified Assistant Behavior Analyst Grants Program. The grants program provides grants to Iowa resident and nonresident applicants that are enrolled in a program to be eligible for board certification as a behavior analyst or assistant behavior analyst.

**Agency Stated Authority:** SF 505, section 68, (FY 2016 Health and Human Services Appropriations Act), 2015 Iowa Acts, and SF 2109 (sic, HF 2460), section 57, (FY 2017 Health and Human Services Appropriations Act), 2016 Iowa Acts.

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

**LSA Response:** 2016 Iowa Acts HF 2460 (FY 2017 Health and Human Services Appropriations Act) allocated \$250,000 for the Grant Program from the \$2.0 million Autism Support Program Fund allocation as part of the Medical Contracts appropriation. An additional \$250,000 from the FY 2016 appropriation was brought forward for a total appropriation of \$500,000 in FY 2017.

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**Department of Public Safety**

**Rule Summary**      **ARC 2658C**  
Authorizes the public fueling of liquefied petroleum gas (LP gas) and provides the authority for owners of fuel dispenser facilities to provide the training to users for safe fueling of vehicles.

**Agency Stated Authority:** Iowa Code sections 101.1(1), 101.2, 101.4, and 101.5.

**Fiscal Impact**      **Agency Response:** No fiscal impact. The only expected costs are those resulting from the installation of the dispensing stations, and the Department estimates these to be minimal.

**LSA Response:** The LSA concurs.

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**Secretary of State****ARC 2663C and ARC 2669C**

**Rule Summary**      Pursuant to HF 2273 (Elections Technical Act), this rule provides that county commissioners of elections can voluntarily utilize the U.S. Postal Service's Intelligent Mail Barcode system as an additional tracking method when determining whether

absentee ballots were introduced into the mail system by the date required under Iowa Code chapter 53.

**Agency Stated Authority:** Iowa Code chapter 53.

**Fiscal Impact**      **Agency Response:** No fiscal impact to the state. The costs are incorporated as part of the election costs paid by county auditors. The estimated cost is approximately 2-4 cents per absentee ballot in the counties that choose to use it.

**LSA Response:** The LSA concurs.

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### Iowa Commission on Volunteer Service

#### **ARC 2613C**

**Rule Summary**      Implements HF 2460 (FY 2017 Health and Human Services Appropriation Act) by establishing a Refugee Rebuild, Integrate, Serve, Empower (RefugeeRISE) AmeriCorps Program to increase community integration and engagement for diverse refugee communities in rural and urban areas across the state. The Program will support AmeriCorps Program member recruitment and training to improve the economic well-being and health of economically disadvantaged refugees in local communities across Iowa. The funding can be used to supplement federal funds.

**Agency Stated Authority:** Iowa Code section 86.8.

**Fiscal Impact**      **Agency Response:** Fiscal Impact of \$100,000 (or more) annually or \$500,000 (or more) over five years. The fiscal impact of these rules is \$300,000 of state funding appropriated to the Department of Human Services and transferred to the Economic Development Authority for the Iowa Commission on Volunteer Service.

**LSA Response:** The LSA concurs.

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### Department of Revenue

#### **ARC 2617C**

**Rule Summary**      Provides guidelines as to how funds related to the recently established Iowa ABLE savings plan trust will impact Iowa income taxes. Also clarifies current rules to determine that a decedent's interest in an ABLE account is included in the list of exemptions from the inheritance tax.

**Agency Stated Authority:** Iowa Code section 421.14.

**Fiscal Impact**      **Agency Response:** No fiscal impact. The proposed rules simply intend to implement SF 490 (Disabilities, Achieving a Better Life Experience Accounts).

**LSA Response:** As outline in the fiscal note for SF 490 of the Iowa ABLE Savings Plan Trust is projected to reduce State General Fund revenue and local option income surtax for schools revenue by the amounts in the following table:

Estimated Revenue Reductions (In Millions)		
	State General Fund	Local Option Surtax
FY 2017	\$ 8.5	\$ 0.3
FY 2018	13.1	0.5
FY 2019	17.9	0.6
FY 2020	18.4	0.6
FY 2021	18.9	0.7
FY 2022	19.3	0.7

At Iowa's top income tax rate of 8.98%, the benefit to the taxpayer for contributing the maximum state exemption amount to a beneficiary's ABLE account (estimated at \$3,246 for tax year 2016) is \$291. For taxpayers with a lower marginal tax rate, the state tax benefit is lower. The fiscal estimate assumes that a significant number of accounts will be created to provide cash flow for current year expenses to benefit from the state tax reduction provided by the account. If the account fees, expense tracking, and other required paperwork prove to be too onerous for the level of tax benefit received, fewer accounts will be created and the revenue reduction will be lower.

The State Treasurer's Office indicates that, due to the account restrictions and limited qualified participant pool, the new program will take a significant amount of time to become self-sufficient. Therefore, an appropriation for program administration will be necessary for several years. The estimated appropriation level necessary is \$380,000 for FY 2016 and \$320,000 for FY 2017.

For additional information, please see the associated [Fiscal Note](#).

#### **ARC 2632C**

**Rule Summary** Updates tax credits for investments in qualifying businesses and community-based seed capital funds, also known as the "Angel Investor Tax Credit Program." Additional amendments are proposed to add subheadings and numbered subparagraphs to the rules to provide clarity.

**Agency Stated Authority:** Iowa Code section [422.68](#).

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

**LSA Response:** The LSA concurs.

#### **ARC 2616C**

**Rule Summary** Requires W-2 and 1099 forms to now be filed electronically with the Department on an annual basis.

**Agency Stated Authority:** Iowa Code sections [421.14](#), [422.16](#), and [422.68](#).

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

**LSA Response:** The LSA concurs.

## **ARC 2619C**

**Rule Summary** Amends the motor fuel excise tax to adjust to decreases in the market share of ethanol blended gasoline. The excise tax on motor fuel is determined by the market share of ethanol blended fuel sold in Iowa (Iowa Code section 452A.3). For FY 2017, the tax rate for ethanol will be 29.0 cents for ethanol blended gasoline and 30.7 cents for gasoline.

**Agency Stated Authority:** Iowa Code sections 17A.3, 421.14, and 452A.59.

**Fiscal Impact** **Agency Response:** The Iowa Department of Revenue estimates that this change will reduce revenue to the Road Use Tax Fund by \$9.1 million in FY 2017.

**LSA Response:** The LSA concurs.

## **ARC 2633C**

**Rule Summary** Updates to the term “lineal descendants” to include descendants by adoption, and to add lineal descendants of stepchildren to the list of people exempt from inheritance tax for estates of decedents dying on or after July 1, 2016, as pursuant to the passage of House File 661 (Probate and Trust Law Amendments), signed by Governor Branstad on June 26, 2015. References that exclude lineal descendants of stepchildren from the exemption are amended and, where appropriate, explanations are added as to which ascendants and descendants do, and which do not, qualify for the exemption under the new language of the statute. Additionally, rule language is amended to maintain consistency with the new language of the Code.

**Agency Stated Authority:** Iowa Code section 421.14.

**Fiscal Impact** **Agency Response:** Exempting the lineal descendants of stepchildren from the state inheritance tax will reduce net General Fund revenue by an estimated \$0.5 million in FY 2016, \$1.2 million in FY 2017, and \$1.5 million in FY 2018 and subsequent years.

**LSA Response:** The LSA concurs. For additional information, please see the corresponding Fiscal Note.

## **ARC 2657C**

**Rule Summary** Conforms the IAC to the 2015 Iowa Acts, ch. 109, which eliminated the State Board of Tax Review upon the final disposition of all pending cases. The Act provided that the Director of Revenue will now hear all tax appeals previously heard by the Board. The Act also assigned some of the Director's duties to the Department, particularly in relation to property tax matters, such as credits and equalization, so as not to create a conflict of interest when the Director hears appeals on those matters.

**Agency Stated Authority:** Iowa Code section 421.6.

**Fiscal Impact** **Agency Response:** The Department estimates a small fiscal impact in the elimination of the State Board of Tax Review, as there will be no need to fund the Board. No fiscal impact has been found for the other portions of the amendments.

**LSA Response:** The LSA concurs.

### ARC 2661C

**Rule Summary** Updates current Iowa fiduciary income tax rules to comply with the enactment of Iowa Code section 422.7, subsection 57, which allows taxpayers to deduct administrative expenses for Iowa fiduciary income tax that are not allowed as deductions on the federal fiduciary income tax return.

**Agency Stated Authority:** Iowa Code section 421.14.

**Fiscal Impact** **Agency Response:** Fiscal impact cannot be determined at this time. This rule change is expected to lower revenues collected from fiduciary income tax returns as a result of the allowance of a greater tax reduction. It is unclear, however, how many taxpayers will be affected and how great the additional administrative expenses now allowed as a deduction will be for each taxpayer.

**LSA Response:** The LSA concurs.

### ARC 2636C

**Rule Summary** Implement changes to Iowa Code section 423.3(47) exempting supplies, further defining replacement parts and supplies, and making technical corrections.

**Agency Stated Authority:** Iowa Code section 17A.3 and 423.42.

**Fiscal Impact** **Agency Response:** The Department submitted the Fiscal Note for HF 2433.

**LSA Response:** The LSA concurs. The relevant sections of the Fiscal Note detail a projected decrease of General Fund revenue of \$21.3 million in FY 2017, that will then grow by about \$1.1 million per year thereafter.

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## Department of Transportation

### ARC 2645C

**Rule Summary** Eases restrictions and clarifies requirements for outdoor advertising along primary highways. Adopts multiple amendments related to individual business signs.

**Agency Stated Authority:** Iowa Code sections 307.12 and 307A.2.

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

**LSA Response:** The LSA concurs.

### ARC 2640C

**Rule Summary** Allows the Department of Transportation (DOT) to deny the application for a privately owned vehicle to be designated as an authorized emergency vehicle if the vehicle does not comply with Iowa Code section 321.451, or does not demonstrate necessity. Defines the process used to deny an application or revoke a certificate of designation for authorized emergency vehicles.

**Agency Stated Authority:** Iowa Code sections 307.12, 307A.2, and 321F.11.

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

**LSA Response:** The LSA concurs.



**ARC 2644C**

**Rule Summary** Amends current requirements, including application prerequisites, for intermediate driver's licenses. Clarifies the passenger restriction for an intermediate license. Outlines how a parent or guardian may waive the restriction. Requires intermediate licensees to remain accident free for 12 months prior to applying for a full license.

**Agency Stated Authority:** Iowa Code sections 307.12, 307A.2, and 321.180B.

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

**LSA Response:** The LSA concurs.

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**Environmental Protection Commission****ARC 2629C**

**Rule Summary** Adopts the following amendments:

- Changes the criteria for the construction of bridges, road embankments, and culverts in a floodplain. The Department of Natural Resources (DNR) often grants waivers for variances to contractors or the Department of Transportation (DOT) during the bridge construction process. The rule change will eliminate some of the need to request waivers.
- Rescinds the Q50 Backwater Criterion for the construction of bridges. The Q50 Backwater Program regulates the amount of pooled surface water allowed during a 2 percent annual chance flood event.
- Provides an exception to the minimum criterion for a bridge freeboard as long as a licensed engineer provides certification that the bridge is properly designed to withstand the relevant forces of water during flood conditions.
- Adds exemptions to the DNR's floodplain development permit requirements for certain activities such as excavations installed for conservation practices and for the installation of signs, utility poles, and other similar structures.
- Changes the reference for the variance procedure to 561 IAC Chapter 10.

**Agency Stated Authority:** Iowa Code section 455B.263.

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

**LSA Response:** The LSA concurs.

**ARC 2630C**

**Rule Summary** Implements legislation that includes HF 225 (FY 2013 Waste Management Assistance Act) and HF 544 (FY 2015 Waste Conversion Technologies Act). Changes include:

- Moves some definitions from section 567—Chapter 101 to section 567—Chapter 100 and adopts minor corrections so the rules match the Iowa Code.
- Rescinds the rule pertaining to the state's Waste Management Hierarchy and replaces all references with a reference to Iowa Code section 455B.301A.
- Removes certain waste management technique implementation requirements for planning areas that fail to meet the 25.0% waste reduction goal as legislation that established these requirements was rescinded.
- Removes the availability of a waiver to exempt waste generated during a declared disaster from the state's tonnage fee requirements as this waiver was eliminated.
- Rescinds the requirement for local governments to complete the Municipal Solid Waste and Recycling Survey.

- Recognizes the annual reporting efforts of planning areas and service areas that are designated as Environmental Management Systems (EMS).
- Revises the definition of “comprehensive plan update” to reflect changes in which the definition of “planning cycle” was extended from three to five years.

**Agency Stated Authority:** Iowa Code section 455.304.

**Fiscal Impact**      **Agency Response:** The fiscal impact cannot be determined.

**LSA Response:** The fiscal impact appears to be minimal. When the legislation was passed, the DNR indicated there was no fiscal impact and no fiscal notes were written.

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### Natural Resource Commission

#### ARC 2612C

**Rule Summary**      Bans alcohol products, liquor, beer, and wine at the beaches located in Lake Macbride State Park and Pleasant Creek State Recreation Area. A beach is defined as a portion of state parks or recreation areas designated for swimming activity including the sand, a 200-foot buffer of land surrounding the sand or a designated area that is fenced in, and the water area contiguous to the beach as marked by swim buoys or swim lines. This does not apply to shelter facilities that have been reserved through the Department of Natural Resources (DNR). A reserved shelter can serve alcohol for a large party, such as a reunion or a wedding.

**Agency Stated Authority:** Iowa Code section 455A.5.

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

**LSA Response:** The LSA concurs.

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### Commerce Department

#### ARC 2650C

**Rule Summary**      Adopts various technical changes largely devoted to updating physical addresses, phone numbers, and websites for the Divisions of the Department of Commerce. Updates the legal scope of authority for certain Divisions by clarifying the expenditure authorization process in addition to other administrative roles.

**Agency Stated Authority:** Iowa Code chapter 546.

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

**LSA Response:** The LSA concurs.

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### Educational Examiners Board

#### ARC 2631C

**Rule Summary**      Clarifies the language regarding temporary permits for administrators, adjusts the experience requirement for an initial administrator license to mirror the experience

requirement for superintendent licensure, and strikes language setting forth difference endorsements and requirements for out-of-state candidates.

**Agency Stated Authority:** Iowa Code section 272.2(1)(a).

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

**LSA Response:** The LSA concurs.

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### Employment Appeal Board

#### **ARC 2642C**

**Rule Summary**      Conforms rules regarding the types of notice sent to the Employment Appeal Board (Board) by the Iowa Department of Public Safety (DPS) pursuant to Iowa Code section 80.15. The current rule refers only to notice of intent to dismiss. However, Iowa Code section 80.15 refers to notices dealing with suspension, disciplinary demotions, or other disciplinary action resulting in the loss of pay. Updates also specify the deadline for appealing proposed decisions of an administrative law judge to the Board. Deadlines have been established for Occupational Safety and Health Administration (OSHA), Iowa Public Employee Retirement System (IPERS), and Department of Administrative Services (DAS) cases.

**Agency Stated Authority:** Iowa Code section 10A.601(6).

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

**LSA Response:** The LSA concurs.

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### Libraries and Information Services Division

#### **ARC 2622C**

**Rule Summary**      Updates information regarding the State Library, including address, units within the Library, the number of Commission of Libraries members, the advisory panel, and information delivery.

**Agency Stated Authority:** Iowa Code section 256.51.

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

**LSA Response:** The LSA concurs. Reimbursable travel costs paid annually to the advisory panel members are \$6,800.

#### **ARC 2623C**

**Rule Summary**      Updates the Library's address for requests of access to records.

**Agency Stated Authority:** Iowa Code section 256.51.

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

**LSA Response:** The LSA concurs.

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### **ARC 2626C**

**Rule Summary** Rescinds Iowa Administrative Code 286 Chapter 4 as the reference to the Iowa Communications Network (ICN) classroom policy is unnecessary.

**Agency Stated Authority:** Iowa Code section 256.51.

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

**LSA Response:** The LSA concurs.

### **ARC 2625C**

**Rule Summary** Adopts amendments to bring the Libraries and Information Services Division in compliance with the federal Children's Internet Protection Act (CIPA). The amendments include preventing inappropriate Internet usage such as hacking and accessing obscene material.

**Agency Stated Authority:** Iowa Code section 256.51.

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

**LSA Response:** The LSA concurs. The State Library may be eligible to receive discounted telecommunications, Internet access, and internal connections through the federal E-rate program as a result of being in compliance with the federal CIPA. Annual savings are estimated at \$5,500 annually.

### **ARC 2624C**

**Rule Summary** Rescinds IAC chapters so that Iowa Code sections 256.60 and 256.61 may be implemented in their place, as pursuant to HF 645 (FY 2012 Education Appropriations Act).

**Agency Stated Authority:** Iowa Code section 256.51.

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

**LSA Response:** The LSA concurs.

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### **Professional Licensure Division**

### **ARC 2670C**

**Rule Summary** Decreases the minimum number of continuing education hours for the Board of Barbering from eight to three pursuant to 2015 Iowa Acts, chapter 63 (SF 434 Continuing Education Requirements for Licensed Barbers Act).

**Agency Stated Authority:** Iowa Code section 147.76.

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

**LSA Response:** The LSA concurs.

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### **Workers' Compensation Division**

### **ARC 2611C**

**Rule Summary** Updates references to payroll tax withholdings for purposes of determining weekly Workers' Compensation payments.

**Agency Stated Authority:** Iowa Code section 86.8.

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

**LSA Response:** The LSA concurs.

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