



## Fiscal Services Division

### ADMINISTRATIVE RULES – FISCAL IMPACT SUMMARIES

**November 8, 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/arrc/fiscalImpact>.*

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#### Department of Human Services

#### ARC 2742C

**Rule Summary** Requires 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 a severe form of trafficking in persons. This rulemaking is intended to implement the federal Justice for Victims of Trafficking Act, Pub. L. No. 114-22. This law also requires individuals who 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 eleventh category of abuse, child sex trafficking, was defined in Senate File 2258. While modifying the state law, the definition of the current category of sexual abuse was also changed.

**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 Department of Human Services (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 1-2 children per month 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 2743C

**Rule Summary** Updates language regarding the reasonable and prudent parent standard in the supervision of foster children and the liability of foster parents. These amendments

also add new requirements regarding annual fire inspections and building codes. Finally, these amendments change the requirement for provision of transition plan documents to any child leaving foster care at the age of 18 or older. This rulemaking is intended to implement the federal Preventing Sex Trafficking and Strengthening Families Act, Pub. L. No. 113-183.

**Agency Stated Authority:** Iowa Code section 217.6 and Senate File 2258.

**Fiscal Impact**

**Agency Response:** There is no fiscal impact to the State General Fund, as the rulemaking changes do not impact the number of children placed in foster care or the cost of services provided.

**LSA Response:** The LSA concurs.

**Rule Summary**

Directs the Department of Human Services (DHS) to establish a claim when Supplemental Nutrition Assistance Program (SNAP) benefits are overpaid or trafficked. When collection of a claim is delinquent, the claim must be referred to the federal Treasury Offset Program (TOP) for recovery. This rulemaking change implements an amendment to Section 3716 (c6) of Title 31, United States Code, that shortens the time frame for referring delinquent claims to TOP. Under the revised time frame, claims must be referred to TOP if delinquent over 120 days, instead of over 180 days.

**ARC 2770C**

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

**Fiscal Impact**

**Agency Response:** There is no cost to the state, as the DHS refers debts to TOP and the time frame of submissions does not have an impact on the amount of SNAP claims owed.

**LSA Response:** The LSA concurs.

**Rule Summary**

Implements the Affordable Care Act (ACA) and the Department of Administrative Services (DAS) service performance-based contracting rules. The new rules will also reflect the transition to performance-based contracting and continue to set forth the contracting process used for foster group care. Contracting processes for the other child welfare services of Child Welfare Emergency Services (CWES) and supervised apartment living are also added by the rulemaking.

**ARC 2771C**

Updates the rate methodology for CWES shelter care, as well as payment information for foster group care (FGCS), foster family care, and supervised apartment living, as previous rate methodologies are no longer being used. Outdated references to provider contract care are updated as well.

**Agency Stated Authority:** Iowa Code sections 234.6 and 237.3.

**Fiscal Impact**

**Agency Response:** There is a fiscal impact associated with the rule change if a provider fails to submit required cost reports; however, this has not occurred in the last five years. Therefore, the agency does not believe there is a fiscal impact as a result of this rule change.

**LSA Response:** The LSA concurs.

**ARC 2775C**

**Rule Summary** Amends the timing and calculation of the “Intermediate Care Facilities for Individuals with an Intellectual Disability (ICF/ID) Assessment” by changing the collection time frame to a quarterly basis, rather than monthly withholding that was based on prior period annual revenue. In addition to the timing and calculation of the fee, penalty provisions for late payments are included. The penalties include a 1.5% fee for late submissions and suspension of payments after three months of delinquency.

Provides for an add-on to the ICF/ID per diem reimbursement rate based on the annual assessments paid by a facility, divided by total annual patient days. Currently, fees assessed are not treated as an allowable cost, which would be subject to cost-based limits.

Provisions regarding Medicaid reimbursement to ICF/ID for assessment fees paid are amended to reflect current practice, modified according to the change in the timing and calculation of the assessment. Obsolete provisions regarding payments to state-operated facilities during the transition to the ICF/ID assessments are removed.

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

**Fiscal Impact** **Agency Response:** Minimal fiscal impact. The amount of the assessment is changing from 5.5% of prior period annual revenue to 5.5% of paid claims from the preceding quarter. Paid claims will include claims for services rendered that have been paid by any source, not just Medicaid. While this change in methodology will result in short-term timing differences, over the long run, actual paid claims should very nearly equal annual revenue.

**LSA Response:** The LSA concurs.

**ARC 2784C**

**Rule Summary** Adds occupational therapy as a covered service under the hawk-i Program. Clarifies additional covered services that are required under Iowa Code chapter 514I that were inadvertently missed in prior rule changes. This rulemaking also clarifies federal poverty limits that were adjusted as a result of the Affordable Care Act (ACA).

**Agency Stated Authority:** Iowa Code section 234.6 and 2016 Iowa Acts, HF 2460 (FY 2017 Health and Human Services Appropriations Act).

**Fiscal Impact** **Agency Response:** Minimal fiscal impact. Occupational therapy (OT) has been covered under the hawk-i Program and has remained a component of the coverage offerings in the transition to the managed care program. A comparison was done of hawk-i OT costs to OT costs for Medicaid children with the assumption that hawk-i coverage mandates would result in utilization similar to those of Medicaid levels. The result of this analysis was an expected annual increase of approximately \$7,200 in costs to the state for coverage of additional hawk-i OT.

**LSA Response:** The LSA concurs.

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**Department of Administrative Services**

**ARC 2789C**

**Rule Summary** Permits the approval of out-of-state travel by the administrative head of the DAS, rather than requiring Executive Council approval.

**Agency Stated Authority:** Iowa Code section 8A.512A.

**Fiscal Impact**      **Agency Response:** Fiscal impact cannot be determined. While this rule change will result in operational efficiency, the fiscal impact is believed to be minimal but cannot be determined at this time.

**LSA Response:** The LSA concurs.

**Rule Summary**      **ARC 2790C**  
Creates a new submission for all three branches of government by changing wording on the DAS/State Accounting Enterprise Authorized Signature Form and the Pre-Auditor’s Authorized Signature Form, as well as permitting electronic signatures.

**Agency Stated Authority:** Iowa Code chapter 8A.

**Fiscal Impact**      **Agency Response:** Fiscal impact cannot be determined. While this rule change will result in operational efficiency, the fiscal impact is believed to be minimal but cannot be determined at this time.

**LSA Response:** The LSA concurs.

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**Office of the Chief Information Officer**

**Rule Summary**      **ARC 2782C**  
Requires the Office of the Chief Information Officer (OCIO) to determine whether census blocks within the state of Iowa constitute a targeted service area as defined by Iowa Code section 8B.1, and to provide a challenge process to such determinations.

Iowa Code section 427.1(40) allows a property tax exemption for the installation of broadband infrastructure by communication service providers in targeted service areas that meet certain requirements, including a receipt of certification from the OCIO that the project meets the following criteria:

- Is being performed or was completed in a targeted service area.
- That the broadband infrastructure installed facilitates broadband service at or above 25 megabits per second of download speed and three megabits per second of upload speed.

**Agency Stated Authority:** Iowa Code sections 8B.1, 8B.3, 8B.10, 8B.15, and 427.1(40).

**Fiscal Impact**      **Agency Response:** No fiscal impact. As the certification itself does not provide the exemption, and the exemption is only for the value added by new infrastructure, the Office finds that the certifications issued in support of the property tax exemption for broadband infrastructure will have no fiscal impact on local property tax revenues.

**LSA Response:** The LSA concurs.

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**Department of Revenue**

**Rule Summary**      **ARC 2786C**  
Refines the definition of “date of completion” for the broadband infrastructure property tax exemption and corrects the effective date of the law in the definition of “targeted

service area.” Also clarifies that exemptions granted to property located in a targeted service area that is under appeal with the Office of the Chief Information Officer (OCIO) are contingent on the outcome of the appeal.

**Agency Stated Authority:** Iowa Code section 427.1(40).

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

**LSA Response:** The LSA concurs.

**Rule Summary**      Implements changes to Iowa Code section 423.3(47) exempting supplies, further defining replacement parts and supplies, and making technical corrections. **ARC 2636C**

**Agency Stated Authority:** Iowa Code sections 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.

**Rule Summary**      Updates existing rules to incorporate changes made in 2015 Iowa Acts, House File 645 (Renewable Energy Tax Credits, Refuse Conversion Facility) and 2016 Iowa Acts, House File 2468 (Revenue Department Miscellaneous Changes). **ARC 2772C**

The HF 645 rules implement Legislative changes providing that the maximum amount of energy that an applicant may claim for “heat for commercial purposes” renewable energy tax credits is an annual cap for tax years beginning on or after January 1, 2015, as opposed to a lifetime cap for tax years beginning before that date.

The rules also implement changes made in HF 2468 that relate to facility ownership restrictions for smaller solar facilities, specifying that claim eligibility requirements for these facilities are different than the requirements for larger facilities.

Clarifies language referring to the time range in which facilities may claim a tax credit to conform to current Code language.

**Agency Stated Authority:** Iowa Code section 422.68.

**Fiscal Impact**      **Agency Response:** Fiscal impact of \$100,000 (or more) annually, or \$500,000 (or more) over five years.

**LSA Response:** The Fiscal Note for HF 645 estimated that the enacted changes to the “heat for commercial purposes” renewable energy tax credit will reduce General Fund revenue by:

- FY 2016 — \$634,000
- FY 2017 — \$592,000
- FY 2018 — \$726,000
- FY 2019 and subsequent years — \$752,000

The Legislative changes to ownership requirements for small solar projects eligible for existing tax credits are assumed to have no identifiable fiscal impact as it is assumed that even if projects on the current application list are found to be ineligible,

new projects will be added to the list and will become operational by the January 1, 2017, deadline. This fiscal impact of the law change is discussed in the Fiscal Note for HF 2468.

**ARC 2776C**

**Rule Summary** Updates current rules on tax credits for certain geothermal heat pump properties by adding clarifying information about the newly established tax credit for those properties. The existing credit is calculated as a percentage of the federal credit for geothermal heat pump properties. The federal tax credit is set to expire at the end of 2016 and the newly established Iowa credit allows Iowans to continue claiming a credit for certain geothermal installations. These amendments describe the two credits and their respective relationships to the federal tax credit.

**Agency Stated Authority:** Iowa Code section 422.68.

**Fiscal Impact** **Agency Response:** The Department of Revenue submitted the Fiscal Note from the 2016 Legislative Session.

**LSA Response:** The Geothermal Tax Credit will decrease General Fund revenue by \$1.5 million in FY 2018, and will grow to a \$2.6 million decrease in FY 2023 and each fiscal year thereafter.

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**Banking Division**

**ARC 2773C**

**Rule Summary** Permits the Superintendent of the Division of Banking (DOB) to regulate the registration of appraisal management companies (AMCs) pursuant to HF 2436. The proposed rule establishes application procedures, renewal procedures, applicable fees, and other requirements necessary to administer this legislation.

**Agency Stated Authority:** 2016 Iowa Acts, House File 2436, Section 20.

**Fiscal Impact** **Agency Response:** Minimal fiscal impact. For FY 2017, the DOB estimates 45 new applications at a cost of \$750 per application, for total revenue of \$33,750. The Division expects to spend \$32,750 of the FY 2017 estimated revenue on salaries and retain the balance. For FY 2018, the DOB estimates an additional 45 new applications at a cost of \$750 per application, as well as 75 renewals at a cost of \$500 per application. Of the total FY 2018 revenue estimate of \$71,250, the DOB estimates spending \$62,150 on salaries, administering the statute, and retaining a cash flow. For FY 2019, the Division estimates revenues of \$60,000, comprised of \$15,000 from 20 new applications at a cost of \$750 per application, and \$45,000 from 90 renewal applications at a cost of \$500 per application. The Division estimates it will use \$68,365 of the FY 2019 revenue estimate for salary purposes and will retain any additional surplus.

**LSA Response:** The LSA concurs.

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**Insurance Division**

**ARC 2787C**

**Rule Summary** Requires every investment adviser registered in the state of Iowa to create and implement written procedures to address business continuity and succession

planning in the case of possible instances of disruptions or cessation of business activities.

**Agency Stated Authority:** Iowa Code section 502.605.

**Fiscal Impact** **Agency Response:** No fiscal impact. Any additional administrative duties required by these amendments will be absorbed by existing Division staff.

**LSA Response:** The LSA concurs.

**Rule Summary** **ARC 2788C**  
Clarifies when, under specific circumstances, an individual licensee of the Insurance Division does not have to provide an annual notice to consumers about the treatment of nonpublic personal information.

**Agency Stated Authority:** Iowa Code section 505.8.

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

**LSA Response:** The LSA concurs.

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**Professional Licensing and Regulation Bureau**

**Rule Summary** **ARC 2754C**  
Removes references to specific chapters for board rules published under each licensing agency, updates the Bureau's physical address and applicant contact information, and removes newsletter advertising. Allows for the use of electronic notice and e-mail; revises contested case procedures to comply with recent changes to the Iowa Rules of Civil Procedure; and merges rules regarding denial or suspension of a license as associated with state debt, college student loan debt, and child support collection.

**Agency Stated Authority:** Iowa Code sections 546.3 and 546.10.

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

**LSA Response:** The LSA concurs.

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**Economic Development Authority**

**Rule Summary** **ARC 2748C**  
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 for cities.

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

**Fiscal Impact** **Agency Response:** No fiscal impact. These amendments do not require any additional state resources in order to manage the Program.

**LSA Response:** The LSA concurs.

**ARC 2774C**

**Rule Summary** Creates a new chapter governing the administration of the Historic Preservation and Cultural and Entertainment District Tax Credit (HPCED) Program. House File 2443 (Economic Development Authority Miscellaneous Administration Act) transferred the administration of this Program to the Iowa Economic Development Authority (IEDA) from the Department of Cultural Affairs (DCA), effective August 15, 2016. Projects registered prior to August 15, 2016, are administered by the DCA and the Department of Revenue (DOR) pursuant to the statutes and rules that apply to projects registered prior to August 15, 2016. For projects registered on or after August 15, 2016, the IEDA will administer the tax credit portion and the DCA will review the historic components of project applications. The DOR is responsible for administering tax credit transfers and processing tax credit claims. The rules outline the application process for the HPCED Program, clarify the requirements for qualified rehabilitation expenditures including developer fees, expand the CPA examination rules, and establish procedures for ensuring compliance with the Program as administered by the IEDA. The proposed rules are based on the DCA existing rules, with the following changes:

- Changes required by HF 2443 (IRC Update and Manufacturing Consumables).
- Permits the IEDA to limit developer fees that qualify for the tax credit.
- Expands the requirements governing the CPA examination by waiving the examination only for those qualified rehabilitation projects that do not exceed \$100,000, and are funded exclusively by private funding sources.

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

**Fiscal Impact** **Agency Response:** No fiscal impact. This Program already exists and the rulemaking does not make any changes to the tax credit cap allocation. However, the expansion of rules governing the CPA examination may result in increased costs for eligible taxpayers claiming the tax credit.

**LSA Response:** The LSA concurs.

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**Department of Education****ARC 2746C**

**Rule Summary** Clarifies parent and guardian responsibilities in notifying a school district of a request to allow 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 subject to a founded incident of harassment or bullying while attending that school. The proposed administrative rule also clarifies the responsibilities of the school district in such cases and makes technical changes. This rulemaking is intended to implement HF 2264 (Open Enrollment for Bullying Victims).

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

**Fiscal Impact** **Agency Response:** No fiscal impact. The moneys representing the district cost per pupil follow the open enrolling student to the receiving district and no additional state funds are required.

**LSA Response:** The LSA concurs.

**ARC 2747C**

**Rule Summary** 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 subject to a founded incident of harassment or bullying while attending that school. The proposed administrative rule also makes technical changes and clarifies student eligibility requirements. This rulemaking is intended to implement HF 2264 (Open Enrollment for Bullying Victims).

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

**Fiscal Impact** **Agency Response:** No fiscal impact. The moneys representing the district cost per pupil follow the open enrolling student to the receiving district and no additional state funds are required.

**LSA Response:** The LSA concurs.

**ARC 2749C**

**Rule Summary** Provides that each student enrolled in grade eight must have an individualized career and academic plan developed by the school district, and that this plan must be reviewed and revised each year until the student graduates high school. These rules are intended to implement House File 2392 (Career and Technical Education) and are effective upon filing.

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

**Fiscal Impact** **Agency Response:** No fiscal impact. Fiscal impact on local school districts cannot be determined at this time.

**LSA Response:** The LSA concurs.

**ARC 2760C**

**Rule Summary** Permits a school district to seek a one-year waiver of an offer-and-teach subject from the Department of Education. With this waiver, the subject may be provided through an online course that is not available through the Iowa Online Learning (ILO) initiative either because it is not provided or a lack of capacity exists. To qualify for such a waiver, the course content must be provided by an Iowa licensed teacher with online learning experience and must be aligned with content standards.

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

**Fiscal Impact** **Agency Response:** No fiscal impact. Impact to school districts cannot be determined at this time.

**LSA Response:** The LSA concurs.

**ARC 2761C**

**Rule Summary** Provides the standards and program requirements that all educator preparation programs must meet to be accredited by the State Board of Education. Updates the existing standards and makes rules consistent with national standards for educator preparation.

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

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

**LSA Response:** The LSA concurs.

**ARC 2762C**

**Rule Summary** Requires school districts to adopt literacy strategies that formally address dyslexia as defined in statute, and reflects the one-year delay in the implementation of intensive summer literacy programs. Replaces the term “substantially deficient in reading” to “persistently at risk in reading” pursuant to House File 2413 (School Student Reading Assessments and Summer School).

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

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

**LSA Response:** The LSA concurs.

**ARC 2763C**

**Rule Summary** Adopts updates that include clarifications of definitions and other substantive changes in reference to vocational rehabilitation services. Updates rules to reflect the changes set out in the Workforce Innovation and Opportunity Act of 2014, governing the use of federal and state funds for vocational rehabilitation services for persons with mental or physical disabilities who are seeking to obtain or retain competitive employment through the Division of Vocational Rehabilitation Services.

**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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**State Public Defender**

**ARC 2783C**

**Rule Summary** Requires court-appointed attorneys to submit their claims for payment to the State Public Defender’s Office using an online system. Claims submitted on or after January 1, 2017, must be submitted online, with limited exceptions as granted by the State Public Defender. The amendments also specify the manner in which the online claims must be submitted.

**Agency Stated Authority:** Iowa Code section 13B.4(8).

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

**LSA Response:** The LSA concurs.

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**Iowa Public Information Board**

**ARC 2758C**

**Rule Summary** Permits the Iowa Public Information Board (IPIB) to order an administrative resolution and direct an individual to take specific remedial action at any point in the complaint resolution process to resolve the complaint in an informal and expeditious manner.

**Agency Stated Authority:** Iowa Code section 23.6.

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

**LSA Response:** The LSA concurs.

**Rule Summary**      Adopts procedure for requests for injunctions to prevent the inspection of public record. These amendments implement a procedure for the Iowa Public Information Board (IPIB) to follow when a proceeding has been removed from district court and directed to the IPIB.

**ARC 2759C**

**Agency Stated Authority:** Iowa Code section 23.6.

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

**LSA Response:** The LSA concurs.

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**Environmental Protection Commission**

**Rule Summary**      Adopts the following changes for consistency with the Iowa Code:

**ARC 2756C**

- Rescinds the current statewide waste management hierarchy and replaces it with a reference to the waste management hierarchy listed in Iowa Code section 455B.301A.
- Removes certain solid waste management techniques for planning areas that fall below the 25% waste volume reduction goal as directed in HF 225 (FY 2013 Waste Management Assistance Act).
- Removes the availability of a waiver to exempt waste generated during a declared disaster from the state's tonnage fee requirements.
- Amends definitions to be consistent with Iowa Code.
- Adopts other changes to reduce reporting requirements by planning areas, including:
  - Removal of the Municipal Solid Waste and Recycling Survey submission requirement.
  - Recognition of the submittal of the annual report for planning areas designated as Environmental Management Systems as completing comprehensive planning requirements.

**Agency Stated Authority:** Iowa Code chapter 455B.

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

**LSA Response:** The LSA concurs.

**Rule Summary**      Updates Iowa's water quality standards for discharges of copper by adding the use of Biotic Ligand Model (BLM) to determine water quality criteria for copper discharges. Also allows the optional use of the Water-Effect Ratio (WER) to adjust the existing water quality criteria for copper discharges.

**ARC 2757C**

The proposed changes will give National Pollutant Discharge Elimination System (NPDES) permit holders the ability to use the WER to adjust the existing copper discharge criteria, or the ability to use the BLM to generate copper discharge criteria that reflect the unique water chemistry characteristics of the receiving water body.

This creates flexibility for NPDES permit holders seeking to comply with water quality standards while minimizing the need for expensive infrastructure upgrades.

**Agency Stated Authority:** Iowa Code section [455B.173](#).

**Fiscal Impact**

**Agency Response:** No fiscal impact. There are 297 facilities in Iowa subject to the existing copper discharge criteria and the Department of Natural Resources (DNR) estimates that 21 to 22 facilities are unable to comply. Of the facilities unable to comply with the existing criteria, the DNR estimates that 7 to 10 facilities would be able to comply with the copper BLM- or WER-based discharge criteria proposed in this rule change. The facilities could experience a significant cost savings by avoiding the need to install copper removal technology to comply with the existing criteria.

**LSA Response:** The LSA concurs.

**ARC 2764C**

**Rule Summary**

Adopts the following changes:

- Rescinds the Q50 backwater criterion for the construction of bridges. The Q50 Backwater Program regulates the amount of pooled surface water allowed during a 2.0% annual chance flood event.
- Provides an exception to the minimum criterion for freeboard so 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 Department of Natural Resource’s (DNR) 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 variance procedure to reference 561 IAC [Chapter 10](#).
- After public hearing, the DNR added clarifying language to the definitions of “high damage potential” and “low damage potential.”

**Agency Stated Authority:** Iowa Code section [455B.263](#).

**Fiscal Impact**

**Agency Response:** No fiscal impact.

**LSA Response:** The LSA concurs.

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**Department of Homeland Security and Emergency Management**

**ARC 2740C and ARC 2741C**

**Rule Summary**

Updates the funding stream to the local Public Service Answering Points (PSAPs) and provides that E911 surcharge revenues will be used for funding the Statewide Interoperable Communications System. This rulemaking implements [HF 2439](#) (E911 Surcharge Fund) and [SF 2326](#) (E911 Funding). [House File 2439](#) increases the amount of E911 surcharge revenues passed on to the PSAPs by 46.0% to 60.0% of revenues collected. The allocation of revenue will continue in proportion to the PSAP square mileage and the number of wireless E911 calls received by each PSAP. The amount that can be spent for consolidation and other grants to the PSAPs, and the development of public awareness and educational programs, is limited to \$4.4 million in FY 2017. This will allow estimated carryover amounts of \$8.6 million at the end of FY 2017 and \$9.7 million at the end of FY 2018. [Senate File 2326](#) authorizes the State Treasurer to make a one-time payment of \$4.4 million from the E911 wireless surcharge fund to the Department of Public Safety for payment of the FY 2017

financing agreement for the Statewide Interoperable Communications System. The first lease-purchase payment to Motorola of \$4.0 million was made in February 2016. No long-term funding stream has been identified for the System.

**Agency Stated Authority:** Iowa Code sections 17A.3 and 34A.22.

**Fiscal Impact**

**Agency Response:** Fiscal impact of \$100,000 (or more) annually or \$500,000 (or more) over five years. The actual amount of revenue passed through to the PSAPs from the E911 wireless surcharge for FY 2016 was \$13.2 million. This amount is projected to be \$16.8 million in FY 2017. The actual amount of carryover grants to the PSAPs in FY 2016 was \$11.1 million, and will be limited to \$4.4 million in FY 2017. The decrease in these two funding items to the PSAPs in FY 2017 from FY 2016 is projected to be \$3.1 million.

**LSA Response:** The LSA concurs. There is no impact to the General Fund, as all revenues are from the E911 wireless surcharge. The following table summarizes the revenues and expenses projected under HF 2439 and SF 2326 at the time of their enactment. The funding increase or decrease by individual PSAP will vary. The table below summarizes the impact of HF 2439 and SF 2326.

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**Department of Public Health**

**ARC 2765C**

**Rule Summary**

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 who are enrolled in a program to be eligible for board certification as a behavior analyst or assistant behavior analyst.

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

**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 Grants 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.

**ARC 2766C**

**Rule Summary**

Establishes rules for the Anatomical Gift Public Awareness and Transplantation Fund that 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 single caretakers 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.

**ARC 2767C**

**Rule Summary** Updates a reference to the Iowa Emergency Medical Care Provider Scope of Practice to the June 2016 edition. Also updates the Critical Care Paramedic curriculum to the January 2016 edition, removing references to EMT-I. The updated Scope of Practice allows First Responders, Emergency Medical Responders, Emergency Medical Technicians, and Advanced Emergency Medical Technicians to administer intra-nasal opioid antagonists such as Narcan/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.

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**Professional Licensure Division**

**ARC 2744C**

**Rule Summary** Amends rules utilized by the Board of Sign Language Interpreters and Transliterators in the following ways:

- Revises the definition of “direct supervision of a temporary license holder” to specify that the temporary license holder must be personally observed.
- Revises the requirements for a temporary license by striking current provisions and adopting a new section.
- Revises the continuing education requirements for new licenses issued and temporary license holders.

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

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

**LSA Response:** The LSA concurs.

**ARC 2778C**

**Rule Summary** Amends the Board of Massage Therapy Licensure and Continuing Education chapters in the following ways:

- Reduces biennial continuing education requirements from 24 hours to 16 hours.
- Requires that at least half of the hours must be hands-on training.
- Caps independent study at eight hours.
- Eliminates categories for continuing education courses.
- Expands the options for obtaining continuing education credits.
- Eliminates the requirement for CPR and First Aid as a condition of initial licensure or renewal.

**Agency Stated Authority:** Iowa Code section 152C.3.

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

**LSA Response:** The LSA concurs.

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**Department of Transportation**

**ARC 2745C and ARC 2750C**

**Rule Summary** Adopts a new IAC Chapter to implement the federal Surface Transportation Block Grant Program (STBGP). The federal Fixing America’s Surface Transportation (FAST) Act changed the Surface Transportation Program to a block grant. The General Assembly appropriated funds received from the Program to the Department of Transportation (DOT) in SF 2320 (FY 2017 Transportation Appropriations Act).

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

**Fiscal Impact** **Agency Response:** The federal Surface Transportation Program was renamed the Surface Transportation Block Grant Program under the FAST Act. The Program is now considered a federal block grant and the rules are intended to comply with SF 2320.

**LSA Response:** The LSA concurs. Iowa is apportioned \$149.3 million in FFY 2017 through the STBGP. This change will allow the DOT to continue to administer funds that were previously received pursuant to the Surface Transportation Program that was renamed in the FAST Act.

**ARC 2751C**

**Rule Summary** Allows the Department of Transportation (DOT) to set aside up to 50.0% of funds received by the Highway-Railroad Grade Crossing Surface Repair Fund for discretionary purposes. Criteria for the set aside include conditions of the crossing, safety concerns, utilization of the rail line, site traffic, and area development. The remaining funding will be allocated in the order that applications are received. The repair of highway-railroad crossing surfaces restores a safe and smooth crossing for the motorist. Cost share between the DOT, railroad, and highway authority remains unchanged.

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

**Fiscal Impact** **Agency Response:** No fiscal impact. The rule amendments modify the way in which funds may be awarded under the Highway-Railroad Grade Crossing Surface Repair Program. The rule simply modifies the priority for funding but does not change the amount of funding awarded under the Program.

**LSA Response:** The LSA concurs. The Program receives an annual standing appropriation of \$900,000 each year from the Road Use Tax Fund (RUTF).

**ARC 2755C**

**Rule Summary** Allows the DOT to deny the application for a privately owned vehicle to be designated 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 2779C**

**Rule Summary** Updates the DOT's organizational chapter to:

- Update the mission statement.
- Add the Department's website.
- Reflect current responsibilities pursuant to changes made in Iowa Code section 307A.2 and Iowa Code chapter 307, and current agency operation.
- Update the implementation sentence of Iowa Code chapter 307.
- Remove references to the defunct Office of Policy and Legislative Services.

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

**Fiscal Impact** **Agency Response:** No fiscal impact. The proposed changes relate to the DOT and its organization.

**LSA Response:** The LSA concurs.

**ARC 2780C**

**Rule Summary** Increases the maximum speed of a motorized bicycle from 30 miles per hour to 39 miles per hour to conform with Iowa Code section 321.1. Other proposed changes correct an office name and Iowa Code citations.

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

**Fiscal Impact** **Agency Response:** No fiscal impact. The rule changes implement a legislative change and update an office name and Iowa Code citations.

**LSA Response:** The LSA concurs.

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**Treasurer of State**

**ARC 2791C**

**Rule Summary** Updates rules for participants in Iowa educational savings plans (529 plans) with federal legislative updates and provides revisions, updates, and clarifications to existing Iowa educational savings plan trust rules.

**Agency Stated Authority:** Iowa Code chapter 12D.

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

**LSA Response:** The LSA concurs.

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**Department on Aging**

**ARC 2769C**

**Rule Summary** Rescinds the rules on the reduction of the Area Agencies on Aging pursuant to 2012 Iowa Acts, House File 2320, to reduce the number of Area Agencies on Aging effective July 1, 2013. Outdated rules have been terminated.

**Agency Stated Authority:** Iowa Code section 231.14.

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

**LSA Response:** The LSA concurs.

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**Department of Agriculture and Land Stewardship**

**ARC 2785C**

**Rule Summary** Eliminates a reference for being an Iowa resident for quarter horse stallion owners that was inadvertently omitted from ARC 1582C.

**Agency Stated Authority:** Iowa Code section 99D.22.

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

**LSA Response:** The LSA concurs.

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**Alcoholic Beverages Division**

**ARC 2777C**

**Rule Summary** Allows beer tastings to occur from an original container on the premises of a class C beer permit holder, including prior to the filling, sealing, and selling of a growler. The proposed amendment also allows an original container to be opened for the purpose of tasting, and removes the restriction that only the permittee or permittee's employees may open an original container.

**Agency Stated Authority:** Iowa Code section 123.21.

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

**LSA Response:** The LSA concurs.

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**College Student Aid Commission**

**ARC 2752C**

**Rule Summary** Updates the deadline for a college or university to apply for participation in the Iowa Tuition Grant Program. Changes the language regarding the submission of employment information. Amendments also align disbursement with need by requiring schools to return unexpended funds to the Commission and reducing the school's allocation for the following year by the unspent amount.

**Agency Stated Authority:** Iowa Code section 261.3.

**Fiscal Impact** **Agency Response:** No fiscal impact. Programs affected are governed by appropriations and the Agency will not provide grants over the appropriated funding.

**LSA Response:** The LSA concurs.

**ARC 2753C**

**Rule Summary** Amends language in the Iowa National Guard Educational Assistance Program to allow students at colleges that grant credits based on terms other than on a semester term to receive equivalent benefits as students at colleges that award credit on semester terms.

**Agency Stated Authority:** Iowa Code section 261.3.

**Fiscal Impact** **Agency Response:** No fiscal impact. The Agency will make awards based on the state appropriation and cannot make awards beyond that funding level.

**LSA Response:** The LSA concurs.

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**Iowa Lottery Authority**

**ARC 2781C**

**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.

**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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