



Fiscal Services Division

ADMINISTRATIVE RULES — FISCAL IMPACT SUMMARIES

April 5, 2019

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 <https://www.legis.iowa.gov/publications/fiscal/adminRulesFiscalImpact>.

With each rule summary, the rulemaking type is indicated in parentheses following the ARC number. The acronyms have the following meanings: Notice of Intended Action (**NOIA**), Amended Notice of Intended Action (**ANOIA**), Notice of Termination (**NOT**), Adopted and Filed Emergency (**AFE**), Filed Emergency After Notice (**FEAN**), and Adopted and Filed (**AF**).

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Department of Human Services

ARC 4336C (AF)

Rule Summary Removes the specific assistance standard amounts for State Supplementary Assistance and amends the definition of assistance standards to include the legal citation to pass-along cost-of-living adjustments (COLA) in accordance with federal law. Cost-of-living adjustment changes are effective January 1 each year.

State or Federal Law Implemented: Iowa Code section 249A.4, 20 CFR §416.2095, and 20 CFR §416.2096.

Fiscal Impact **Agency Response:** Minimal fiscal impact. The Residential Care Facilities (RCF) and Family Life Home personal needs allowances (PNA) are increasing by \$4.00 per month from \$99.00 to \$103.00 per month. The base personal needs allowance is increased due to the 2.8% COLA this year along with an increase in the average monthly Medicaid copayment per client per month for RCF recipients. (The average Medicaid copayment per client per month is added to the base PNA to determine the final monthly PNA.) The average copayment per client per month for RCF recipients for August 2017 through July 2018 was \$1.71. This is an increase of \$0.81 from last year's average of \$0.90. For Family Life Home recipients, the \$17 increase in the payment to the Family Life Home is offset by the \$4 increase in the personal needs deduction and a \$21 increase in the Supplementary Security Income (SSI) payment. The recipient will pay up to \$17 more due to the \$21 increase in income and a \$4 increase in the personal needs allowance. For RCF assistance recipients, the maximum total payment to the facility will increase up to \$20.77 per month per recipient [(31.27 – 30.60) x 31 days]. RCF costs are shared by the State and the RCF recipient. Any potential increase in costs to the State is expected to be more than offset by declining RCF caseloads in SFY 2019 and SFY 2020. For dependent person assistance recipients, the maximum monthly payment is increasing by \$11, from \$387 to \$398. Each dependent person assistance recipient will receive up to an \$11 increase, resulting in an anticipated increase in State expenditures. However, this will be offset by the declining number of anticipated recipients, and most recipients do not qualify for the maximum payment.

LSA Response: The LSA concurs.

ARC 4367C (NOIA)

Rule Summary Makes the following changes to the Child Care Assistance Program:

- Revises rules on reporting changes in circumstance of eligibility requirements.
- Removes the fee chart that is updated annually based on the federal poverty level from administrative rule and requires it to be published on the Department's website.
- Makes a technical correction.

State or Federal Law Implemented: Iowa Code section 234.6.

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

LSA Response: The LSA concurs.

ARC 4368C (NOIA)

Rule Summary Changes the start date for the Health Insurance Premium Payment (HIPP) Program approval for fee-for-service and premium assistance. The earliest start date for fee-for-service and premium assistance is the first day of the month following the month of application. Also changes the estimated savings to the Department from \$60 annually to \$1,200 annually and eliminates the second cost-effectiveness test. Provides technical changes to policy and definitions.

State or Federal Law Implemented: Iowa Code section 249A.4.

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Fiscal Impact **Agency Response:** Minimal fiscal impact. These changes will reduce the number of Medicaid members qualifying for the HIPP Program. The changes will move members into managed care resulting in relatively small savings. The rulemaking will also streamline the Program and minimize administrative cost.

LSA Response: The LSA concurs.

Rule Summary Rescinds and replaces the chapter on aftercare services, a program which transitions children leaving the foster care system, the state training school, or court-ordered juvenile detention into adulthood. Expands postservices to recipients who are under 23 years old. Core services remain limited to recipients who are 18, 19, and 20 years old.

ARC 4369C (NOIA)

State or Federal Law Implemented: Iowa Code section 217.6.

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

LSA Response: The LSA concurs. The expanded aftercare services will not have a fiscal impact due to a provision allowing for termination of services due to insufficient funds.

LSA Staff Contact: Jess R. Benson (515.281.4611) jess.benson@legis.iowa.gov

Attorney General

Rule Summary Modifies the definition of “lost wages or income” to be the gross rate of pay, decreased by 25%. Allows the Crime Victim Assistance Division (CVAD) to set rates for the laboratory and prescription drug charges related to the Sexual Abuse Examination Payment Program. Rescinds a rule regarding compensation for counselors funded by the federal Victims of Crime Act (VOCA). Enhances the victim compensation program’s wage loss benefit for eligible survivors when the relationship between the deceased victim and survivor compels the survivor to miss work for grief and the missed work is documented. Updates existing language to conform to current language under Iowa Code chapter 915.

ARC 4350C (NOIA)

State or Federal Law Implemented: Iowa Code section 915.86.

Fiscal Impact **Agency Response:** The changes are expected to result in a total annual cost savings of approximately \$741,000 to the Victim Compensation Fund. Of this total, the modification to wage loss payments is estimated to result in \$193,000 in savings to the Fund and the modification to the prescription drug and laboratory charges is estimated to result in \$548,000 in savings to the Fund.

LSA Response: The LSA concurs.

LSA Staff Contact: Laura Book (515.205.9275) laura.book@legis.iowa.gov

Department of Commerce/Credit Union Division

Rule Summary Codifies credit union board of directors’ meeting requirements with respect to frequency of meetings and quorum requirements. Modernizes the current requirements for filing branch applications and establishes a penalty for failure to comply with the applicable application requirements.

ARC 4331C (NOIA)

State or Federal Law Implemented: Iowa Code sections 533.205(3)(c), 533.113A, and 533.301(19).

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

LSA Response: The LSA concurs.

LSA Staff Contact: Christopher Ubben (515.725.0134) chris.ubben@legis.iowa.gov

Department of Commerce/Insurance Division

ARC 4326C (NOIA)

Rule Summary Implements a model regulation adopted by the National Association of Insurance Commissioners.

State or Federal Law Implemented: Iowa Code chapter 507B.

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

LSA Response: The LSA concurs.

ARC 4332C (FEAN)

Rule Summary Implements, in whole or in part, a final rule issued by the Internal Revenue Service, Department of the Treasury; the Employee Benefits Security Administration, Department of Labor; and the Centers for Medicare and Medicaid Services, Department of Health and Human Services (HHS), effective as of October 2, 2018. The new HHS rule extends the permissible policy term periods for short-term limited-duration health insurance policies to up to 12 months (increased from three months) and allows such plans to be renewable for a period of up to three years (increased from three months). Sets a minimum standard of benefits for short-term limited-duration health insurance policies, in response to the new HHS rule, and requires certain other consumer protections. Allows for the Insurance Division's administration of short-term limited duration health insurance.

State or Federal Law Implemented: Iowa Code chapters 505 and 514D, and 83 FR 38212.

Fiscal Impact **Agency Response:** Fiscal impact cannot be determined. There may be a positive fiscal impact to the State General Fund, in that an increase in the number of these plans being sold would increase the amount of premium tax funds collected by the State from the issuing companies. While the expected fiscal impact is unknown because the number of plans that will be sold by the issuing companies is unknown, the Insurance Division does not expect a large fiscal impact from the amount of premium tax funds collected.

LSA Response: The LSA concurs.

LSA Staff Contact: Christopher Ubben (515.725.0134) chris.ubben@legis.iowa.gov

Board of Parole

ARC 4349C (NOIA)

Rule Summary Conforms existing Board of Parole rules regarding a conviction of a felony or aggravated misdemeanor while on parole to Iowa Code sections 908.10 and 908.10A.

State or Federal Law Implemented: Iowa Code sections 908.10 and 908.10A.

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

LSA Response: The LSA concurs.

LSA Staff Contact: Laura Book (515.205.9275) laura.book@legis.iowa.gov

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Department of Cultural Affairs/Historical Division

ARC 4330C (NOIA)

Rule Summary Modifies rules related to the State Historical Society of Iowa history award programs to reflect the current deadlines and submission processes. Adds rules for new awards.

State or Federal Law Implemented: Iowa Code section 303.8.

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

LSA Response: The LSA concurs.

LSA Staff Contact: Ron Robinson (515.281.6256) ron.robinson@legis.iowa.gov

Economic Development Authority

ARC 4329C (NOIA)

Rule Summary Updates rules related to the Community Attraction and Tourism (CAT) Program.

State or Federal Law Implemented: Iowa Code sections 15F.201, 15F.202, 15F.203, 15F.204, 15F.205, and 15F.206.

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

LSA Response: The LSA concurs.

ARC 4353C (NOIA)

Rule Summary Conforms rules to the changes made with the enactment of House File 2500 (Workforce Housing Tax Credit Project Extensions Act). Currently, a housing business must complete the housing project within three years from the date of registration to remain eligible for the tax incentives under the Workforce Housing Tax Incentives Program. The proposed rules will allow the Authority discretion to extend the housing project completion deadline once by up to 12 months upon application by the housing business.

State or Federal Law Implemented: Iowa Code section 15.354.

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

LSA Response: The LSA concurs.

ARC 4354C (NOIA)

Rule Summary Increases the number of city council members from one to three that must be named to a regional sports authority board and changes the scoring criteria for regional sports authority grants.

State or Federal Law Implemented: Iowa Code section 15E.321.

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

LSA Response: The LSA concurs.

ARC 4355C (NOIA)

Rule Summary Updates Targeted Jobs Withholding Credit Pilot Project and Innovation Fund Investment Tax Credit sunset dates. The sunset dates were extended in SF 2417 (2018 Tax Modifications Act). The Targeted Jobs Withholding Credit Pilot Project sunset date was extended one year and the Innovation Fund Investment Tax Credit was extended five years.

State or Federal Law Implemented: Iowa Code sections 403.19A and 15E.52.

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

LSA Response: The LSA concurs in part. The proposed rule makings do not have a fiscal impact, but the portions of SF 2417 being implemented do have fiscal impacts. The Fiscal Note for SF 2417 provides the fiscal impact for the changes to the two tax credits. **Table 8** from the Fiscal Note is reproduced below.

Tax Credit Program	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Innovation Fund	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ -1.0	\$ -1.7	\$ -2.2
Geothermal	0.0	0.0	1.6	2.2	2.4	2.5	2.5
Research Activities	0.6	4.5	7.2	7.5	7.8	8.1	8.4
School Tuition Organization	0.0	0.0	-0.7	-0.9	-1.0	-1.0	-1.0
Targeted Jobs Pilot Project	0.0	0.0	-0.2	-0.2	-0.2	-0.2	-0.2
Taxpayer Trust Fund Tax Credit	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	\$ 0.6	\$ 4.5	\$ 7.9	\$ 8.6	\$ 8.0	\$ 7.7	\$ 7.5

ARC 4375C (AF)

Rule Summary Updates outdated terms and eliminates references to outdated or unused practices.

State or Federal Law Implemented: Iowa Code section 15.108.

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

LSA Response: The LSA concurs.

LSA Staff Contact: Ron Robinson (515.281.6256) ron.robinson@legis.iowa.gov

Iowa Finance Authority

ARC 4371C (NOIA)

Rule Summary Updates the reference to the Iowa Finance Authority State Housing Trust Fund Allocation Plan to the March 2019 version of the plan. The updated plan allows the counties that are not part of an Iowa council of governments region, with the Authority's consent, to form a new local housing trust fund together even though they do not serve geographically contiguous areas.

State or Federal Law Implemented: Iowa Code section 16.181.

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

LSA Response: The LSA concurs.

ARC 4372C (NOIA)

Rule Summary Implements the Water Quality Financing Program created with the 2018 enactment of SF 512 (Water Quality Act) and codified at Iowa Code sections 16.134A and 16.151 through 16.154.

The Water Quality Financial Assistance Fund was created under the State Treasury, and the moneys will be appropriated as follows:

- 40.0% to the Iowa Finance Authority (IFA) for the Wastewater and Drinking Water Treatment Financial Assistance Fund.
- 45.0% to the IFA for the Water Quality Financing Program, which funds projects to improve the water quality of surface water and groundwater.

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- 15.0% to the Department of Agriculture and Land Stewardship for the Water Quality Urban Infrastructure Program to fund demonstration projects to decrease erosion and stormwater discharge.

State or Federal Law Implemented: Iowa Code sections 16.134A and 16.151 through 16.154.

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

LSA Response: The LSA concurs. The first transfer was completed on February 24, 2019, and \$674,000 was transferred to the Water Quality Financial Assistance Fund from the Water Service Excise Tax.

LSA Staff Contact: Ron Robinson (515.281.6256) ron.robinson@legis.iowa.gov

Department of Inspections and Appeals

ARC 4328C (NOIA)

Rule Summary Adds definitions, requires documentation of background checks for personnel, clarifies the time within which a treatment plan must be developed, provides further direction regarding the use of a seclusion room or restraints, clarifies provisions related to medication management, adds requirements related to nutrition and food preparation, and adds requirements related to buildings, furnishings, and equipment.

Also implements changes to Iowa Code chapter 135G resulting from 2018 Iowa Acts, ch. 1056, which eliminated certain requirements for licensure by the department, including the limit on the number of publicly funded subacute care facility beds licensed under Iowa Code chapter 135G.

State or Federal Law Implemented: Iowa Code chapter 135G and 2018 Iowa Acts, ch. 1056.

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

LSA Response: The LSA concurs.

LSA Staff Contact: Christopher Ubben (515.725.0134) chris.ubben@legis.iowa.gov

Department of Management

ARC 4327C (NOIA)

Rule Summary Establishes procedures used to calculate net General Fund revenues and defines “total appropriated general fund revenues,” “transfers from reserved funds,” “tax and other refunds,” and “school infrastructure transfers.” Describes the types and categories of receipts that will be included within each definition and in the calculation of net General Fund revenues.

State or Federal Law Implemented: 2018 Iowa Acts, chapter 1161, section 133.

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

LSA Response: The LSA concurs.

LSA Staff Contact: Christopher Ubben (515.725.0134) chris.ubben@legis.iowa.gov

Department of Public Health

ARC 4360C (NOIA)

Rule Summary Implements legislative changes to update a bureau name and repeal an office.

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State or Federal Law Implemented: 2017 Iowa Acts, House File 653 (FY 2018 Health and Human Services Appropriations Act), and 2018 Iowa Acts, Senate File 2418 (FY 2019 Health and Human Services Appropriations Act).

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

LSA Response: The LSA concurs.

Rule Summary Amends the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) to do the following: **ARC 4361C (NOIA)**

- Update rules about participant violations and sanctions, and make the Department responsible for investigating cases of fraud rather than the WIC agencies.
- Add new definitions for “conventional eggs,” “eggs,” and “specialty eggs,” and incorporates language in Iowa Code section 135.16A that requires vendors participating in the WIC Program to stock conventional eggs.
- Reflect current practices on food approval.
- Make technical corrections.

State or Federal Law Implemented: Iowa Code sections 135.16 and 135.16A and 42 U.S.C. §1786.

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

LSA Response: The LSA concurs.

Rule Summary Amends the definitions for “core public health functions” and “essential public health services,” broadens qualifying education standards, and exempts persons who already provide services from the revised education standards. **ARC 4362C (NOIA)**

State or Federal Law Implemented: Iowa Code section 135.11.

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

LSA Response: The LSA concurs.

Rule Summary Updates the Medical Cannabidiol Program with the following changes: **ARC 4363C (NOIA)**

- Adds a mechanism to update the list of debilitating conditions approved by the Board of Medicine.
- Adds and updates definitions.
- Adds health care practitioner prohibitions, including self-certifying, advertising certification services, or accepting remuneration beyond a consultation fee for certifying conditions.
- Permits the Department to waive the registration card requirement for patients who are unable to obtain a card due to health, mobility, or other issues, if the patient has a designated primary caregiver.
- Establishes procedures to allow patients and primary caregivers to cancel their registration cards.
- Establishes procedures for recall of medical cannabidiol products.
- Amends labeling requirements for manufacturers and dispensaries.
- Moves the laboratory testing regulations for manufacturers to the referenced Laboratory Testing Requirements and Acceptance Criteria Document.

State or Federal Law Implemented: Iowa Code sections 124E.2, 124E.4, and 124E.11.

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

LSA Response: The LSA concurs.

LSA Staff Contact: Kent Ohms (515.725.2200) kenneth.ohms@legis.iowa.gov

Dental Board

Rule Summary Updates the requirements for providing sedation and nitrous oxide in dental offices. **ARC 4358C (NOIA)**

State or Federal Law Implemented: Iowa Code section 153.33 and 153.33B.

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

LSA Response: The LSA concurs.

Rule Summary Amends the standards of practice to establish standards for teledentistry. **ARC 4359C (NOIA)**

State or Federal Law Implemented: Iowa Code sections 147.10, 147.11, 153.15A, 153.33(8), 153.39, and 272C.2.

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

LSA Response: The LSA concurs.

LSA Staff Contact: Kent Ohms (515.725.2200) kenneth.ohms@legis.iowa.gov

Board of Medicine

Rule Summary Establishes licensure standards and scope of practice for genetic counselors. **ARC 4339C (AF)**

State or Federal Law Implemented: Iowa Code chapters 147, 148, and 272C and 2018 Iowa Acts, ch. 1052 (Licensure of Genetic Counselors Act).

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

LSA Response: The LSA concurs.

Rule Summary Adds “severe, intractable pediatric autism with self-injurious or aggressive behaviors” to the list of debilitating medical conditions for which medical cannabidiol may be used. **ARC 4377C (AF)**

State or Federal Law Implemented: Iowa Code chapter 124E.

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

LSA Response: The LSA concurs in part. Adding a condition to the list of debilitating medical conditions would allow for more patients and caregivers to apply for medical cannabidiol registration cards, which would generate fee revenue and processing expenses for the Office of Medical Cannabidiol within the Department of Public Health.

Rule Summary Adds continuing education and training requirements for renewal or reinstatement of a physician’s license to require “opioid” training and amends the training requirements for chronic pain management and end-of-life care for permanent or special license renewal. Permits a physician to attest that the physician is not subject to the requirement **ARC 4338C (AF)**

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because the physician did not prescribe opioids to a patient during the previous licensure cycle.

State or Federal Law Implemented: Iowa Code chapter 272C and 2018 Iowa Acts, ch. 1138 (Opioid Regulation Act).

Fiscal Impact Agency Response: No fiscal impact.

LSA Response: The LSA concurs.

LSA Staff Contact: Kent Ohms (515.725.2200) kenneth.ohms@legis.iowa.gov

Board of Pharmacy

ARC 4270C (AF)

Rule Summary Establishes rules for pharmacist participation in statewide protocols issued by the Department of Public Health for prescribing and dispensing certain medicines to patients within limited age groups.

State or Federal Law Implemented: 2018 Iowa Acts, ch. 1142.

Fiscal Impact Agency Response: No fiscal impact.

LSA Response: The LSA concurs.

LSA Staff Contact: Kent Ohms (515.725.2200) kenneth.ohms@legis.iowa.gov

Department of Revenue

ARC 4352C (NOIA)

Rule Summary Clarifies that a one-hour assessor training course is intended to be 60 minutes in length.

State or Federal Law Implemented: Iowa Code section 441.8.

Fiscal Impact Agency Response: No fiscal impact.

LSA Response: The LSA concurs.

LSA Staff Contact: Jeff W. Robinson (515.281.4614) jeff.robinson@legis.iowa.gov

Secretary of State

ARC 4356C (NOIA)

Rule Summary Excludes a person determined to be a sex offender or sexually violent predator from the definition of “eligible person” in relation to the Safe at Home Program.

State or Federal Law Implemented: 2017 Iowa Acts, ch. 1149.

Fiscal Impact Agency Response: No fiscal impact.

LSA Response: The LSA concurs.

LSA Staff Contact: Christopher Ubben (515.725.0134) chris.ubben@legis.iowa.gov

Board of Regents

ARC 4351C (NOIA)

Rule Summary Removes the current limit of \$50 per offense from sanctions for violations of University of Northern Iowa parking rules to facilitate a more efficient process for changes to

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parking rates. Increases the time for filing an appeal of a registration or parking violation from 7 days to 10 days to deter nonpayment and permit additional time to file an appeal.

State or Federal Law Implemented: Iowa Code sections 262.9 and 262.69.

Fiscal Impact Agency Response: No fiscal impact.

LSA Response: The LSA concurs.

LSA Staff Contact: Robin Madison (515.281.5270) robin.madison@legis.iowa.gov

Secretary of State

ARC 4357C (NOIA)

Rule Summary Defines “qualified counties” for a new method of initiating a local option sales and services tax election, and allows the new method to be utilized for elections held after March 5, 2019.

State or Federal Law Implemented: Iowa Code section 423B.1.

Fiscal Impact Agency Response: No fiscal impact.

LSA Response: The LSA concurs.

ARC 4348C (AF)

Rule Summary Rescinds a rule relating to nominations by write-in votes for certain offices in a primary election.

State or Federal Law Implemented: Iowa Code section 43.66.

Fiscal Impact Agency Response: No fiscal impact.

LSA Response: The LSA concurs.

LSA Staff Contact: Christopher Ubben (515.725.0134) chris.ubben@legis.iowa.gov

Department of Transportation

ARC 4325C (NOIA)

Rule Summary Updates contact and mailing information for use by parties wishing to submit a petition for rule making, petition for waiver, or petition for declaratory order to the Department of Transportation (DOT). Encourages but does not require parties commenting orally to provide the DOT with the general subject of the presentation.

State or Federal Law Implemented: Iowa Code sections 17A.7, 17A.9, and 17A.9A.

Fiscal Impact Agency Response: No fiscal impact.

LSA Response: The LSA concurs.

ARC 4341C (AF)

Rule Summary Updates rules to reflect current purchasing practices, adds definitions, and clarifies the procurement and professional and technical services consultant selection process.

State or Federal Law Implemented: Iowa Code sections 8A.302(1), 8A.311(20), 23A.2, 73.15, 73.16, 73.17, 73.18, 73.19, 73.20, 73.21, 307.12, and 307.21 and 2018 Iowa Acts, Senate File 2416 (FY 2019 Administration and Regulation Appropriations Act).

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Fiscal Impact	Agency Response: No fiscal impact. LSA Response: The LSA concurs.
Rule Summary	<p style="text-align: right;"><u>ARC 4342C (AF)</u></p> Makes changes regarding early release of retained funds for public improvement projects. State or Federal Law Implemented: Iowa Code chapters <u>26</u> and <u>573</u> , Iowa Code section <u>314.1A</u> , and 2018 Iowa Acts, <u>House File 2233</u> (Public Construction Bidding, Mechanic's Liens, and Early Release of Retained Funds Act).
Fiscal Impact	Agency Response: No fiscal impact. LSA Response: The LSA concurs.
Rule Summary	<p style="text-align: right;"><u>ARC 4343C (AF)</u></p> Makes changes related to notation of cancellation of a security interest on a motor vehicle title, the location of motor vehicle dealer books and records, and the ability of a final-stage motor vehicle manufacturer to sell a completed multi-stage manufactured vehicle to a retail buyer. State or Federal Law Implemented: Iowa Code sections <u>321.1</u> , <u>321.50</u> , <u>321.63</u> , <u>322.2</u> , and <u>322.3</u> ; 2018 Iowa Acts, <u>Senate File 2325</u> (Security Interests in Motor Vehicles — Notation of Discharge Act); 2018 Iowa Acts, <u>Senate File 2293</u> (Motor Vehicle Regulation — Dealer or Manufacturer Records, Registration and Titling, and Warranties and Recalls Act); and 2018 Iowa Acts, <u>Senate File 2262</u> (Final-Stage Motor Vehicle Manufacturers Act).
Fiscal Impact	Agency Response: No fiscal impact. LSA Response: The LSA concurs.
Rule Summary	<p style="text-align: right;"><u>ARC 4344C (AF)</u></p> Revises the process by which a member of a fire department applies for firefighter license plates to allow an applicant to submit an application with the required signatures, but without requiring those signatures to be original and notarized. The change will allow for applications to be submitted electronically. State or Federal Law Implemented: Iowa Code section <u>321.34</u> .
Fiscal Impact	Agency Response: No fiscal impact. LSA Response: The LSA concurs.
Rule Summary	<p style="text-align: right;"><u>ARC 4345C (AF)</u></p> Implements various rule changes regarding the permitting of vehicles and loads of excess size and weight. State or Federal Law Implemented: Iowa Code section <u>321E.7</u> .
Fiscal Impact	Agency Response: No fiscal impact. LSA Response: The LSA concurs.
Rule Summary	<p style="text-align: right;"><u>ARC 4346C (AF)</u></p> Requires taxicab companies to apply for a motor carrier passenger certificate and meet all applicable certification requirements.

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State or Federal Law Implemented: Iowa Code chapter 325A and 2018 Iowa Acts, Senate File 2271 (Regulation of Motor Carriers Act).

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

LSA Response: The LSA concurs in part. Minimal fiscal impact is expected. There is a \$150 fee associated with the certificate. At this time, fewer than 30 applications have been received.

ARC 4347C (AF)

Rule Summary Amends existing rules to align with legal authority and Department practice.

State or Federal Law Implemented: Iowa Code chapter 321J and 2018 Iowa Acts, House File 2338 (Operating While Intoxicated Reform Act).

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

LSA Response: The LSA concurs.

LSA Staff Contact: Rodrigo Acevedo (515.281.6764) rodrigo.acevedo@legis.iowa.gov

Department of Veterans Affairs

ARC 4370C (NOIA)

Rule Summary Changes a reference from legal settlement to residency. This change relates to the administrative billing procedures for adult Mental Health and Disability Services (MHDS).

State or Federal Law Implemented: 2018 Iowa Acts, ch. 1137.

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

LSA Response: The LSA concurs.

LSA Staff Contact: Kent Ohms (515.725.2200) kenneth.ohms@legis.iowa.gov

Department of Inspections and Appeals/Racing and Gaming Commission

ARC 4378C (AF)

Rule Summary Updates and clarifies a variety of gaming-related definitions, including “wagering area,” “jockey suspension rule,” and “occupational licensing requirement.” The rulemaking also clarifies license eligibility after suspension, purse payments, and Iowa-foaled horse requirements.

State or Federal Law Implemented: Iowa Code chapters 99D and 99F.

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

LSA Response: The LSA concurs in part. Although the rulemaking itself has no fiscal impact, the legislation being implemented, HF 2349 (Excluded Gamblers, Racing and Gaming Regulation Act), does. According to the Fiscal Note associated with HF 2349, the IRGC will need to hire 1.0 additional FTE position to assist in constructing, establishing, and maintaining the data warehouse that will house the confidential information of individuals who choose to voluntarily exclude themselves from all of Iowa’s 19 gambling facilities. Support costs in FY 2019 refer to one-time costs associated with hiring and training a new employee. Initial website construction expenses are estimated to cost a maximum of \$100,000 in FY 2019, with maintenance costs estimated to total around \$10,000 for FY 2020 and subsequent years. Funding for these costs will come from the Gaming Regulatory Revolving Fund, established

pursuant to Iowa Code section 99F.20. Estimated expenditures are displayed in **Table 1** below.

Table 1: Fiscal Impact to the IRGC, FY 2019 - FY 2020

	FY 2019	FY 2020
FTE Position(s)	1.0	1.0
Total	1.0	1.0
Salaries	\$ 120,000	\$ 125,000
Support	\$ 5,000	\$ -
Website Construction/Maintenance	\$ 100,000	\$ 10,000
Total	\$ 225,000	\$ 135,000

LSA Staff Contact: Christopher Ubben (515.725.0134) chris.ubben@legis.iowa.gov

Labor Division

ARC 4376C (AF)

Rule Summary Clarifies when elevator upgrades need an alteration permit and adds a subcategory for alteration permits with a fee of \$250 instead of the standard fee of \$500.

State or Federal Law Implemented: Iowa Code chapter 89A.

Fiscal Impact **Agency Response:** Minimal fiscal impact. Reducing the alteration fee will cause a slight reduction of receipts to the Elevator Safety Fund.

LSA Response: The LSA concurs.

LSA Staff Contact: Ron Robinson (515.281.6256) ron.robinson@legis.iowa.gov

Public Employment Relations Board

ARC 4365C (NOIA)

Rule Summary Updates requirements for the parties and the agency due to the use of electronic filing through the electronic document management system, clarifies provisions relating to confidential information due to the use of electronic filing, and eliminates outdated provisions and language.

State or Federal Law Implemented: Iowa Code chapters 17A, 20, and 22.

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

LSA Response: The LSA concurs.

ARC 4364C (NOIA)

Rule Summary Provides the procedural framework for an appeal by a State executive branch employee related to alleged adverse employment action taken because of an employee's disclosure of protected information.

State or Federal Law Implemented: Iowa Code section 70A.28.

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Fiscal Impact **Agency Response:** Minimal fiscal impact. Costs related to individual hearings are expected to be minimal.

LSA Response: The LSA concurs.

ARC 4366C (NOIA)

Rule Summary Establishes a procedure for bargaining units to merge, and recertification election procedures into a new chapter with clarifications and modifications, and updates and clarifies provisions related to electronic filing requirements. Increases the election fee assessed to certified employee organizations for certification and decertification elections. The fee would increase from \$1 per eligible voter, with a \$10 minimum, to \$1.50 per eligible voter, with a \$15 minimum. Allows the agency to dismiss decertification election petitions if the petition is not filed within a time frame that will allow the agency to complete the election by the statutory deadlines.

State or Federal Law Implemented: Iowa Code chapter 20.

Fiscal Impact **Agency Response:** Although the implementation of Iowa Code section 20.6(7) and the subsequent 50.0% increase in the fee will result in increased expenditures, due to the contract with a new vendor to conduct elections on the agency's behalf and the requirement that these costs be paid by the employee organizations involved, the agency does anticipate these expenditures to have a significant fiscal impact.

LSA Response: The LSA concurs.

LSA Staff Contact: Ron Robinson (515.281.6256) ron.robinson@legis.iowa.gov

Soil Conservation and Water Quality Division

ARC 4340C (AF)

Rule Summary Increases the total cost eligible for reimbursement from the soil erosion control financial incentive program from \$450 to \$600 for tree planting and related activities, from \$1,500 to \$1,600 for windbreaks, and from \$450 to \$600 for field windbreaks. Also makes other technical updates.

State or Federal Law Implemented: Iowa Code section 161A.2.

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

LSA Response: The LSA concurs. The reimbursement cost changes established in the rulemaking are expected to be revenue neutral.

LSA Staff Contact: Deb Kozel (515.281.6767) deb.kozel@legis.iowa.gov

Arts Division

ARC 4333C (AF)

Rule Summary Removes rules for two programs that no longer exist (Artsafe and Art in State Buildings).

State or Federal Law Implemented: SF 516 (FY 2018 Standing Appropriations Act).

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

LSA Response: The LSA concurs.

LSA Staff Contact: Ron Robinson (515.281.6256) ron.robinson@legis.iowa.gov

College Student Aid Commission

ARC 4373C (AF)

Rule Summary Updates the physical address of the Commission.

State or Federal Law Implemented: Iowa Code chapter 261.

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

LSA Response: The LSA concurs.

ARC 4374C (AF)

Rule Summary Rescinds administrative rules for the Registered Nurse and Nurse Educator Loan Forgiveness Program. Replaces the Program with the Health Care Loan Repayment Program. Administrative rules have already been promulgated for the new program pursuant to Iowa Code section 261.116.

State or Federal Law Implemented: Iowa Code chapter 261.

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

LSA Response: The LSA concurs.

LSA Staff Contact: Robin Madison (515.281.5270) robin.madison@legis.iowa.gov

Iowa Public Employees' Retirement System

ARC 4337C (AF)

Rule Summary Revises existing rules by implementing the following changes:

- Conforms rules and statutes or rescinds rules that are outdated, redundant or inconsistent, or no longer in effect to meet the requirements of the statutory five-year rules review for affected chapters.
- Implements contribution rates for employers and regular and special service members beginning July 1, 2019.
- Simplifies and updates language pertaining to sick and compensatory time.
- Defines bona fide refunds that require a member to remain out of Iowa Public Employees' Retirement System (IPERS)-covered employment for 30 days, and simplifies language concerning restoring a member's account.
- Clarifies vesting status post-June 30, 2012, requirements for special service and regular service members.
- Updates and amends current rules covering service purchases to conform with current law and practice.
- Aligns Internal Revenue Code (IRC) Section 415(r) compliance language with actual practice and Internal Revenue Service (IRS) regulation of all service purchases.
- Emphasizes that service credit purchases are available for leaves of absence only if the purchases have been approved by the employer.
- Clarifies that members have 60 days from the date of IPERS' acceptance of a service purchase to revoke the purchase.
- Clarifies that periods of time when a member was self-employed or worked as an independent contractor are not periods that can be used to make a service purchase.
- Emphasizes the seriousness of a married member's notarized statement regarding unsuccessful efforts to locate the member's spouse for the spouse's written acknowledgment of election of a refund by changing "indicating" to "affirming".
- Increases clarity regarding the determination of a member's last day of employment and the use of electronic funds transfers related to refunds.
- Clarifies the current policy regarding payment of a deceased named beneficiary's share to the surviving named beneficiaries in the event a named beneficiary predeceases a member.

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- Provides for corrections of overpayments and underpayments of contributions and benefits caused by the misreporting of covered wage.
- Eliminates successor alternate payee (SAP) language from qualified domestic relations orders after July 1, 2019.
- Improves the alternate payee benefit process while retaining members' rights and securing alternate payee benefits.

State or Federal Law Implemented: Iowa Code chapter 97B.

Fiscal Impact Agency Response: Contribution rate changes for all three member classes of IPERS employees (Regular members, Sheriffs and Deputy Sheriffs, and Protection Occupation members) are reflected below.

- **Regular Members.** There is no change in the contribution rates from FY 2019 to FY 2020. The contribution rate remains at 15.73% (9.44% employer/6.29% employee).
- **Sheriffs and Deputy Sheriffs.** The contribution rates are decreasing by 0.50%, from 19.52% in FY 2019 to 19.02% for FY 2020. For Sheriffs and Deputy Sheriffs, contribution amounts are split 50/50 between employers and employees. The impact to covered employers and employees is an estimated savings of \$619,000 (\$309,000 employer and \$309,000 employee) annually.

Estimated IPERS Contributions for Sheriffs and Deputy Sheriffs										
Employer Type	Projected Wages	FY 2019			FY 2020			Member Difference	Employer Difference	Total Difference
		Member Contribution	Employer Contribution	Combined Rate	Member Contribution	Employer Contribution	Combined Rate			
County	\$123,721,295	\$12,075,198	\$12,075,198	19.52%	\$11,765,895	\$11,765,895	19.02%	(\$309,303)	(\$309,303)	(\$618,606)

- **Protection Occupation.** The contribution rates are decreasing by 0.50%, from 17.02% in FY 2019 to 16.52% for FY 2020. For Protection Occupation members, contribution amounts are split 60/40 between employers and employees. The impact to covered employers and employees is an estimated savings of \$1.1 million (\$757,000 employer and \$353,000 employee).

Estimated IPERS Contributions for Protection Occupation										
Employer Type	Projected Wages	FY 2019			FY 2020			Member Difference	Employer Difference	Total Difference
		Member Contribution	Employer Contribution	Combined Rate	Member Contribution	Employer Contribution	Combined Rate			
State	\$189,896,808	\$11,569,973	\$17,346,464	17.02%	\$11,230,179	\$16,836,774	16.52%	(\$339,794)	(\$909,690)	(\$649,484)
County	\$113,516,798	\$7,730,494	\$11,590,065	17.02%	\$7,503,460	\$11,249,515	16.52%	(\$227,034)	(\$340,550)	(\$567,584)
City	\$92,708,385	\$6,313,237	\$9,465,220	17.02%	\$6,127,826	\$9,187,104	16.52%	(\$185,411)	(\$278,116)	(\$463,527)
Other	\$2,270,336	\$154,610	\$231,801	17.02%	\$150,069	\$224,990	16.52%	(\$4,541)	(\$6,811)	(\$11,352)

LSA Response: The LSA concurs.

LSA Staff Contact: Jennifer D. Acton (515.281.7846) jennifer.acton@legis.iowa.gov

City Finance Committee

ARC 4334C (AF)

Rule Summary Clarifies the meaning of “transfers between funds” to include the definition of “fund transfer resolution” and establishes the requirement that all transfers of moneys between city funds must be approved by such a fund transfer resolution.

State or Federal Law Implemented: Iowa Code section 384.6.

Fiscal Impact Agency Response: No fiscal impact.

LSA Response: The LSA concurs.

LSA Staff Contact: Christin Mechler (515.250.0458) christin.mechler@legis.iowa.gov

Environmental Protection Commission

ARC 4335C (AF)

Rule Summary Changes air quality rules in the Department of Natural Resources (DNR) so that the State rules match federal regulations. This allows the DNR, rather than the federal Environmental Protection Agency (EPA), to be the primary air quality agency in Iowa.

- Items 1 and 6 amend the definition of “EPA reference method” to adopt the technical corrections that EPA made to continuous methods for measuring air pollutant emissions.
- Item 15 adopts these federal updates into the methods and procedures for continuous monitoring systems.
- Item 2 adds a cross reference to the rules for nonattainment areas.
- Items 3, 4, 5, 7, 9, 10, and 11 update the location and mailing address for the Air Quality Bureau at the DNR.
- Item 8 establishes electronic submittal of the annual emissions inventories required under the Title V Operating Permit program beginning with the reports due by March 31, 2019.
- Item 12 adopts revised New Source Performance Standards (NSPS) and adopts the changes EPA made to the NSPS test methods, as explained in the description above for Items 1, 6, and 15.
- Item 13 adopts federal amendments to the federal National Emission Standards for Hazardous Air Pollutants (NESHAP) for the following source categories:
 - Phosphoric acid manufacturing and phosphate fertilizer production.
 - Offsite waste and recovery operations.
 - Chemical recovery combustion sources at kraft, soda, sulfite, and stand-alone semichemical pulp mills.
 - Portland cement manufacturing.
 - Wool fiberglass manufacturing.
- Item 14 adopts the federal emission guidelines for existing sewage sludge incineration units.

State or Federal Law Implemented: Iowa Code section 455B.133.

Fiscal Impact **Agency Response:** No fiscal impact. The proposed changes will have a neutral fiscal impact on affected facilities, the public, counties, and local governments. Some of the changes may benefit the private sector because they will streamline current air quality programs.

LSA Response: The LSA concurs.

LSA Staff Contact: Deb Kozel (515.281.6767) deb.kozel@legis.iowa.gov

Real Estate Appraiser Examining Board

ARC 4379C (AF)

Rule Summary Reflects the Real Estate Appraiser Examining Board’s recent relocation from the Department of Commerce’s Professional Licensing and Regulation Bureau to the Department of Commerce’s Division of Banking, and includes the Banking Superintendent’s additional oversight role over the Board. Incorporates standard agency and licensing board chapters (e.g., waivers and variances, contested cases, and public information).

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State or Federal Law Implemented: Iowa Code chapter 543D.

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

LSA Response: The LSA concurs.

LSA Staff Contact: Christopher Ubben (515.725.0134) chris.ubben@legis.iowa.gov

Department of Commerce/Utilities Division

ARC 4380C (AF)

Rule Summary Updates natural gas pipeline inspection and hazardous liquid safety guidelines to comply with federal regulations.

State or Federal Law Implemented: Iowa Code chapters 476 and 479.

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

LSA Response: The LSA concurs.

LSA Staff Contact: Christopher Ubben (515.725.0134) chris.ubben@legis.iowa.gov
