



Fiscal Services Division

ADMINISTRATIVE RULES — FISCAL IMPACT SUMMARIES

May 14, 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**).

Table of Contents	
Agency	Page
Department of Human Services	1
Department of Commerce/Insurance Division	2
Department of Commerce/Utilities Division	2
Department of Public Health	3
Professional Licensure Division	3
Dental Board	4
Board of Medicine	4
Board of Nursing	4
Board of Pharmacy	5
Department of Revenue	6
Secretary of State	7
Voter Registration Commission	7
Department of Transportation	7
Department of Veterans Affairs	8
Department of Education	8
Department of Natural Resources	9
Natural Resource Commission	10
Department of Homeland Security and Emergency Management	10
Labor Services Division	10
Workers' Compensation Division	11

Department of Human Services

Rule Summary	Allows advanced registered nurse practitioners (ARNPs) and physician assistants (PAs) to be primary care providers with a managed care organization (MCO). State or Federal Law Implemented: Iowa Code section <u>249A.4</u> and 2018 Iowa Acts, chapter <u>1165</u> . (FY 2019 Health and Human Services Appropriations Act)
Fiscal Impact	Agency Response: No fiscal impact. LSA Response: The LSA concurs.

ARC 4392C (AF)

Administrative Rules — Fiscal Impact Summaries

May 14, 2019

2

Rule Summary Streamlines required maintenance of administrative rules related to dependent adult abuse by amending related forms. **ARC 4393C (AF)**

State or Federal Law Implemented: Iowa Code section 234.6.

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

LSA Response: The LSA concurs.

Rule Summary Requires that an independent certified public accountant or an independent accounting firm complete the financial and statistical report required for juvenile detention home reimbursement. **ARC 4411C (AF)**

State or Federal Law Implemented: Iowa Code section 234.6.

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

LSA Response: The LSA concurs.

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

Department of Commerce/Insurance Division

Rule Summary Includes new requirements for Medicare Supplement policies offered and issued on or after January 1, 2020, based on the model regulation to implement the National Association for Insurance Commissioners' Medicare Supplement Insurance Minimum Standards Model Act of 2017. **ARC 4394C (AF)**

State or Federal Law Implemented: Iowa Code chapter 514D.

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

Rule Summary Updates the Utilities Board's interconnection rules to be consistent with the new Institute for Electrical and Electronic Engineers standard, the Standard for Interconnection and Interoperability of Distributed Energy Resources and Associated Electric Power System Interfaces. **ARC 4407C (ANOIA)**

State or Federal Law Implemented: Iowa Code sections 476.1, 476.8, and 476.58.

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

LSA Response: The LSA concurs.

Rule Summary Amends procedures for determining the competitiveness of a communications service or facility. **ARC 4414C (AF)**

State or Federal Law Implemented: Iowa Code sections 476.1D, 476.2, and 546.7.

Administrative Rules — Fiscal Impact Summaries

May 14, 2019

3

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

Rule Summary Adds inhaled forms, limited to nebulizable and vaporizable, to the acceptable forms of medical cannabidiol that approved medical cannabidiol manufacturers can produce. **ARC 4399C (AF)**

State or Federal Law Implemented: Iowa Code section 124E.11.

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

LSA Response: The LSA concurs.

Rule Summary Updates existing rules related to vital records, including: **ARC 4398C (AF)**

- Clarifies that vital record fees are assessed per record issued and not per search performed.
- Adds language to protect the registrant of vital records to ensure that entitlement to a certified copy of any vital record is for the benefit of the person listed on the vital record.
- Requires that any person assisting with a home birth must report the home birth.
- Outlines the process to establish a delayed marriage record through the court system.
- Outlines the process to amend a certificate of vital record through the court system and allows for a person to amend a vital record using an established vital record on file.

State or Federal Law Implemented: Iowa Code chapter 144.

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

Professional Licensure Division

Rule Summary Adds licensing rules for two new professions under the Board of Behavioral Sciences: behavior analysts and assistant behavior analysts. Sets license fees for the two new professions at \$300. **ARC 4389C (NOIA) & ARC 4390C (AFE)**

State or Federal Law Implemented: Iowa Code chapter 154D.

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

LSA Response: Minimal fiscal impact. A projected 50 applicants for each profession would generate \$30,000 to cover Department of Public Health staff and support costs and software development for the licensing system.

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Administrative Rules — Fiscal Impact Summaries

May 14, 2019

4

Dental Board

ARC 4409C (AF)

Rule Summary Updates rules on prescribing, administering, and dispensing drugs and on continuing education. Updates rules on discipline to clarify and revise the disciplinary standards.

State or Federal Law Implemented: Iowa Code sections 147.10, 147.11, 153.15A, 153.33, 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

ARC 4382C (NOIA)

Rule Summary Amends the standards of practice for appropriate pain management, references the U.S. Centers for Disease Control and Prevention (CDC) Guideline for Prescribing Opioids for Chronic Pain, requires a physician to register with the Iowa Prescription Monitoring Program (PMP) at the same time the physician applies to register or renews registration to prescribe controlled substances as required by the Iowa Board of Pharmacy, requires a physician or the physician's designated agent to utilize the PMP prior to issuing an opioid prescription, requires the use of an electronic prescription beginning January 1, 2020, and makes it a ground for discipline if a physician prescribes opioids in dosage amounts exceeding what would be prescribed by a reasonably prudent physician in the State acting in the same or similar circumstances.

State or Federal Law Implemented: 2018 Iowa Acts, ch. 1138 (Opioid Regulation Act).

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

LSA Response: The LSA concurs.

ARC 4339C (AF)

Rule Summary Establishes licensure standards and scope of practice for genetic counselors.

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.

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

Board of Nursing

ARC 4413C (AF)

Rule Summary Revises and makes general updates to existing rules regarding licensure to practice.

State or Federal Law Implemented: Iowa Code section 147.3.

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

Rule Summary **ARC 4386C (NOIA)**
Implements Division II of 2018 Iowa Acts, chapter 1138 (Opioid Regulation Act), that requires the electronic transmission of all prescriptions by January 1, 2020.

State or Federal Law Implemented: Iowa Code sections 124.308 and 155A.27.

Fiscal Impact **Agency Response:** Minimal fiscal impact. The Board anticipates an extra two days of meetings to review petitions for exemption to the mandate. This would result in an estimated \$2,500 in expense.

LSA Response: The LSA concurs.

Rule Summary **ARC 4388C (NOIA)**
Replaces the word “prescribe” with the word “order” when referring to a pharmacist’s participation in statewide protocols. Clarifies that for the purposes of rules pertaining to statewide protocols, the order shall constitute a prescription.

State or Federal Law Implemented: Iowa Code section 155A.46.

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

LSA Response: The LSA concurs.

Rule Summary **ARC 4391C (NOIA)**
Updates rules after the Board’s overall five-year review pursuant to Iowa Code section 17A.7(2). Adds definitions, updates cross references, and makes other changes to conform to current Board operation.

State or Federal Law Implemented: Iowa Code section 147.2, 147.3, 147.4, 147.5, 147.9, 147.10, 147.11, 147.34, 147.36, 147.44, 147.49, 147.53, 147.55, 147.76, 147.80, 155A.6, 155A.7, 155A.8, 155A.9, 155A.11, 155A.12, 155A.19, 155A.40, 155A.44, 155A.46, 272C.2, 272C.2A, 272C.2B, 272C.2C, 272C.3, and 272C.4.

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

LSA Response: The LSA concurs.

Rule Summary **ARC 4397C (AF)**
Rescinds and replaces the chapter on the Prescription Drug Monitoring Program (PMP). Changes include:

- Requires prescribing practitioners to register with the PMP simultaneous to Controlled Substance Act (CSA) registration.
- The Board is authorized in Iowa Code to assess a surcharge up to 25.0% on CSA registrations to be deposited into the PMP Fund. No surcharge is included in these rules.
- Requires that dispensing of controlled substances by prescribers be reported to the PMP.
- Requires that administration of an opioid antagonist by a first responder be reported to the PMP.
- Makes technical changes to reorganize and simplify rules where appropriate.
- Requires that pharmacists involved in direct patient care also be required to register with the PMP simultaneous to licensure or renewal.
- Removes the specific maximum number of authorized delegates.

Administrative Rules — Fiscal Impact Summaries

May 14, 2019

6

State or Federal Law Implemented: Iowa Code sections 124.550, 124.551, 124.551A, 124.552, 124.553, 124.554, 124.555, 124.556, 124.557, 124.558, and 2018 Iowa Acts, ch. 1138 (Opioid Regulation Act).

Fiscal Impact **Agency Response:** Minimal fiscal impact. The Board is in the process of seeking a format by which first responders can submit data relating to the administration of an opioid antagonist. Per the Fiscal Note on the Opioid Regulation Act, this is anticipated to cost upward of \$75,000. The Board is not anticipating implementation of the authorized CSA registration surcharge at this time.

LSA Response: The LSA concurs.

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

Department of Revenue

Rule Summary **ARC 4381C (NOIA)**
Reduces the excise tax rate on gasoline from 30.7 cents per gallon to 30.5 cents per gallon. The change will be effective on July 1, 2019. As calculated by the Iowa Department of Revenue (IDR), ethanol comprised between 60.0% and 65.0% of all motor fuel (gasoline and ethanol) taxed in 2018. The tax rate for ethanol will remain 29.0 cents per gallon.

State or Federal Law Implemented: Iowa Code section 452A.3.

Fiscal Impact **Agency Response:** The IDR estimates that this change will reduce revenue to the Road Use Tax Fund by \$1.1 million in FY 2020.

LSA Response: The LSA concurs.

Rule Summary **ARC 4406C (NOIA)**
Implements recent Iowa income tax changes enacted during the 2019 Legislative Session. The changes raise the tax year (TY) 2018 expensing limitation applicable to corporations (both C and S corporations) and other entities subject to the corporate income tax, and financial institutions subject to the franchise tax, to \$70,000, with a phase-out limitation of \$280,000. Prior to the 2019 enacted changes, these limitations applied only to individuals and entities taxed as partnerships. In addition, the amendments incorporate recent federal indexation of Section 179 limits for TY 2019. The amendments also make several technical corrections.

State or Federal Law Implemented: Senate File 220 (Section 179 Expensing Act).

Fiscal Impact **Agency Response:** Although the rulemaking itself has no fiscal impact, the legislation it implements does. The Fiscal Note for SF 220 estimated that the changes will reduce net General Fund revenue by \$620,000 in FY 2019 and \$430,000 in FY 2020 and will result in a revenue increase totaling approximately \$1.0 million over the seven fiscal years after FY 2020.

LSA Response: The LSA concurs.

Rule Summary **ARC 4408C (NOIA)**
Implements 2018-enacted changes to the Iowa Educational Savings Plan Trust (Trust) and Iowa Achieving a Better Life Experience (ABLE) programs.

The Trust changes allow participants to use up to \$10,000 per beneficiary per year in Trust assets to pay elementary and secondary school tuition expenses. Previously, Trust withdrawals were restricted to college-related expenses. Minor technical corrections are also made to Trust rules.

Administrative Rules — Fiscal Impact Summaries

May 14, 2019

7

The ABLE changes relate to the income tax consequences of allowed transfers of funds from a Trust account to an ABLE account.

State or Federal Law Implemented: Senate File 2417, Division X (Income and Sales Tax Modification Act).

Fiscal Impact **Agency Response:** Although the rulemaking does not have a fiscal impact, the legislation it implements does. Senate File 2417 is expected to decrease General Fund revenue by approximately \$100 million in FY 2019, \$263 million in FY 2020, \$331 million in FY 2021, and \$394 million in FY 2022. Additional information is located in the Fiscal Note.

LSA Response: The LSA concurs.

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Secretary of State

ARC 4384C (NOIA)

Rule Summary Lowers the minimum voter registration age from 17½ years of age to 17 years of age with the requirement that a registrant be 18 years old by Election Day to vote.

State or Federal Law Implemented: Iowa Code section 22.7.

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

Voter Registration Commission

ARC 4383C (NOIA)

Rule Summary Brings the Voter Registration Commission rules into conformity with Iowa Code section 17A.7 and makes technical changes to Iowa's voter registration laws required by 2017 Iowa Acts, House File 516 (Election Integrity, Secretary of State Act).

State or Federal Law Implemented: Iowa Code sections 17A.7, 48A.5, and 48A.26.

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 4385C (NOIA)

Rule Summary Updates language and definitions and corrects the name of the Traffic Safety Improvement Program (TSIP). Expands the direct application option to TSIP to other entities besides the Department of Transportation, cities, and counties.

State or Federal Law Implemented: Iowa Code section 312.2(11).

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

LSA Response: The LSA concurs.

Administrative Rules — Fiscal Impact Summaries

May 14, 2019

8

ARC 4400C (AF)

Rule Summary Makes updates to reference the 2018 edition of the American Association of State Highway and Transportation Official Manual for Bridge Evaluation, used in evaluating bridges when issuing special weight permits.

State or Federal Law Implemented: Iowa Code section 321.463(4).

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

LSA Response: The LSA concurs.

ARC 4401C (AF)

Rule Summary Incorporates the most recent updates to the federal regulations published by the Federal Motor Carrier Safety Administration (FMCSA) and the Pipeline and Hazardous Materials Safety Administration.

State or Federal Law Implemented: Iowa Code sections 321.188, 321.449, and 321.450.

Fiscal Impact **Agency Response:** The fiscal impact cannot be determined. The federal regulations to be adopted by this action were subject to fiscal impact review by either the FMCSA or the Pipeline and Hazardous Materials Safety Administration when enacted and were determined not to be cost-prohibitive.

LSA Response: The LSA concurs.

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

Department of Veterans Affairs

ARC 4405C (NOIA)

Rule Summary Removes awards for matching funds to veteran services organizations for accredited veteran services officers from the Iowa Veterans Trust Fund pursuant to 2018 Iowa Acts, chapter 1064 (Veterans Affairs Commission and Trust Fund Expenditures Act).

State or Federal Law Implemented: Iowa Code section 35A.13 and 2018 Iowa Acts, ch. 1064.

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 Education

ARC 4402C (NOIA)

Rule Summary Clarifies that a school district or accredited nonpublic school will issue high school credit for a unit of instruction completed at a school accredited under section Iowa Code section 256.11 unless the student is unable to demonstrate proficiency, or the unit of instruction does not meet the school district's or accredited nonpublic school's standards. If a student is denied credit, the school district or accredited nonpublic school will notify the student's parent or guardian. Changes references to "foreign language" to refer to "world language" and includes American Sign Language as a unit of world language. Details the requirements for the personal finance literacy course required for high school graduation. Clarifies that school districts will make provisions for meeting the needs of at-risk students. Eliminates an additional progress assessment requirement for reading, mathematics, and science. Changes the grade the science assessment is to be given from grade 11 to grade 10.

Administrative Rules — Fiscal Impact Summaries

May 14, 2019

9

	State or Federal Law Implemented: Iowa Code sections <u>256.7(21)</u> , <u>256.7(26)(a)(1)</u> , <u>256.11</u> , <u>256.11(5)(f)</u> , and <u>257.38</u> .
Fiscal Impact	Agency Response: No fiscal impact. LSA Response: The LSA concurs.
Rule Summary	ARC 4403C (NOIA) Changes references to “foreign language” to refer to “world language” and includes American sign language as a unit of world language. State or Federal Law Implemented: 2018 Iowa Acts, <u>HF 2390</u> (Terminology Changes in Education-Related Iowa Code References to Foreign Languages Act).
Fiscal Impact	Agency Response: No fiscal impact. LSA Response: The LSA concurs.
Rule Summary	ARC 4404C (NOIA) Adds master social worker or an independent social worker licensed under Iowa Code chapters <u>147</u> and <u>154C</u> to the list of eligible operational functions and removes the five-year limit on eligibility for receiving supplemental weighting. State or Federal Law Implemented: Iowa Code section <u>257.11</u> .
Fiscal Impact	Agency Response: No fiscal impact. LSA Response: The LSA concurs in part. While the rulemaking itself does not have a fiscal impact, the legislation the rulemaking implements, <u>HF 633</u> (School District Supplementary Weighting — Shared Operational Functions Act), may increase State school aid from the General Fund by \$239,000 in FY 2020. In FY 2020, there are an estimated 13 school districts that will be eligible to receive supplementary weighting for social workers, which will require additional State school aid from the General Fund. For more information, see the <u>Fiscal Note</u> for <u>HF 633</u> .

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Department of Natural Resources

Rule Summary	ARC 4395C (AF) Allows the Department of Natural Resources (DNR) to establish base fees for park and recreation area camping, rental facilities, vessel storage, and other special privileges as detailed in <u>Senate File 2389</u> (State Park and Recreation Area Fees Act). The methodology will ensure the fees are competitive with those charged at other parks and recreation areas within a 60-mile radius for the same or similar privileges. The DNR may strategically adjust these fees up or down in response to, or to stimulate, user demand. The rule change does not directly establish any fees but outlines the criteria for the fees. Once the fees are determined, they will be published on the DNR website. State or Federal Law Implemented: Iowa Code section <u>455A.14</u> .
Fiscal Impact	Agency Response: The fiscal impact cannot be determined at this time. There is potential that this rulemaking may result in increased fee revenue to the Conservation Fund. However, <u>Senate File 2389</u> requires the DNR to survey a 60-mile radius around each State park and recreation area and catalog prices assessed at other public areas. Assessed price data collection has begun and is expected to be completed in 2019.

Administrative Rules — Fiscal Impact Summaries

May 14, 2019

10

LSA Response: The LSA concurs.

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

Natural Resource Commission

ARC 4396C (AF)

Rule Summary Removes language related to camping and other fees charged at State parks or recreation areas. The Department of Natural Resources (DNR) is authorized by Senate File 2389 (State Park and Recreation Area Fees Act) to take such action.

State or Federal Law Implemented: Iowa Code section 455A.14.

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

LSA Response: The LSA concurs.

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

Department of Homeland Security and Emergency Management

ARC 4410C (AF)

Rule Summary Allows for reimbursement of costs incurred by a governmental entity for a project after the project has already been approved. Reimbursement funds will be paid out from a designated flood project fund, which consists of funds received from an already existing flood mitigation or sales tax increment fund.

State or Federal Law Implemented: Iowa Code section 418.13 and House File 2258 (Flood Project Fund Act).

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

LSA Response: The LSA concurs. The Fiscal Note for HF 2258 states that local governments may experience a positive fiscal impact, but no data has been received at this time.

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

Labor Services Division

ARC 4412C (AF)

Rule Summary Increases Iowa's penalties for occupational safety and health violations by 2.5% to match the federal penalties, and adopts by reference a recent change rescinding a federal requirement for larger employers to make electronic reports of injuries and illnesses.

State or Federal Law Implemented: Iowa Code chapter 88.

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

LSA Response: The LSA concurs in part. A minimal increase in General Fund revenue is expected due to the fee increase.

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Administrative Rules — Fiscal Impact Summaries

May 14, 2019

11

Workers' Compensation Division

ARC 4415C (AF)

Rule Summary Updates references to payroll tax withholdings for purposes of determining weekly workers' compensation payments.

State or Federal Law Implemented: Iowa Code section 85.61.

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
