



Fiscal Services Division

ADMINISTRATIVE RULES — FISCAL IMPACT SUMMARIES

October 8, 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 4673C (NOIA)

Rule Summary Requires both managed care and fee-for-service Medicaid payment and delivery systems to utilize a uniform process, including but not limited to uniform forms, information requirements, and time frames, to request medical prior authorizations under the Medicaid program.

State or Federal Law Implemented: Iowa Code chapter 249A and 2019 Iowa Acts, chapter 85 (FY 2020 Health and Human Services Appropriations Act).

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

LSA Response: The LSA concurs.

ARC 4675C (NOIA)

Rule Summary Implements a new chapter to centralize administrative rules and amends cross references regarding timely and adequate notices.

State or Federal Law Implemented: Iowa Code section 217.6.

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

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LSA Response: The LSA concurs.

ARC 4674C (NOIA)

Rule Summary Revises appeal rules to simplify, provide uniformity, clarify the scope, clearly define appeal rights, and protect self-represented litigants. The Department has sought to eliminate redundancies and ambiguities, streamline processes across programs where permissible under state and federal law, explicitly clarify the circumstances in which contested case hearings are granted, ensure conformity with substantive federal and state standards, and inclusion of procedural protections for self-represented litigants.

State or Federal Law Implemented: Iowa Code chapter 17A and section 217.6.

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

LSA Response: The LSA concurs.

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Department of Commerce/Insurance Division

ARC 4660C (NOIA)

Rule Summary Updates the Insurance Division's rules by adding and clarifying statutory requirements and eliminating rules that are duplicative of statutes. Updates the address, the website, and several out-of-date email addresses for the Division.

State or Federal Law Implemented: Iowa Code chapters 17A, 22, 502, and 505.

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

LSA Response: The LSA concurs.

ARC 4677C (AF)

Rule Summary Provides guidance to residential service companies and motor vehicle service companies regarding how their current license or registration status will be administered by the Division following the enactment of 2019 Iowa Acts, Senate File 619 (Service Contracts Act).

State or Federal Law Implemented: Iowa Code chapters 516E and 523C and 2019 Iowa Act, Senate File 619.

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

LSA Response: The LSA concurs in part. While the rulemaking itself has no fiscal impact to the Insurance Division or to the State General Fund, Senate File 619 will result in an annual estimated net increase of \$111,800 in Other Funds revenue beginning in FY 2020, as outlined in the Fiscal Note for the Act. Two-thirds of residential service contract fee revenue will be deposited into the Commerce Revolving Fund. The Act creates the Service Company Oversight Fund, which will receive the remaining one-third of all residential service contract fee revenue. This is expected to result in an annual estimated net decrease of \$97,000 in Commerce Revolving Fund revenue beginning in FY 2020.

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Accountancy Examining Board

ARC 4657C (AF)

Rule Summary Provides for year-round certified public accountant (CPA) examination availability, instead of four annual examination windows.

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State or Federal Law Implemented: Iowa Code chapter 542.

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

LSA Response: The LSA concurs.

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Economic Development Authority

Rule Summary **ARC 4669C (NOIA)**
Adds five chemicals to the definition of “building block chemical” under the Renewable Chemical Production Tax Credit.

State or Federal Law Implemented: Iowa Code section 15.316.

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

LSA Response: The LSA concurs.

Rule Summary **ARC 4670C (NOIA)**
Conforms rules related to the Enhance Iowa Board, the Community Attraction and Tourism Program, and the River Enhancement Community Attraction and Tourism Program, to changes made to the Iowa Code with the 2019 enactment of HF 305 (Enhance Iowa Program Act).

State or Federal Law Implemented: Iowa Code chapter 15F.

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

LSA Response: The LSA concurs.

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Iowa Finance Authority

Rule Summary **ARC 4665C (NOIA)**
Amends existing rules regarding the federal Low-Income Housing Tax Credit (LIHTC) Programs by conforming to the language and procedures in the 2020 Qualified Allocation Plans (QAPs). An overview of changes made to the 2020 4.0% Plan compared to the 2019 4.0% Plan can be found here. An overview of changes made to the 2020 9.0% Plan compared to the 2019 9.0% Plan can be found here.

State or Federal Law Implemented: Iowa Code section 16.35 and 26 U.S.C. §42.

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

LSA Response: The LSA concurs.

Rule Summary **ARC 4666C (NOIA)**
Updates statutory references and references to departments that no longer exist. Also changes the requirements relating to demonstrating a local contributing effort in order to align the Home and Community-Based Services Revolving Loan Program with other revolving loan programs administered by the Authority.

State or Federal Law Implemented: Iowa Code section 16.47.

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

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LSA Response: The LSA concurs.

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Iowa Public Information Board

ARC 4655C (NOIA)

Rule Summary Removes language that allows the Board to direct administrative resolution of a matter without making a determination as to whether a violation occurred. Adds provisions relating to exempt sessions.

State or Federal Law Implemented: Iowa Code chapters 17A, 21, and 22.

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

LSA Response: The LSA concurs.

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Professional Licensure Division

ARC 4656C (ANOIA)

Rule Summary Updates Board of Mortuary Science requirements relating to disinterment permits to ensure consistency with Iowa Code section 144.34.

State or Federal Law Implemented: Iowa Code chapters 21, 142D, 144C, 147, 156, and 272C.

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

LSA Response: The LSA concurs.

ARC 4662C (NOIA)

Rule Summary Updates the frequency of training for mandatory child abuse and dependent adult abuse reporters to conform to changes for mandatory reporters in 2019 Iowa Acts, chapter 91 (Mandatory Child Abuse and Dependent Adult Abuse Reporter Training Requirements Act), and makes a technical correction.

State or Federal Law Implemented: Iowa Code sections 232.69 and 235B.16 as amended by 2019 Iowa Acts, ch. 91.

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

LSA Response: The LSA concurs.

ARC 4664C (NOIA)

Rule Summary Adds definitions for the terms “administer,” “dispense,” “order,” and “prescribe” to clarify the distinction between different actions related to Schedule II controlled substances that are listed as depressants in Iowa Code chapter 124.

State or Federal Law Implemented: Iowa Code chapter 148C.

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

LSA Response: The LSA concurs.

ARC 4668C (NOIA)

Rule Summary Implements 2018 Iowa Acts, chapter 1138 (Opioid Regulation Act), by adding continuing education and training requirements for renewal or reinstatement for an optometrist who

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prescribes a controlled substance, requiring optometrists to check the prescription monitoring program prior to prescribing a controlled substance, and adding discipline that may be imposed.

State or Federal Law Implemented: Iowa Code sections 124.551A and 147.162.

Fiscal Impact Agency Response: No fiscal impact.

LSA Response: The LSA concurs.

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Dental Board

Rule Summary ARC 4661C (NOIA)
Updates the frequency of training for mandatory child abuse and dependent adult abuse reporters to conform to changes for mandatory reporters in 2019 Iowa Acts, chapter 91 (Mandatory Child Abuse and Dependent Adult Abuse Reporter Training Requirements Act).

State or Federal Law Implemented: Iowa Code section 272C.2 as amended by 2019 Iowa Acts, chapter 91.

Fiscal Impact Agency Response: No fiscal impact.

LSA Response: The LSA concurs.

Rule Summary ARC 4676C (AF)
Amends the scope of practice for dental assistants and dental hygienists. Creates a new chapter to contain all expanded functions rules and revises training requirements for expanded functions. Specifies that the fees for issuing duplicate licenses is only for hard copies and electronic copies are provided at no cost.

State or Federal Law Implemented: Iowa Code sections 153.15, 153.38, and 153.39.

Fiscal Impact Agency Response: No fiscal impact.

LSA Response: The LSA concurs.

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Board of Medicine

Rule Summary ARC 4653C (NOIA)
Amends the list of debilitating medical conditions eligible for the Medical Cannabidiol Program. Expands the current condition of severe, intractable pediatric autism with self-injurious or aggressive behaviors by removing the word “pediatric.”

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

Fiscal Impact Agency Response: No fiscal impact.

LSA Response: The LSA concurs.

Rule Summary ARC 4658C (AF)
Adds corticobasal degeneration to the list of debilitating medical conditions for which medical cannabidiol may be used.

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

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

LSA Response: The LSA concurs.

Rule Summary Establishes the standards of practice for physicians who supervise a conditional prescribing psychologist and physicians who collaborate with a prescribing psychologist pursuant to 2016 Iowa Acts, chapter 1112 (Prescription Authority for Psychologists Act).

ARC 4663C (NOIA)

State or Federal Law Implemented: Iowa Code chapters 17A, 124, 147, 148, 154B, and 272C.

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

LSA Response: The LSA concurs.

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Department of Public Safety

Rule Summary Amends existing rules regarding closed circuit surveillance systems to incorporate sports wagering into the existing scheme of surveillance required of gambling activities in the State. The goal of these amendments is to ensure that surveillance systems are able to capture all sports wagering-related activities within approved areas of a casino.

ARC 4650C (NOIA)

State or Federal Law Implemented: Iowa Code section 99F.4.

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

LSA Response: The LSA concurs.

Rule Summary Establishes parameters that will regulate the distribution of the Public Safety Survivor Benefits Fund created in Senate File 615 (FY 2020 Justice System Appropriations Act). Such parameters include the application process and how benefitting organizations will be chosen by the Department.

ARC 4651C (NOIA)

State or Federal Law Implemented: 2019 Iowa Acts, Senate File 615, section 38.

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

LSA Response: The LSA concurs.

Rule Summary Updates several processes within the Division of the State Fire Marshal, including streamlining the appointment of the State Fire Marshal and amending the process for building plan approvals and conducting fire investigations.

ARC 4652C (NOIA)

State or Federal Law Implemented: Iowa Code section 100.1 and 100.18.

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

LSA Response: The LSA concurs.

Rule Summary Updates the Department's existing rules regarding vehicle impoundment to be in line with the decision rendered in State v. Ingram, No. 16-0736 (Iowa 2018), which dealt with

ARC 4667C (NOIA)

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the inventory of closed containers. The rulemaking makes additional changes to provide a clearer interpretation of when a vehicle may be impounded.

State or Federal Law Implemented: Iowa Code sections 80.9(2) and 321.89.

Fiscal Impact Agency Response: No fiscal impact.

LSA Response: The LSA concurs.

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Department of Revenue

ARC 4678C (AF)

Rule Summary Requires that withholding agents only need to file W-2 and 1099 forms for employees from whom tax was withheld. Moves the relevant filing deadline from January 31 to February 15 annually.

State or Federal Law Implemented: Iowa Code section 422.16.

Fiscal Impact Agency Response: No fiscal impact.

LSA Response: The LSA concurs.

ARC 4679C (AF)

Rule Summary Implements an exemption from sales tax on specified digital products, prewritten computer software, and certain enumerated services sold or furnished to a commercial enterprise when used exclusively by the commercial enterprise pursuant to Iowa Code section 423.3(104) as enacted by 2018 Iowa Acts, chapter 1161 (State and Local Revenue and Finance Act). The rulemaking defines “de minimis” and “noncommercial purposes.”

State or Federal Law Implemented: Iowa Code section 423.3 and 2018 Iowa Acts, chapter 1161.

Fiscal Impact Agency Response: The impact of the exemption was not represented individually by the Fiscal Note for the Act, but was incorporated into the calculation for the additional revenue to be generated by the taxation of “digital goods” generally. Table 7 of the Fiscal Note for the Act projected additional revenue collection related to “digital goods” to be \$11.8 million for FY 2019, \$26.2 million for FY 2020, \$28.8 million for FY 2021, \$31.1 million for FY 2022, \$33.6 million for FY 2023, and \$35.6 million for FY 2024.

LSA Response: The LSA concurs.

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Department of Workforce Development

ARC 4647C (NOIA)

Rule Summary Updates policies for collecting and recovering unemployment overpayment balances from claimants who have received benefits to which they were not entitled. Adds the ability to pay by credit card and specifies that the second notice should be a demand letter rather than another billing statement.

State or Federal Law Implemented: Iowa Code chapter 96.

Fiscal Impact Agency Response: No fiscal impact.

LSA Response: The LSA concurs.

ARC 4648C (NOIA)

Rule Summary Rescinds a previous unemployment change that the Department has determined was not appropriate regarding the role of the administrative law judge in determining a disqualification for failure to report. The rule proposed to be rescinded specified that before an administrative law judge can rule on a disqualification for failure to report at an Iowa workforce development center as directed, there must be evidence to show that the individual was required to report for an interview. This rulemaking also specifies that a claimant who was overpaid does not have that overpayment eliminated by the addition of claim weeks the claimant would otherwise have been ineligible to receive.

State or Federal Law Implemented: Iowa Code chapter 96.

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

LSA Response: The LSA concurs.

ARC 4649C (NOIA)

Rule Summary Specifies that a claimant who voluntarily quits supplemental part-time employment is not disqualified from other benefits the claimant may be entitled to. Updates calculations for the impact of vacation payments and pension payments. Modifies the rules related to fraudulent overpayments, offsets, and shared work programs. Also makes additional conforming changes.

State or Federal Law Implemented: Iowa Code chapter 96.

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

LSA Response: The LSA concurs in part. Although the rulemaking has no fiscal impact, the legislation associated with it does. The updates of the impact of vacation payments and pension payments is implementing HF 2321 (Unemployment Compensation, Workforce Development Act) and the Fiscal Note states that the changes will permit the Iowa Department of Workforce Development (IWD) to reallocate an estimated 2.9 Workforce Advisor FTE positions and \$150,000 in salary expenses paid from the Unemployment Insurance Federal Base Grant in the Benefits Bureau. That estimate remains the same as stated in the Fiscal Note.

The modification of the rules related to fraudulent overpayments implement HF 2493 (FY 2019 Economic Development Appropriations Act). That Act provided for the disqualification of a claimant from receiving Unemployment Compensation benefits until all benefits received by the individual by reason of nondisclosure or misrepresentation of a material fact have been paid in full. The impact of that change on the Unemployment Compensation Fund is a decrease in payments from the Fund and an increase in collections. Information is not available to determine the magnitude of the impact.

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Department of Public Health

ARC 4671C (NOIA)

Rule Summary Implements 2019 Iowa Acts, chapter 55 (Physician Workforce and Medical Residency Positions Act), that adds a grant preference for candidates who are residents of Iowa, attended and earned an undergraduate degree from an Iowa college or university, or attended and earned a medical degree from a medical school in Iowa. Adds requirement that the residency program offer the residency participants the opportunity to participate in a rural rotation.

State or Federal Law Implemented: Iowa Code section 135.176 and 2019 Iowa Acts, chapter 55.

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

LSA Response: The LSA concurs.

Rule Summary Implements 2019 Iowa Acts, chapter 85, section 98 (Health and Human Services Appropriations Act), which directs the Department to apply for all grant funding received through Title X of the federal Public Health Services Act, and specifies the funding prioritization, restrictions, and reporting requirements.

ARC 4672C (NOIA)

State or Federal Law Implemented: 2019 Iowa Acts, ch. 85.

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

LSA Response: The LSA concurs.

Rule Summary Updates the Medical Cannabidiol Program by making the following changes:

ARC 4489C (AF)

- 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.

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

LSA Response: The LSA concurs.

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Professional Licensure Division

Rule Summary Implements 2019 Iowa Acts, chapter 9 (Military and Veterans Benefits Act), that requires agencies to establish procedures to expedite the licensing of a spouse of an active duty member of the military forces in cases in which the spouse is already licensed in another state.

ARC 4654C (NOIA)

State or Federal Law Implemented: Iowa Code section 272C.4 as amended by 2019 Iowa Acts, chapter 9.

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

LSA Response: The LSA concurs.

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Department of Transportation

ARC 4659C (AF)

Rule Summary Makes changes including:

- Rescinding a subrule regarding confidential records, which are addressed in Iowa Code chapter 22.
- Rescinding a subrule regarding records relating to security procedures, emergency preparedness, and disaster recovery, as the provisions are no longer applicable.
- Implementing changes relating to undercover driver's licenses for peace officers as enacted in 2017 Iowa Acts, chapter 122 (Confidentiality of Law Enforcement Officer Information, Criminal Sentencing, and Massage Therapy Regulation Act).

State or Federal Law Implemented: Iowa Code sections 22.7(50), 80G.2, and 80G.3 and 2017 Iowa Acts, ch. 122.

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

LSA Response: The LSA concurs.

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