



Fiscal Services Division

ADMINISTRATIVE RULES — FISCAL IMPACT SUMMARIES

August 9, 2022

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 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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Secretary of State

ARC 6427C (NOIA)

Rule Summary Reverts certain fees to the amounts prior to temporary increases. The office of the Secretary of State (SOS) stopped collecting the extra fees starting July 1, 2022, as scheduled.

State or Federal Law Implemented: Iowa Code section 9.4A and 2022 Iowa Acts, chapter 1140, section 29.

Fiscal Impact **Agency Response:** The SOS was given authorization to temporarily increase fees to update and modernize the office's business services technology. These fee increases have expired on June 30, 2022, due to the sunset provision established in the 2017 legislation. This rulemaking implements that sunset provision.

LSA Response: The LSA concurs. Section 23 of SF 516 (FY 2017 Standing Appropriation Act), authorized the SOS to increase fees and credit the additional amount to the Technology Modernization Fund for the purposes of improving business services technology. The Administration and Regulation Appropriations Act appropriates any unobligated or unencumbered moneys remaining in the Fund on July 1, 2022, to the SOS for the purposes of modernization within the Business Services Division. As a result, the SOS reverted the fees back to their original amount. As of July 11, 2022, the year-to-date actual amount in the Fund is \$4.7 million. The funds are available until fully expended or June 30, 2026.

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Department of Public Health

ARC 6432C (NOIA)

Rule Summary Transfers administration of the State's newborn screening panel for congenital and inherited disorders pursuant to SF 2345 (2022 Iowa Acts, Chapter 1023, Newborn Screening Act) from the Department of Public Health (DPH) to the State Hygienic Lab (SHL). The SHL will be responsible for establishing the newborn screening fee and

adding disorders to or removing disorders from the newborn screening panel. Establishes the authority as directed by SF 2345 of the Congenital and Inherited Disorders Advisory Committee (CIDAC) to review newborn screening conditions on the federal recommended uniform screening panel (RUSP) for addition to Iowa's newborn screening panel. Requires the CIDAC to review and consider RUSP conditions within 12 months of the addition of the condition to the RUSP. Requires the Department to add the condition(s) to the State newborn screening panel within 18 months of CIDAC's recommendation.

State or Federal Law Implemented: Iowa Code chapter 136A and 2022 Iowa Acts, Chapter 1023.

Fiscal Impact

Agency Response: There will be additional expenses for laboratory equipment and infrastructure to support the testing, including test supplies, education materials, and training provided to expectant parents and providers. Senate File 2345 gives authority to the SHL to establish a newborn screening fee schedule in a manner sufficient to support the newborn screening system of care. The costs of the additional jobs, equipment, supplies, trainings, and educational materials are dependent on the type of disorders added to the newborn screening panel. Each disorder comes with specific testing methodology and expertise requirements, so costs are unknown until such time as the capacity of the current system and the administration, laboratory, clinical, and follow-up needs for expansion of the panel for the specific disorder(s) can be assessed.

LSA Response: The LSA concurs. The **Fiscal Note** published by the LSA for SF 2345 stated that the SHL anticipated an initial cost of \$2.1 million to add testing capabilities for the three disorders included in the RUSP that are not currently included in the Iowa panel. At the time of the publishing of the **Fiscal Note**, the SHL estimated an ongoing operational cost increase of \$714,000 to administer the three additional tests, which was estimated to require an increase of \$19.80 to the \$122.00 fee set by the DPH.

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Department of Agriculture and Land Stewardship

ARC 6433C (NOIA)

Rule Summary

Establishes rules for the Choose Iowa Promotional Program, including qualifications for various types of Iowa grown and raised products, application procedures for participation in the program, fees and membership classifications, and standards for use of the Choose Iowa logo and departmental procedure for enforcement of proper standards. Also establishes processes and procedures for the Value Added Agriculture Grant Program, including application and application review procedures, eligibility for applying, specifying ineligible uses of grant funds, and the scoring criteria used to evaluate applications.

State or Federal Law Implemented: Iowa Code section 159.29 as enacted by 2022 Iowa Acts, House File 2581 (Agriculture Omnibus), and 2022 Iowa Acts, House File 2560 (Agriculture and Natural Resources Appropriations Bill).

Fiscal Impact

Agency Response: The Department will collect fee revenue from Choose Iowa Promotional Program participants. At this time, the Department does not have a good estimate on how much revenue the rulemaking may generate. All fee revenue is deposited into the Choose Iowa Fund (Iowa Code section 159.31A) and will be used to further support the Program.

LSA Response: The LSA concurs. Due to the unknown number of participants in the Choose Iowa Promotional Program who will pay yearly membership fees, the fiscal impact of this rulemaking is currently unknown.

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Department of Management

ARC 6428C (NOIA)

Rule Summary Establishes procedures and guidelines to deny State funds to a local entity for intentionally violating Iowa Code chapter 27B and reinstate eligibility to receive State funds after renewed compliance with Iowa Code chapter 27B.

State or Federal Law Implemented: Iowa Code sections 27B.5 and 27B.6.

Fiscal Impact **Agency Response:** At this time, it is not possible to estimate the total fiscal impact of this rulemaking.

LSA Response: The LSA concurs.

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Department of Revenue

ARC 6429C (NOIA)

Rule Summary Implements a portion of the changes made to the Business Property Tax Credit (BPTC) in HF 2552 (2022 Department of Revenue Omnibus Act). Division XI of the Act changed the existing BPTC from a tax credit that is fully funded by the State to a property value exemption funded by the State up to a specified local government reimbursement amount. This rulemaking provides the application method for the new \$150,000 partial exemption in cases where a qualified commercial, industrial, or railroad property unit consists of multiple property parcels.

State or Federal Law Implemented: 2022 Iowa Acts, HF 2552, Division XI.

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

LSA Response: The LSA concurs. While the law change does have a projected fiscal impact on State and local finance, this rulemaking only provides the method of implementing the new partial exemption for qualified multiparcel property units.

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