



Fiscal Services Division

ADMINISTRATIVE RULES – FISCAL IMPACT SUMMARIES

April 9, 2012

Iowa Code section 17A.4(4) requires the Legislative Services Agency (LSA) to analyze the fiscal impact of all administrative rules with an impact of \$100,000 or more and provide a summary of the impact to the Administrative Rules Review Committee (ARRC). Fiscal Impact Statements filed by State agencies can be found on our website at http://staffweb.legis.state.ia.us/lfb/docs/Admin_Rules/arfiscal_notes.htm

Fair Board

ARC 0049C

- Rule Summary** Makes changes and updates language pertaining to general practices conducted during the yearly and year-round activities at the Iowa State Fair. Changes include:
- Increasing the number of elected board members from 10 to 12.
 - Electing all board officers by the board instead of just the president.
 - Increasing the cost of copying State Fair records, including board minutes, from ten cents to 50 cents per page; the first 10 pages are free.
 - Increasing the fee for a returned check from \$10 to \$20.
 - Increasing required minimum general liability insurance by licensees from \$500,000 to \$1.0 million.
 - Setting selected fees at a daily rate instead of hourly or other lengths of time.
 - Other issues such as appeals, ticket refunds, and technical changes.

Fiscal Impact Minimal fiscal impact.

STAFF CONTACT: Dwayne Ferguson (Ext. 16561)

Board of Educational Examiners

ARC 0026C

Rule Summary Updates outdated language in various chapters.

Fiscal Impact No fiscal impact.

ARC 0025C

Rule Summary Adds enticing a minor and human trafficking to the list of disqualifying crimes for licensure.

Fiscal Impact No fiscal impact.

STAFF CONTACT: John Parker (Ext. 52249)

Table of Contents			
Agency	Page	Agency	Page
Fair Board	1	Department of Human Services	4
Board of Educational Examiners	1	Insurance Division	5
Environmental Protection Commission	2	Board of Regents	5
Department of Natural Resources	2	Department of Revenue	5
Board of Pharmacy	2	Secretary of State	6
Professional Licensure Division	3	State Public Defender	6
Department of Public Health	3	Department of Transportation	6
Department of Public Safety	3	Utilities Division	7

***Agencies with a blue border have rules with a significant fiscal impact.**

Environmental Protection Commission

ARC 0041C

Rule Summary Articulates the contents and requirements of the annual report required to be produced by the areas or facilities designated as environmental management systems as directed in Iowa Code section 455J.4. Sets methods and criteria for determining whether an environmental management system is in compliance with requirements of Iowa Code.

Fiscal Impact No fiscal impact to the State.

ARC 0046C

Rule Summary Allows new methods for disposal of on-farm food processing wastewater. New disposal options will apply to on-farm food processing operations producing less than 1,500 gallons of wastewater per day. Minor language changes and new definitions are included to be consistent with current practices. Clarifies ‘time of transfer’ septic system inspection requirements. Other minor changes are made to correct technical language, improve consistency and clarify rules relating to time of transfer inspections and current inspection practices. Revises the Groundwater Hazard Statement. In addition, the National Pollution Discharge Elimination System (NPDES) General Permit 4 is revised for renewal.

Fiscal Impact No fiscal impact to the State.

ARC 0051C

Rule Summary Creates Chapter 17 to formalize compliance and enforcement options. These options are envisioned to be used before or in lieu of administrative penalties with the intention of enhancing compliance without resorting to administrative penalties. This action formalizes existing practices.

Fiscal Impact No fiscal impact to the State.

STAFF CONTACT: Adam Broich (Ext. 18223)

Department of Natural Resources

ARC 0045C

Rule Summary Revises Form 542-0960, “Groundwater Hazard Statement.” Clarifies circumstances that require a “time of transfer private sewage disposal system inspection.” These inspections are mandatory for buildings with sewage disposal systems, and buildings mandated to operate sewage disposal systems. Clarifies that inspection is not required for outbuildings.

Fiscal Impact No fiscal impact to the State.

STAFF CONTACT: Adam Broich (Ext. 18223)

Board of Pharmacy

ARC 0053C

Rule Summary Adds probation or parole officer to the list of agents included in the definition of law enforcement officer, provides an alternative method of entering information regarding a transaction completed in the Pseudoephedrine Tracking System (PTS) when the PTS is unavailable, and clarifies the processes for releasing information from the PTS to law enforcement officers.

Administrative Rules – Fiscal Impact Summaries

April 3, 2012

3

Fiscal Impact No fiscal impact.

STAFF CONTACT: Aaron Todd (Ext. 16764)

Professional Licensure Division – Department of Public Health

ARC 0032C

Rule Summary Rescinds the requirement that advertisements related to hearing aids include qualifying words in the same size type as the title of the business if the title of the business does not include the words hearing aid, and clarifies that conviction of a crime includes when the judgment of conviction or sentence was deferred.

Fiscal Impact No fiscal impact.

STAFF CONTACT: Aaron Todd (Ext. 16764)

Department of Public Health

ARC 0042C

Rule Summary Amends Chapter 28, Plumbing and Mechanical Systems Board – Licensure Fees, to provide relief from the burden of sitting for examination from licensees who allow their license(s) to lapse for more than 60 days and up to 365 days. Sets late and renewal fees. Licensees that allow their license to lapse for more than 60 days cannot continue to work in the discipline until the license is renewed. Licensees that continue to work with a lapsed license may be subject to disciplinary action.

Fiscal Impact Minimal fiscal impact.

ARC 0043C

Rule Summary Amends Chapter 29, Plumbing and Mechanical Systems Board – Application, Licensure, and Examination, to relieve the burden of sitting for examination from licensees that allow their license(s) to lapse for more than 60 days and up to 365 days. States the late and renewal fees. Licensees that allow their license(s) to lapse for more than one year may renew their license(s) by sitting for the appropriate examination and paying the renewal fee or retaking all continuing education courses and paying the renewal fee

Fiscal Impact Minimal fiscal impact.

STAFF CONTACT: Aaron Todd (Ext. 16764)

Department of Public Safety

ARC 0038C

Rule Summary Provides the following:

- Clarifies requirements for an electrician to obtain an Iowa license without having to take an examination based upon being licensed in another State that has entered into a reciprocity agreement with the Iowa Electrical Examining Board.
- Clarifies the circumstances when issuance of a new or renewed license may be denied based upon failure to pay outstanding fees.
- Defines the consequences of failing to pay fees resulting from the modification of a permit for electrical installation work.

Fiscal Impact No fiscal impact.

STAFF CONTACT: Jennifer Acton (Ext. 17846)

Department of Human Services

	ARC 0048C
Rule Summary	Changes the procedures for determining self-employment income for the Family Investment Program (FIP) and Food Assistance effective August 2012. Applicants will choose between receiving a standard deduction of 40.0% from their gross self-employment income or having their actual documented, allowable self-employment expenses deducted from their gross self-employment income.
Fiscal Impact	This change is estimated to cost the General Fund \$112,200 in FY 2013 and \$244,800 in FY 2014. No funding has been provided for this change. The Department has requested funds to cover the increase as part of their budget request.

	ARC 0047C
Rule Summary	Makes the following changes to the Medicaid for Employed People with Disabilities (MEPD) Program: <ul style="list-style-type: none">• Increases premiums for applicants and recipients under the MEPD program with income that exceeds 165.0% of the federal poverty level (FPL) and adjusts the sliding scale increments used to determine the MEPD premiums. The premium amount for applicants and recipients with incomes that exceed 150.0% of the FPL but less than 165.0% of FPL was not increased in order to maintain a sliding scale with a reasonable number of gradually increasing income and premium increments.• Clarifies the when to reopen an individual's case if cancelled for non-payment.• Revises the policy on where to mail the MEPD premiums.• Revises the form number of the MEPD billing statement.
Fiscal Impact	The increase in premiums is anticipated to save the State \$21,000 annually in FY 2013 and FY 2014.

	ARC 0039C
Rule Summary	Allows staff to use telephone scheduling for interview appointments for Medicaid eligibility determinations.
Fiscal Impact	No fiscal impact.

	ARC 0029C
Rule Summary	Increases the Medicaid dispensing fee for prescribed drugs from \$4.34 to \$6.20 in FY 2012.
Fiscal Impact	This change is estimated to cost the General Fund \$2.7 million in FY 2012. House File 649 (FY 2012 Health and Human Services Appropriations Act) appropriated funds for this increase.

	ARC 0028C
Rule Summary	Restores the reduction in the maximum Medicaid reimbursement rate for care in a psychiatric medical institution for children (PMIC).
Fiscal Impact	This change is estimated to cost the General Fund \$313,000 in FY 2012. House File 649 (FY 2012 Health and Human Services Appropriations Act) appropriated \$350,000 for this purpose.

Administrative Rules – Fiscal Impact Summaries

April 3, 2012

5

ARC 0030C

Rule Summary Requires providers that bill on paper claim forms to submit both the crossover claim form and the Explanation of Medicare Benefits EOMB when billing Medicaid for dually eligible members.

Fiscal Impact No fiscal impact.

STAFF CONTACT: Jess Benson (Ext. 14611)

Insurance Division – Department of Commerce

ARC 0070C

Rule Summary Clarifies the documentation to be provided by an insurance company to customers in connection with a commercial real estate transaction to show the property is insured.

Fiscal Impact No fiscal impact

ARC 0035C

Rule Summary Amends Chapter 15 to conform to the Annuity Disclosure Model Regulation adopted by the National Association of Insurance Commissioners. Chapter 15 deals with standards and guidelines of conduct by identifying unfair methods of competition and unfair or deceptive practices in the business of insurance.

Fiscal Impact No fiscal impact.

STAFF CONTACT: Dwayne Ferguson (Ext. 16561)

Board of Regents

ARC 0037C

Rule Summary Establishes a new application fee for non-degree students enrolling at Iowa State University to cover the administrative costs of processing the applications. Eliminates duplicative language regarding telecommunications policies and procedures to eliminate the need for separate subrules for each university.

Fiscal Impact No fiscal impact.

STAFF CONTACT: Robin Madison (Ext. 15270)

Department of Revenue

ARC 0036C

Rule Summary Broadens the scope of the Department's voluntary disclosure program to include unregistered business entities and persons operating within Iowa instead of just those located outside Iowa.

Fiscal Impact The fiscal impact could be positive, but the number of unregistered taxpayers is unknown.

ARC 0052C

Rule Summary Provides administrative rules for the Department of Revenue to subpoena utility companies' records in order to locate persons owing a debt to the State. A utility company is a public utility, cable, video, or satellite television company, cellular telephone company, or internet service provider. The Department will provide the utilities a database of persons owing a debt to the State or to State agencies, including Social Security numbers, debtor names, and last known addresses in a mutually agreed upon format. The utilities will keep the database confidential and

Administrative Rules – Fiscal Impact Summaries

April 3, 2012

6

	supply the Department of Revenue with the current addresses and phone numbers for the listed individuals.
Fiscal Impact	Collections are projected to increase by \$1.7 million annually and will be deposited into the General Fund.

STAFF CONTACT: Dwayne Ferguson (Ext. 16561)

Secretary of State

Rule Summary **ARC 0054C**
Clarifies that filing a notice of complaint with the Secretary of State in conjunction with service of process under Iowa Code section 631.4(1)(d) is subject to a ten dollar fee, as referenced in Iowa Code section 617.3(3).

Fiscal Impact No fiscal impact. This rule making does not create a new fee, it clarifies an existing practice.

Rule Summary **ARC 0040C**
Specifies that an alternate email address must be provided if a registered agent does not have an email address available where communication can be received on behalf of the business.

Fiscal Impact No fiscal impact.

Rule Summary **ARC 0055C**
Specifies online filing requirements apply to documents filed with the Secretary of State in conjunction with filing requirements related to the following:

- Limited Partnerships
- Limited Liability Companies
- Business Corporations
- Iowa Nonprofit Corporations

Fiscal Impact No fiscal impact.

STAFF CONTACT: Ron Robinson (Ext. 16256)

State Public Defender

Rule Summary **ARC 0050C**
Updates the requirements for claims made by certified shorthand reporters from the indigent defense fund, clarifies documentation and information required for submission of such claims, and sets maximum rates paid for certified shorthand reporting services. Permits the State Public Defender to contract with a certified shorthand reporter and designate the reporter to provide all shorthand reporting for court-appointed cases in a county. Clarifies payments for reimbursement of certain expenses.

Fiscal Impact Minimal fiscal impact. The maximum rate that may be set under these proposed rules may be less than is currently paid.

STAFF CONTACT: Beth Lenstra (Ext. 16301)

Department of Transportation

Rule Summary **ARC 0031C**
Makes various changes to allow the Iowa Department of Transportation (DOT) to begin compliance with federal rules when issuing to first-time applicants of a

Administrative Rules – Fiscal Impact Summaries

April 3, 2012

7

commercial driver's license (CDL), or drivers that upgrade or transfer a CDL. Applicants must certify to the type of driving they engage in or expect to engage in. Drivers that certify to nonexcepted interstate commerce must provide a copy of a valid medical examiner's certificate. All other CDL holders must comply by January 30, 2014. The DOT must adhere to mandatory recordkeeping requirements. A noncompliant driver's commercial privilege must be downgraded to a noncommercial status. States that fail to comply face withholding of federal-aid highway funds.

Fiscal Impact No fiscal impact.

Rule Summary Extends the deadline to submit applications for Traffic Safety Improvement funding from June 15 to August 15. The number of applicants applying for Traffic Safety Improvement funding has decreased and an extended deadline will create a greater opportunity for additional applicants to apply to receive assistance. **ARC 0033C**

Fiscal Impact No fiscal impact.

Rule Summary Updates the current Code of Federal Regulations to the latest edition of the October 2011 Code of Federal Regulations containing the Federal Motor Carrier Safety Regulations and the Federal Hazardous Materials Regulations. **ARC 0034C**

Fiscal Impact No fiscal impact.

STAFF CONTACT: Estelle Montgomery (Ext. 52261)

Utilities Division – Department of Commerce

Rule Summary Rescinds Chapter 43, Iowa Broadband Initiative, because the statutory provisions creating the initiative and authorizing the Utilities Board to adopt rules implementing those provisions were eliminated by HF 277 during the 2005 Legislative Session. **ARC 0027C**

Fiscal Impact No fiscal impact.

STAFF CONTACT: Dwayne Ferguson (Ext. 16561)
