



## Fiscal Services Division

### ADMINISTRATIVE RULES – FISCAL IMPACT SUMMARIES

**June 12, 2012**

Section 17A.4(4) *Iowa Code* 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/artfiscal\\_notes.htm](http://staffweb.legis.state.ia.us/lfb/docs/Admin_Rules/artfiscal_notes.htm)

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\*Agencies with a blue border have one or more rules with a significant fiscal impact.

#### Attorney General

**ARC 0147C**

**Rule Summary**      Requires disclosures by certain student loan lenders and educational institutions of philanthropic contributions made by the lenders to the institutions.

**Fiscal Impact**      No fiscal impact.

STAFF CONTACT: Beth Lenstra (Ext. 16301)

#### Dental Board

**ARC 0128C**

**Rule Summary**      Updates rules to conform to a new licensing database system. The system will offer online filing of all applications (initial licensure, registration, renewals, reinstatements, reactivation, continuing education courses, and complaints license verification and other electronic services). Eliminates collection of unnecessary application information, streamlines the application process, and reduces paper usage.

Combines fee information currently located in nine chapters to a single chapter. Consolidates renewal and reinstatement information currently located in multiple chapters to a single chapter. Notes that users of the online system will pay a service charge in addition to regular fees for Board services.

Streamlines the initial licensure process for applicants applying for a license within three months of the next renewal due date. Applicants applying close to a renewal cycle will pay the application fee and the renewal fee at the same time, avoiding the need for two separate applications within a short period of time.

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Implements 2011 Iowa Acts, SF 438, regarding licensure by credentials. Identifies the following regional examinations as approved by the Board for purposes of applications for licensure by credentials: Central Regional Dental Testing Service, Inc. (CRDTS), Western Regional Examining Board, Inc. (WREB), Southern Regional Testing Agency (SRTA), North East Regional Examining Board (NERB), and Council of Interstate Testing Agencies (CITA).

**Fiscal Impact** No impact to the General Fund. Nominal fees will be collected and retained by the Dental Board to cover costs associated with the use of the new licensing database.

STAFF CONTACT: Aaron Todd (Ext. 16764)

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### Department of Education

**ARC 0112C**

**Rule Summary** Establishes standards and procedures for the approval of programs that train persons seeking authorization from the Iowa Board of Educational Examiners for employment as school business officials responsible for the financial operations of a school district.

**Fiscal Impact** No fiscal impact.

STAFF CONTACT: John Parker (Ext. 52249)

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### Environmental Protection Commission

**ARC 0126C**

**Rule Summary** Extends the comment period for new Iowa Administrative Code chapter 17, "Compliance and Enforcement Procedures." This chapter formalizes the Department's current compliance and enforcement options.

**Fiscal Impact** No fiscal impact

**RC 0121C**

**Rule Summary** Allows the Department of Natural Resources (DNR) to grant federal Section 401 Water Quality Certification for the Corps of Engineers 2012 Nationwide Permits (NWP's). This certification is a State water quality agency's statement that a proposed activity will not violate State water quality standards. The certification is required before the Corps can issue a Section 404 permit.

This action adds two new conditions to Iowa Section 401 Water Quality Certification. First, it prohibits the use of heavy equipment operated within a stream channel, except when unavoidable. Second, the impaired waters will be considered "special waters of concern" for coordination between the DNR and U.S. Corp of Engineers.

**Fiscal Impact** No fiscal impact

**ARC 0118C**

**Rule Summary** Renews three General Permits for the discharge of storm water. These General Permits are authorized for five years. Implements substantive changes to General Permit No. 2 to comply with federal regulation. These changes will require topsoil preservation at construction sites.

**Fiscal Impact** No fiscal impact

STAFF CONTACT: Adam Broich (Ext. 18223)

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## Homeland Security and Emergency Management Division

**ARC 0129C**

**Rule Summary** Updates language dealing with activities and planning requirements of the local emergency management commissions. Senate File 315 (Emergency Management Planning Act) made statutory changes that are reflected in the associated administrative rule.

**Fiscal Impact** No fiscal impact.

STAFF CONTACT: Jennifer Acton (Ext. 17846)

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## Department of Transportation

**ARC 0136C**

**Rule Summary** Changes nine Department of Transportation (DOT) rule chapters, including:

- Removes the series motor home from being used on titles.
- Permits owners of vehicles requiring inspection to drive or tow the vehicle to and from an examination location with an affidavit to drive.
- Clarifies the requirements for converting a motor or truck tractor to a motor home.
- Transfers authority for approval of Emergency Medical Services (EMS) plates from the Department of Public Health to the DOT. Requires applications for EMS plates to be signed by the applicant, his/her service director, and be notarized
- Clarifies the time period a dealer or recycler must be open.
- Removes the medical exemption for dark windows.
- Removes the issuance of oversize/overweight permits via telephone.
- Makes updates to comply with the Code of Federal Regulations.
- Amends rules that conflict with Iowa Code.

**Fiscal Impact** No fiscal impact

STAFF CONTACT: Estelle Montgomery (Ext. 52261)

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## Department of Inspections and Appeals

**ARC 0135C**

**Rule Summary** Requires critical access hospitals to meet the minimum construction standards for small primary care hospitals, except for: (1) the single patient room requirement (patient rooms may be double occupancy), (2) some of the labor delivery and recovery room requirements, and (3) the surgical services requirements.

**Fiscal Impact** No fiscal impact for the State. There is potential for a decrease in design and construction or renovation costs for small rural hospitals.

STAFF CONTACT: Dw ayne Ferguson (Ext. 16561)

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## Insurance Division – Department of Commerce

**ARC 0133C**

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

**Fiscal Impact** No fiscal impact.

STAFF CONTACT: Dw ayne Ferguson (Ext. 16561)

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## Professional Licensure Division – Department of Public Health

**ARC 0134C**

**Rule Summary** Defines the practice of occupational therapy, updates supervision requirements, removes language directing the Board to send renewal notices via regular mail, and clarifies that conviction of a crime includes when a judgment of conviction or sentence was deferred.

**Fiscal Impact** Minimal fiscal impact.

STAFF CONTACT: Aaron Todd (Ext. 16764)

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## Natural Resource Commission

**ARC 0146C**

**Rule Summary** Creates a grant program for developing new and improving existing shooting ranges. Adopts a new chapter in the Iowa Administrative Code that outlines the administration of the grant program. Grant funds will be used to aid the development of new ranges, the improvement of existing ranges, and for purchasing range equipment.

**Fiscal Impact** The fiscal impact is \$120,000 annually. The grant program will receive federal and State funding. Federal funding will provide \$40,000 and the State will provide \$80,000 from the Fish and Game Capital Fund.

STAFF CONTACT: Adam Broich (Ext. 18223)

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## Department of Public Safety

**ARC 0120C**

**Rule Summary** Clarifies the requirements for an electrician to obtain an Iowa license without having to take an examination, based on licensing in another state that has a reciprocity agreement with the Iowa Electrical Examining Board. Clarifies the circumstances when a new or renewal license may be denied based on failure to pay 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)

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## Department of Revenue

**ARC 0145C**

**Rule Summary** Replaces obsolete rules for handling contested tax cases with updated procedures and reorganizes Iowa Administrative Code chapter 7. Makes corresponding changes to cross references in other rules and subrules.

**Fiscal Impact** No fiscal impact.

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|                      | <b>ARC 0124C</b>   |
| <b>Rule Summary</b>  | Allows the Department of Revenue to subpoena utility company records to locate obligors pursuant to Iowa Code section 421.17(32). 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 supply the Department of Revenue with the current addresses and phone numbers for the listed individuals. |
| <b>Fiscal Impact</b> | Debt collections are projected to increase by \$1.7 million annually and be deposited in the General Fund.   |

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|                      | <b>ARC 0119C</b>   |
| <b>Rule Summary</b>  | Amends the definition of “candy” to comply with the Streamlined Sales and Use Tax Agreement (SSUTA) and changes the taxability of some food items. Food items that are now taxable as candy, that were not prior to the amendment of this rule include: caramel-coated or other candy-coated apples or other fruit, candy-coated popcorn, marshmallows, and licorice that does not contain flour or require refrigeration. Cotton candy is no longer taxable as “candy” but is still taxable as “prepared food.” |
| <b>Fiscal Impact</b> | Minimal fiscal impact.   |

STAFF CONTACT: Dw ayne Ferguson (Ext. 16561)

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### Secretary of State

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|                      | <b>ARC 0131C</b>  |
| <b>Rule Summary</b>  | Provides uniformity for conducting primary elections and establishes procedures where needed for election administration and voter registration file maintenance issues. Provides specifically for the following: <ul style="list-style-type: none"><li>• Expands the ability to return voted ballots electronically to all active members of the military serving outside the United States and its territories.</li><li>• Adopts a provisional voter statement.</li><li>• Adopts procedures for making photocopied ballots on Election Day.</li><li>• Establishes the ballot for provisional voters at satellite voting stations.</li><li>• Establishes a procedure for voters whose registration status is changed to inactive between the times the absentee ballot is requested and absentee ballots are mailed.</li><li>• Establishes a procedure for absentee voters to cure defects in absentee ballots caused by re-registration in another county or precinct after the absentee ballot has been submitted to the Commissioner.</li><li>• Establishes a method for determining the number of signatures required for the primary election where the method of electing county supervisors has changed to Plan III.</li><li>• Establishes a procedure for reporting election night results electronically to the State Commissioner for primary and general elections.</li><li>• Provides a technical correction for a subrule that has been rescinded.</li><li>• Updates the cross state match voter file procedures to make them compliant with the National Voter Registration Act of 1993.</li></ul> |
| <b>Fiscal Impact</b> | No State fiscal impact. County commissioners of elections may see a cost increase for sending residence confirmations to voters that appear to be registered to vote in another state.  |

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**ARC 0130C**  
**Rule Summary** Prohibits special elections on the three Tuesdays preceding and following January 15 of years ending in the number two. The change is necessary to allow the statewide voter database to be updated during the redistricting process.

**Fiscal Impact** No fiscal impact

**ARC 0106C and 0107C**  
**Rule Summary** Provides technical corrections and clarifications of election administration procedures. Requires county commissioners to print or stamp additional information for absentee voters on the return envelopes as a warning about the absentee ballot return deadline.

**Fiscal Impact** No fiscal impact for the State. County commissioners will incur the extra cost of buying a stamp or printing a warning on the back side of the absentee ballot return envelope.

**ARC 0083C**  
**Rule Summary** Specifies existing fees and procedures for registering an athletic agent pursuant to Iowa Code sections 9A.104, 9A.105, and 9A.106. The Secretary of State is directed to establish the fees to offset expenses. The specified fees are increased in the published rules; however, the new fees are consistent with the amount that has been collected in the past.

**Fiscal Impact** No fiscal impact.

**ARC 0082C**  
**Rule Summary** Requires that a stamp or seal must be used when notarizing a document. Senate File 2265 (Notarial Acts) passed during the 2012 Session and requires the use of a stamp or seal.

**Fiscal Impact** No fiscal impact.

**ARC 0081C**  
**Rule Summary** Requires a notary to provide an e-mail address to receive notices and other communication.

**Fiscal Impact** No fiscal impact.

**ARC 0109C and 0110C**  
**Rule Summary** Provides deadlines pertaining to special elections to fill vacancies in United States Congress to make Iowa compliant with the federal 2009 Military and Overseas Voter Empowerment (MOVE) Act.

**Fiscal Impact** No fiscal impact.

STAFF CONTACT: Ron Robinson (Ext. 16256)

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### State Public Defender

**ARC 0137C**  
**Rule Summary** Updates the requirements for claims made by certified shorthand reporters from the indigent defense fund or the State Public Defender's Office. 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

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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)

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## Department of Human Services

### ARC 0132C

**Rule Summary** Clarifies that when a party to an appeal fails to appear or participate in a contested case proceeding after proper service of notice, a party can file a motion to vacate. The rules are updated to explain that a motion to vacate must state all facts relied upon by the moving party and each fact must be substantiated by a sworn affidavit or other documentation from a disinterested third party that substantiates the claim of good cause. The definition of good cause has been expanded to include examples of good cause and to show examples where good cause does not exist.

Changes the term “mental retardation” to “intellectual disabilities.”

**Fiscal Impact** No fiscal impact.

### ARC 0144C

**Rule Summary** Makes the following changes to optometrists and opticians services under Medicaid:

- Clarifies coverage criteria.
- Allows for coverage of lenses manufactured outside America.
- Removes an obsolete reference for therapeutically-certified optometrists.
- Allows for prior authorization of photochromatic transition lenses and press-on prisms.
- Changes reimbursement for polycarbonate lenses from an invoice to a fee schedule amount.
- Increases the upper age limit frequency for new frames for children from six to seven years of age.

**Fiscal Impact** Minimal fiscal impact.

### ARC 0143C

**Rule Summary** Updates forms to reflect current practices used to determine level of care in the seven Home and Community-Based Services (HCBS) waivers. Rules have also been amended to indicate that the member's choice of HCBS waivers over institutional care will be recorded through the comprehensive assessment completed by the member and the case manager or service worker. Currently, the rules specify this is done through the certification of level of care form.

**Fiscal Impact** Minimal fiscal impact.

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|                      | <b>ARC 0001C</b>   |
| <b>Rule Summary</b>  | Makes the following changes to the Medicaid Program: <ul style="list-style-type: none"><li>• Removes statutory requirements for county governments to pay the nonfederal share of Medicaid costs and shifts those costs to the State for the following services provided in the fiscal year beginning July 1, 2012;<ul style="list-style-type: none"><li>○ Habilitation Services,</li><li>○ Targeted Case Management</li><li>○ Services provided under the HCBS Intellectual Disability or Brain Injury Waivers</li><li>○ Care in community-based Intermediate Care Facilities for persons with an Intellectual Disability (ICF/ID).</li></ul></li><li>• Increases the monthly expenditure cap for the HCBS Elderly Waiver from \$1,117 per month to \$1,300 per month.</li><li>• Increases the reimbursement rate for Home Health Agencies by 2.0% beginning July 1, 2012.</li><li>• Adds psychiatric medical institutions for children (PMICs) as covered mental health services under the Iowa Plan for Behavioral Health.</li></ul>              |
| <b>Fiscal Impact</b> | <p>Shifting the costs for Medicaid services currently paid for by the counties is estimated to cost \$231.0 million in FY 2013 and \$238.0 million in FY 2014. To pay for this, the State will retain all appropriations currently provided to counties other than the Social Services Block Grant that will be used to pay for State Cases. In addition, the General Assembly appropriated an additional \$40.0 million for FY 2013 to fund the buyout of Medicaid Services from the counties.</p> <p>Increasing the HCBS Elderly Waiver cap is estimated to cost the General Fund \$2.1 million in FY 2013 and \$2.2 million in FY 2014.</p> <p>Increasing reimbursement rates for Home Health Providers by 2.0% is estimated to cost the General Fund \$761,000 in FY 2013 and \$791,000 in FY 2014.</p> <p>The fiscal impact for transitioning PMICs to the Iowa Plan is estimated to be minimal.</p> <p>All of these changes were required by SF 2336 (FY 2013 Health and Human Services Appropriations Act) and funding has been provided.</p> |
|                      | <b>ARC 0002C</b>   |
| <b>Rule Summary</b>  | Reduces Medicaid reimbursement for inpatient hospital care when a member is readmitted to a hospital within seven days of discharge from that hospital for treatment of the same condition.  |
| <b>Fiscal Impact</b> | This change is estimated save the General Fund \$254,000 annually in FY 2013 and FY 2014. This change was required by SF 2336 (FY 2013 Health and Human Services Appropriations Act).  |
|                      | <b>ARC 0003C</b>   |
| <b>Rule Summary</b>  | Reduces Medicaid reimbursement for drugs administered by a physician to a reimbursement level equivalent to those paid to a pharmacy.  |
| <b>Fiscal Impact</b> | This change is estimated save the General Fund \$85,000 annually in FY 2013 and FY 2014. This change was required by SF 2336 (FY 2013 Health and Human Services Appropriations Act).   |

STAFF CONTACT: Jess Benson (Ext. 14611)



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### Department of Agriculture and Land Stewardship

**ARC 0138C**

**Rule Summary** Moves egg inspection and administrative rule making responsibilities from the Department of Inspections and Appeals to the Department of Agriculture and Land Stewardship (IDALS). This rulemaking will amend IAC 21 Chapter 1 and create Chapter 36 “Egg Handlers.” These changes will become effective on July 1, 2012.

**Fiscal Impact** No fiscal impact

**ARC 0139C**

**Rule Summary** Clarifies that the Renewable Fuel Infrastructure Board will not grant an initial application award to a project in service for more than one year.

**Fiscal Impact** No fiscal impact

**ARC 0140C**

**Rule Summary** Updates and modernizes the name of two animal diseases in the IAC. Hog cholera will be referred to as classical swine fever. References to paratuberculosis have been replaced with Johne's disease.

**Fiscal Impact** No fiscal impact

STAFF CONTACT: Adam Broich (Ext. 18223)

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### Alcoholic Beverages Division – Department of Commerce

**ARC 0142C**

**Rule Summary** Rescinds obsolete language pertaining to state-owned liquor stores, removes language redundant with items in the Iowa Code, incorporates language from the Uniform Rules on Agency Procedure that was not originally adopted, updates contact information for the Iowa Alcoholic Beverages Division, and corrects Iowa Code citations.

**Fiscal Impact** No fiscal impact.

STAFF CONTACT: Dw ayne Ferguson (Ext. 16561)

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### Interior Design Examining Board

**ARC 0141C**

**Rule Summary** Provides a 30-day grace period for late renewal of an interior design license. The two-year license expires on June 30. Those that fail to renew their licenses before that date must apply for reinstatement and pay \$100 to reactivate the license. Under the proposed rule, a registered interior designer may pay a \$25 late fee and request renewal up to 30 days past the expiration date.

**Fiscal Impact** Minimal fiscal impact. Approximately 25 interior design licenses are renewed annually.

STAFF CONTACT: Dw ayne Ferguson (Ext. 16561)

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### Soil Conservation Division – Department of Agriculture and Land Stewardship

**ARC 0127C**

**Rule Summary** Changes the definition of conservation cover, a phrase used when determining the eligibility for conservation cost-share funds. Land will now be considered

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conservation cover if it has not been row cropped or plowed within the prior 15 years. Previously, land was conservation cover when row cropped between 1966 and 1981.

**Fiscal Impact**      No fiscal impact

STAFF CONTACT: Adam Broich (Ext. 18223)

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