



Fiscal Services Division

ADMINISTRATIVE RULES – FISCAL IMPACT SUMMARIES

September 11, 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/artfiscal_notes.htm

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

Engineering and Land Surveying Examining Board

ARC 0264C

Rule Summary Prohibits licensees from accepting, soliciting, or having review authority over private professional contracts for governmental bodies while they or a member of their organizations are participants of the governmental body. These rules were originally filed as ARC 0159C and provisions dealing with license applications via comity have been deleted.

Fiscal Impact No fiscal impact.

STAFF CONTACT: Dwayne Ferguson (Ext. 16561)

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Department of Transportation

ARC 0187C

Rule Summary Establishes a Rest Area Sponsorship Program and a Highway Helper Sponsorship Program. Sponsors will provide monetary contribution to the Department of Transportation in exchange for sponsorship opportunities. The monetary contribution will help support the rest areas and highway helper program. Sponsors will be determined through a fair and transparent procurement process. Iowa has 40 rest areas.

Fiscal Impact The Department of Transportation states that the fiscal impact will vary depending on the success of an RFP. The Department estimates it may secure approximately \$30,000 annually from a sponsor for the highway fleet and bid proposals totaling between \$100,000 and \$200,000 annually. The Department estimates publicly acknowledging sponsors will cost \$32,000.

STAFF CONTACT: Estelle Montgomery (Ext. 52261)

Department of Agriculture and Land Stewardship

ARC 0263C

Rule Summary Articulates that all Cervidae aged 16 months or older at the time of slaughter must be tested for chronic wasting disease. Cervidae means all animals belonging to the Cervidae family including but not limited to deer, moose, elk and reindeer.

Fiscal Impact No fiscal impact

STAFF CONTACT: Adam Broich (Ext. 18223)

Capital Investment Board

ARC 0290C

Rule Summary Provides additional clarification regarding the definitions of “actual return,” “scheduled return,” and “verified tax credit.”

Articulates the information needed by the Iowa Capital Investment Board to verify the amount of tax credits to be issued related to investments in a Fund of Funds organized by the Iowa Capital Investment Board. Extends the time from 10 days to 30 days for the Board to verify the tax credit, and provides additional clarification on the maturity date to be used when verifying the credits.

Fiscal Impact Minimal fiscal impact.

STAFF CONTACT: Jeff Robinson (Ext. 14614)

College Student Aid Commission

ARC 0248C

Rule Summary Establishes rules for a new Skilled Workforce Shortage Tuition Grant Program that was established in HF 645 (FY 2012 Education Appropriations Act) and amended in SF 2321 (FY 2013 Education Appropriations Act). The first appropriation of State funding for the program was made in SF 2321.

The Skilled Workforce Shortage Tuition Grant Program provides assistance to students enrolled in specific vocational-technical or career option programs at Iowa's community colleges. Students must be Iowa residents enrolled in at least three credit hours of a qualified program of study in an identified workforce shortage area.

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Shortage areas are identified by the community colleges based on regional analysis and by the Department of Workforce Development.

The maximum award is no more than one-half of the student's tuition and fees or the amount of the student's established need, whichever is less. Part-time students may receive prorated awards. If the maximum award the student is eligible to receive is less than \$200 per semester, no award will be made.

Fiscal Impact No fiscal impact to the State.

Rule Summary **ARC 0249C**
Specifies that any student whose parent was a public safety worker killed in the line of duty is eligible for priority status for the Iowa Grant Program. The maximum annual award for priority students is the average resident tuition rate at the Regents universities. For all other students, the maximum award is \$1,000. The rule change reflects changes made to statute in HF 2465 (FY 2013 Standing Appropriations Act).

Fiscal Impact Minimal fiscal impact to the State. The change in statute may reduce the number of awards possible in any given year.

Rule Summary **ARC 0246C**
Permits all the monies in the Governor Terry E. Branstad Iowa State Fair Scholarship Fund to be used for scholarship awards. Currently, only the interest earned on the fund may be used for awards. The Fund is not supported by State appropriations and may be replenished through fundraising.

Fiscal Impact No fiscal impact to the State.

STAFF CONTACT: Robin Madison (Ext. 15270)

Department of Education

Rule Summary **ARC 0297C**
Gives school districts and accredited nonpublic schools the authority to award high school credit to students based on their proven ability to demonstrate competency in a given subject area. The change is in response to section one of SF 2284 (Education Reform Act).

Fiscal Impact No State fiscal impact.

Rule Summary **ARC 0302C**
Rescinds Iowa Administrative Code 281-Chapter 15 and replaces it with a new chapter to implement sections 13 through 17 of SF 2284 (Education Reform Act). Provides guidance and direction for the use of online learning or telecommunication instruction. Additionally, guidance is provided to students and school districts regarding Iowa Learning Online.

Fiscal Impact No State fiscal impact.

Rule Summary **ARC 0298C**
Changes proficiency requirements for the Senior Year Plus Program in accordance with SF 2284 (Education Reform Act). Previously, all applicants in all coursework in the Program needed to be proficient in math, science and reading on the Iowa Assessment. Students in defined Career and Technical coursework are not subject to the proficiency requirements. Students in all other Senior Year Plus coursework must continue to demonstrate proficiency. The terms Iowa Tests of Basic Skills

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(ITBS) and Iowa Tests of Educational Development (ITED) have been updated to reflect the change to the current term of such testing, the Iowa Assessments. Finally, clarity is given that entry to Advanced Placement coursework is not subject to the proficiency requirements that must be met under the Senior Year Plus section.

Fiscal Impact No State fiscal impact.

Rule Summary **ARC 0299C**
Requires students entering a Practitioner and Administrator Preparation Program to take a pre-professional skills test. Upon completion of such programs, students must achieve above the 25th percentile nationally on an assessment that measures pedagogy and knowledge of at least one subject area. The changes are in response to section 39 of SF 2284 (Education Reform Act).

Fiscal Impact No State fiscal impact.

Rule Summary **ARC 0300C**
Requires non-probationary teachers to continue to have their formal evaluation every three years, but also have informal evaluations done by a peer review group of educators performed in the two non-formal years. Requires School Boards to perform annual formal evaluations of administrators. The changes are in response to section 6 and 7 of SF 2284 (Education Reform Act).

Fiscal Impact No State fiscal Impact.

Rule Summary **ARC 0301C**
Reestablishes the financial incentives provided to Iowa teachers that receive certification from the National Board for Professional Teaching Standards that had been phased out in 2007 because of a sunset date in legislation. Prior to the sunset, teachers achieved national certification and actively taught in the state of Iowa received a ten-year financial incentive of \$2,500 per year and 50.0% of their registration fee. Teachers that did not submit funding applications prior to December 31, 2007, did not qualify for this funding. The rule change allows teachers that qualified after December 31, 2007, and before July 1, 2012, to apply for funding prior to May 1, 2013. In addition, all future applicants that submit their paperwork within one year of qualification will also be eligible for the funding. The changes are in response to SF 2284 (Education Reform Act).

Fiscal Impact Senate File 2321 (Education Appropriations Act) allocated \$500,000 to provide reimbursements to teachers seeking National Board Certification. The number of teachers applying to the Department of Education for fee reimbursements and annual awards will not be known until the application process ends (May 13, 2013). If the number of eligible teachers that apply for the fee reimbursement and annual awards exceeds the funds available, the Department can prorate the amount of the registration fee reimbursement and annual awards among all eligible teachers.

STAFF CONTACT: John Parker (Ext. 52249)

Economic Development Authority

Rule Summary **ARC 0279C**
Updates the Iowa Economic Development Authority's organization to conform to 2011 Iowa Acts chapter 118 (Economic Development Agencies and Programs Act), including changes to the mission of the agency, the composition and meetings of the board, and structure.

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Fiscal Impact No fiscal impact.

ARC 0280C

Rule Summary Updates rules for Regional Sports Authority Districts to conform to changes made in SF 2212 (Economic Development—Miscellaneous Changes Act). Updates include revised, expanded, and competitive application procedures, revised certification procedures, clarifications to contract requirements, and additional clarifications regarding the reimbursement of expenses.

Fiscal Impact No fiscal impact.

ARC 0293C

Rule Summary The amendments do the following:

- Update existing rules to reflect the repeal of the Grow Iowa Values Fund and Financial Assistance Program effective June 30, 2012.
- Implement new program features and requirements for the High Quality Jobs Program (HQJP), including project completion assistance as well as conforming changes to existing rules regarding standard application review, wage and benefits requirements, and contracting procedures to conform with HF 2473 (Economic Development Programs and Funding Act).
- Make additional clarifications, technical changes, and conforming changes to support the more efficient administration of the Authority's programs.

Fiscal Impact No fiscal impact.

STAFF CONTACT: Kenneth Ohms (Ext. 52200)

Environmental Protection Commission

ARC 0260C

Rule Summary Adopts Environmental Protection Agency (EPA) regulatory changes in the State's administrative rules for air quality. The changes revise federal ambient air quality standards, expand coverage of existing Prevention of Significant Deterioration (PSD) requirements, and add fine particulate matter (PM_{2.5}) to the list of air pollutants. The revisions include:

- Revises technical definitions to match changes made by the EPA.
- Adopts by reference EPA revisions to several technical procedures, rules, and definitions
- Clarifies the conditions when owners and operators must keep records and the timeframe for maintenance of specific records that must be maintained.
- Revises permit issuance conditions to match EPA amendments.
- Establishes provisions for rescinding PSD permits at the request of an owner or operator that match EPA regulations.

Fiscal Impact No fiscal impact.

ARC 0270C

Rule Summary Revises Chapter 64, Wastewater Construction and Operation Permits, to implement provisions of Iowa Code sections 455B.199A and 455B.199B. These sections provide compliance options to disadvantaged communities related to state and federal water pollution control laws. Establishes two new subrules defining disadvantaged communities.

The first subrule creates criteria for disadvantaged communities, and sets criteria to determine disadvantaged status. To be considered for disadvantaged community status, communities must submit a Disadvantaged Community Analysis. The DNR

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will score the Analysis to determine if an entity qualifies for disadvantaged community status. The second subrule creates criteria to define unsewered disadvantaged communities. To be considered, unsewered communities must submit a Disadvantaged Unsewered Community Analysis. The DNR will score the Analysis to determine if an entity qualifies for unsewered disadvantaged community status. Compliance agreements will be established under both rules.

Corrects three rule references. Extends the National Pollutant Discharge Elimination System (NPDES) permits timeframe for interim compliance schedule dates from nine months to one year. This will match the Code of Federal Regulations.

Fiscal Impact No fiscal impact.

Rule Summary **ARC 0261C**
Renews three Federal 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. Since the Notice of Intended Action was filed changes have been made to Federal General Permits. Changes include regulations pertaining to storm water discharge for airports, uncontaminated groundwater, and final stabilization.

Fiscal Impact No fiscal impact.

STAFF CONTACT: Adam Broich (Ext. 18223)

Historic Preservation Division

Rule Summary **ARC 0267C**
Updates definitions within the State Historic Preservation Office general administration chapter

Fiscal Impact No fiscal impact.

Rule Summary **ARC 0268C**
Updates the explanation of the State Historic Preservation Office (SHPO) procedures pursuant to HF 267 (2011 Iowa Acts). The SHPO will continue its approved status under the National Park Service's Historic Preservation Fund (HPF) Grants Manual.

Fiscal Impact No fiscal impact. The State receives approximately \$800,000 per year through the HPF Grant; it is anticipated that this funding will continue under the proposed rules.

STAFF CONTACT: Kenneth Ohms (Ext. 52200)

Iowa Finance Authority

Rule Summary **ARC 0284C**
Amends the rule to adopt the 2013 Low Income Housing Tax Credit (LIHTC) Program Qualified Allocation Plan (QAP).

Fiscal Impact No fiscal impact.

Rule Summary **ARC 0287C**
Amends the requirement that all formal bids and requests for proposals be advertised via a daily paper to require that the solicitation be posted on the Iowa Finance Authority's website.

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Fiscal Impact No fiscal impact.

ARC 0244C & ARC 0245C

Rule Summary Eliminates the requirement that the State Revolving Fund Loan Servicing Fee can only be paid annually. This will allow the Iowa Finance Authority to bill for the fee on loans monthly, semi-annually, or annually depending on how the loan payments are structured.

Fiscal Impact No fiscal impact.

ARC 0296C

Rule Summary Changes the name of the HOME Partnership Program to the HOME Investment Partnerships Program and makes other policy and technical changes to bring the program into better conformity with federal statutes and regulations. The most substantive of these changes prohibits the use of an installment contract or leasehold interest for property in the Program.

Fiscal Impact No fiscal impact.

STAFF CONTACT: Kenneth Ohms (Ext. 52200)

Secretary of State

ARC 0266C

Rule Summary Establishes uniformity throughout the State regarding the last day to receive timely postmarked absentee ballots in any election where the United States post office is closed on the deadline.

Fiscal Impact No fiscal impact.

ARC 0271C and ARC 0272C

Rule Summary Establishes a formal procedure for investigating and resolving election and voter registration complaints and information received by the Secretary of State.

Fiscal Impact Minimal fiscal impact. The fiscal impact will be limited to the minimal postage and printing costs incurred by the Secretary of State when providing notifications to registrants and or county commissioners of election.

ARC 0239C and ARC 0238C

Rule Summary Establishes processes for programming, testing, and using a new voting system approved by the Iowa Board of Examiners for Voting Systems on June 29, 2012.

Fiscal Impact No fiscal impact.

STAFF CONTACT: Ron Robinson (Ext. 16256)

Department of Revenue

ARC 0251C

Rule Summary Replaces obsolete rules for handling contested tax cases in Iowa Administrative Code (IAC) 701 – Chapter 7 with updated procedures and reorganizes the chapter. Makes corresponding changes to crossreferences in other rules and subrules. This rule was published on May 30, 2012, as ARC 0145C. A nonsubstantive change was made to the introductory paragraph of rule IAC 701—7.8(17A) to the mailing address for the clerk of the hearings section.

Fiscal Impact No fiscal impact.

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ARC 0292C	
Rule Summary	<p>Makes changes to conform with HF 2337 (Economic Development Appropriation Act), HF 2465 (Standings Appropriations Act), and SF 2322 (Emergency Medical Services and Firefighter Tax Credit Act). Adds rules and subrules regarding:</p> <ul style="list-style-type: none">• Mailing addresses used to correspond with the Department and the contact information for the Department regarding the approval of substitute tax forms.• Partial capital gain deductions allowed for individual income tax for the sale of employer securities to an Iowa employee stock option plan.• Repeal of the exclusion from individual income tax and corporation income tax for income from the sale, rental, or furnishing of tangible personal property or services directly related to the production of film, television, or video projects.• Changes for individual and corporation income tax related to the allocation of the historic preservation and cultural and entertainment district tax credit earned by a partnership, limited liability or S corporation.• Individual income tax, corporation income tax, and franchise tax to specify the amount of endow Iowa tax credit available for the 2012 calendar year.• Individual income tax, corporation income tax, and franchise tax affected by the repeal of the film qualified expenditure tax credit.• Update to the order of tax credits for individual income tax and corporation income tax.• Volunteer fire fighter and volunteer emergency medical services personnel tax credit for individual income tax.• An additional example of the investment tax credit amortization for businesses approved under the high quality jobs program and the enterprise zone program.• Franchise tax to reflect the repeal of the film investment tax credit.• Changes for fiduciary income tax for the calculation of income for nonresident decedents and for estates and trusts with a situs outside Iowa. These changes reflect that nonresident decedents and estates and trusts with a situs outside Iowa are taxed similarly to nonresidents of Iowa for individual income tax.• Update the list of tax credits that can be applied against fiduciary income tax.
Fiscal Impact	<p>The statutory change in SF 2322 for to the volunteer firefighter and EMS personnel tax credit will reduce revenues by \$900,000 for FY 2014. The statutory change for HF 2465 that establishes a 50.0% capital gain exclusion will reduce revenues by \$350,000 for FY 2013 and \$400,000 for FY 2014. The other changes do not have a significant fiscal impact.</p>

ARC 0253C	
Rule Summary	<p>Amends IAC 701-Chapter 42 to include two new individual income tax credits created in SF 2342 (Geothermal, Solar, and Other Tax Changes Act of 2012): Geothermal Tax Credit and Solar Tax Credit. Amends IAC 701-Chapter 52 to reflect changes included in SF 2342 concerning the Solar Tax Credit for corporation income tax.</p>
Fiscal Impact	<p>The Geothermal Tax Credit is projected to reduce net General Fund revenue by \$10.5 million over an eight-year period beginning in FY 2013. The Solar Tax Credit is projected to reduce net General Fund revenue by \$9.0 million over a nine-year period beginning in FY 2013. The combined impact for the two new credits is projected to be \$2.0 million in FY 2013.</p>

ARC 0285C	
Rule Summary	<p>Extends the expiration date of the current tax rates applicable to motor fuel and undyed special fuel, including ethanol blends, as required by HF 2472 (Ethanol Tax Credit Extension Act).</p>
Fiscal Impact	<p>Motor fuel taxes remain unchanged. The estimated fiscal impact of the change is a net decrease in revenues of \$8.0 million to the Road Use Tax Fund in FY 2013.</p>

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		ARC 0286C												
Rule Summary	<p>Extends the preferential property tax treatment timeframes available for platted subdivided property that remains without permanent construction. The change is effective for assessment year 2012 (FY 2014), but it applies to property subdivided on or after January 1, 2004. The preferential tax treatment allows the property to be taxed at the property value that was in place prior to the subdivision. The preferential tax treatment ends when permanent construction is in place on the individual lot or when the new extended timeframe ends, whichever occurs first. Property affected by this change may not be reevaluated for assessment years prior to assessment year 2012, and property taxes may not be refunded for prior tax years. These changes are to conform to the statutory changes in SF 533 (Standing Appropriations Act) enacted during the 2011 Legislative Session.</p>													
Fiscal Impact	<p>The statutory change will reduce property taxes owed on subdivided property that remains without permanent construction. This action will reduce local government property tax revenue and increase State School Aid appropriations beginning in FY 2014. The projected fiscal impact for the State General Fund and for local government property tax revenues are:</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center; border-bottom: 1px solid black;">State General Fund appropriation increases:</th> <th style="text-align: center; border-bottom: 1px solid black;">Local government property tax revenue reductions:</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">FY 2014 - \$3,000,000</td> <td style="text-align: center;">FY 2014 - \$16,400,000</td> </tr> <tr> <td style="text-align: center;">FY 2015 - \$3,000,000</td> <td style="text-align: center;">FY 2015 - \$16,000,000</td> </tr> <tr> <td style="text-align: center;">FY 2016 - \$3,000,000</td> <td style="text-align: center;">FY 2016 - \$16,200,000</td> </tr> <tr> <td style="text-align: center;">FY 2017 - \$1,000,000</td> <td style="text-align: center;">FY 2017 - \$5,300,000</td> </tr> <tr> <td style="text-align: center;">FY 2018 - \$700,000</td> <td style="text-align: center;">FY 2018 - \$3,700,000</td> </tr> </tbody> </table>		State General Fund appropriation increases:	Local government property tax revenue reductions:	FY 2014 - \$3,000,000	FY 2014 - \$16,400,000	FY 2015 - \$3,000,000	FY 2015 - \$16,000,000	FY 2016 - \$3,000,000	FY 2016 - \$16,200,000	FY 2017 - \$1,000,000	FY 2017 - \$5,300,000	FY 2018 - \$700,000	FY 2018 - \$3,700,000
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		ARC 0294C																				
Rule Summary	<p>Exempts from tax the sales of water, electricity, chemicals, solvents, sorbents, or reagents to a retailer to be used in providing a service that includes a vehicle wash and wax. These rules are a result of exempting sales tax for vehicle washing and waxing in SF 2342 (Solar, Geothermal, and Sales Tax Exemptions Act).</p>																					
Fiscal Impact	<p>The statutory changes in SF 2342 lead to the following sales tax reductions related to vehicle washing and waxing.</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: center; border-bottom: 1px solid black;">Total State Sales Tax</th> <th style="text-align: center; border-bottom: 1px solid black;">General Fund</th> <th style="text-align: center; border-bottom: 1px solid black;">SAVE</th> <th style="text-align: center; border-bottom: 1px solid black;">LOST</th> </tr> </thead> <tbody> <tr> <td style="text-align: right;">FY 2013</td> <td style="text-align: right;">\$ 792,000</td> <td style="text-align: right;">\$ 660,000</td> <td style="text-align: right;">\$ 132,000</td> <td style="text-align: right;">\$ 115,000</td> </tr> <tr> <td style="text-align: right;">FY 2014</td> <td style="text-align: right;">821,000</td> <td style="text-align: right;">685,000</td> <td style="text-align: right;">137,000</td> <td style="text-align: right;">119,000</td> </tr> <tr> <td style="text-align: right;">FY 2015</td> <td style="text-align: right;">858,000</td> <td style="text-align: right;">715,000</td> <td style="text-align: right;">143,000</td> <td style="text-align: right;">124,000</td> </tr> </tbody> </table> <p>SAVE = Secure an Advanced Vision for Education LOST = Local Option Sales Tax</p>			Total State Sales Tax	General Fund	SAVE	LOST	FY 2013	\$ 792,000	\$ 660,000	\$ 132,000	\$ 115,000	FY 2014	821,000	685,000	137,000	119,000	FY 2015	858,000	715,000	143,000	124,000
	Total State Sales Tax	General Fund	SAVE	LOST																		
FY 2013	\$ 792,000	\$ 660,000	\$ 132,000	\$ 115,000																		
FY 2014	821,000	685,000	137,000	119,000																		
FY 2015	858,000	715,000	143,000	124,000																		

		ARC 0281C
Rule Summary	<p>Amends the definition of “candy” to comply with the Streamlined Sales and Use Tax Agreement 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.”</p>	
Fiscal Impact	<p>Minimal fiscal impact.</p>	

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	ARC 0295C
Rule Summary	Provides a sales tax rebate to owners of a proposed baseball and softball tournament facility and movie site near Dyersville that meets the requirements specified in SF 2329 (Sales Tax Rebate for Field of Dreams Act).
Fiscal Impact	The statute requires the rebate to begin January 1, 2014, and remain in place for 10 years or until a total of \$16.5 million in sales tax has been rebated or until there is a change in ownership of the facility.

STAFF CONTACT: Dwayne Ferguson (Ext. 16561) or Jeff Robinson (Ext. 14614)

Public Employment Relations Board

	ARC 0262C
Rule Summary	Increases the maximum daily fee charged by arbitrators by \$400. These arbitrators are used when parties fail to resolve grievance disputes or determine contract terms.
Fiscal Impact	Minimal fiscal impact to the state. The state, cities, counties, area education agencies, community colleges, Board of Regents universities, Iowa school districts, special purpose districts, and the certified bargaining units for these entities will see an increased cost for grievance and interest arbitration services. These fees are divided equally between the parties. Arbitrators generally spend 3-4 days per arbitration. The average number of Interest Based Arbitrations that took place in Iowa for FY 2010 and FY 2011 was 28. The PERB does not have any information on the number of Grievance Arbitrations that annually take place in the Iowa, although this is the more common arbitration. Since each arbitrator can independently set their fee, and the number of arbitrations that take place annually can fluctuate, the fiscal impact to these entities cannot be estimated.

STAFF CONTACT: Kenneth Ohms (Ext. 52200)

Department of Human Services

	ARC 0255C
Rule Summary	Makes the following changes: <ul style="list-style-type: none">• Adds a new form, Addendum for Application and Review Forms for Release of Information. This form is attached to public assistance program applications and review forms. The form is used to obtain written permission from the client to request information necessary to determine program eligibility.• Revises the name of the Financial Institution Questionnaire, to Bank or Credit Union Information.• Removes the Landlord Questionnaire because it became obsolete in 2005.
Fiscal Impact	No fiscal impact.

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	ARC 0259C
Rule Summary	Implements an average Actual Acquisition Cost (AAC) reimbursement methodology for all drug ingredient costs, replacing the Average Wholesale Price (AWP) and state-set maximums, using a survey of pharmacy invoices to determine the average AAC. Enrolled pharmacies are required to provide drug acquisition cost invoice information. In cases where AAC is not available, Wholesale Acquisition Cost (WAC) published by Medi-Span will be used. The dispensing fee will be set based on cost of dispensing surveys of Iowa Medicaid participating pharmacies. All participating pharmacies will be required to complete the survey. The Department expects the initial dispensing fee to be within the range of \$10.00 to \$11.10. Based on the survey results, the Department will consider any additional costs to dispense specialty drugs. Any dispensing or acquisition cost information required to be submitted to the Department that specifically identifies a pharmacy's individual costs will be held confidential. Licensure requirements for out-of-state pharmacies delivering drugs in Iowa are clarified, pursuant to Board of Pharmacy rules
Fiscal Impact	The fiscal impact for this rule cannot be determined until the dispensing fee is established following completion of the cost of dispensing survey, but the change will likely result in total savings of approximately \$4.9 million (State and federal funds).

	ARC 0258C
Rule Summary	Removes the requirement that the Department of Human Services (DHS) conduct repeat record check evaluations on transgressions already evaluated on individuals as they move from employer to employer. As employees move from employer to employer, they will still be required to undergo the record check process; however, transgressions that have already been evaluated will not need to be evaluated again as long as certain provisions are met.
Fiscal Impact	Minimal fiscal impact.

	ARC 0240C & ARC 0241
Rule Summary	Provides for an increase of approximately 1.5% to the foster family daily reimbursement rate and adoption subsidy daily maintenance rates effective July 1, 2012. The foster family daily reimbursement rate is increased an average of \$0.40 per day and the adoption subsidy daily maintenance rates are increased an average of \$0.30 per day.
Fiscal Impact	This change is estimated to cost the General Fund \$750,414 in FY 2013. Funding for the rate changes was included in SF 2336 (FY 2013 Health and Human Services Appropriations Act).

	ARC 0257C
Rule Summary	Amends eligibility criteria by increasing the minimum age, increasing the focus on completion of education, and expanding required services for the supervised apartment living (SAL) foster care program. Clarifies that the youth participating in the Education Training Voucher (ETV) program are also included in the population served under Iowa's Independent Living Program (ILP).
Fiscal Impact	Minimal fiscal impact.

	Special Review
Rule Summary	Sets the standards and makes recommendations to the Governor and the General Assembly regarding the Mental Health and Disability Services Redesign Transition Fund, including: <ul style="list-style-type: none">• Definitions.• Eligibility requirements.

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- Establishment of application guidelines related to financial need, financial data, and sustainability plan.
- Establishment of guidelines for the DHS for receiving, analyzing, and reporting of transition applications as relating to the transition funds.
- Establishment of guidelines related to the allocation of transition funds.

Fiscal Impact The fiscal impact of this rule cannot be determined. No money has been appropriated to the Transition Fund and it is not yet known how many counties may apply to receive money from the Fund.

STAFF CONTACT: Jess Benson (Ext. 14611) or Aaron Todd (Ext. 16764)

Accountancy Examining Board

ARC 0254C

Rule Summary Makes the rules consistent and clarifies when an out-of-state CPA or CPA firm may exercise a practice privilege in Iowa, what may or may not be done in Iowa under the practice privilege, what may or may not be done in Iowa with regard to attest and compilations services, and when a peer review must be completed. The proposed rules implement the changes in SF 2122 (Out-of-State Certified Public Accounting Firms) that went into effect July 1, 2012.

Fiscal Impact The number of out-of-state CPA firms affected by these changes cannot be determined, but the number is likely to be small. The reduction in revenues for the Professional Licensing Bureau and the General Fund is not expected to be significant.

STAFF CONTACT: Dwayne Ferguson (Ext. 16561)

Alcoholic Beverages Division

ARC 0273C

Rule Summary Rescinds obsolete language pertaining to state-owned liquor stores. This language is redundant because the subject matter is specifically addressed 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.

ARC 0274C

Rule Summary Clarifies that a dramshop insurance policy is to be in effect during the entirety of the license or permit term. Authorizes the Alcoholic Beverages Division to request a duplicate copy of the insurance policy, including endorsements. Adds language to reflect current Division practices, including methods to notify the Division of a dramshop liability insurance policy cancellation and proof of financial responsibility. Rescinds language that is either unnecessary or redundant. Clarifies that a single dramshop insurance policy that covers multiple licensed establishments must provide the minimum level of insurance coverage and meet all other provisions of the dramshop rule for all locations.

Fiscal Impact No fiscal impact.

STAFF CONTACT: Dwayne Ferguson (Ext. 16561)

Dental Board

ARC 0265C

Rule Summary Updates rules to reflect changes related to a new licensing database system. The new system will offer online filing of all applications (e.g. initial licensure, registration, renewals, reinstatements, reactivation, continuing education courses, complaints license verification, and other electronic services) and will increase access to Board services. The amendments eliminate collection of unnecessary application information, streamline the application process, and provide for a more paperless process.

Combines fee information currently located in nine chapters into one chapter to make the rules more user-friendly and understandable. Consolidates renewal and reinstatement information currently located in multiple chapters for ease of reference.

Provides that users of the online system will pay a service charge in addition to regular fees for Board services. Service charges are costs charged by external entities for the online system (e.g. fees charged by banks for credit card processing, e-payment fees payable to the Department of Administrative Services Information Technology Enterprise (DAS-ITE) and Treasurer, and the DAS-ITE charge for Enterprise Authentication for each person that logs on to the system).

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. This avoids the need for two separate applications within a short period of time.

Implements SF 438 (2011 Iowa Acts) regarding licensure by credentials. This statutory change directed the Board to establish by rule the regional clinical examinations that will be accepted for licensure by credentials. The amendments identify 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 fiscal impact to the state.

STAFF CONTACT: Aaron Todd (Ext. 16764)

Interior Design Examining Board

ARC 0252C

Rule Summary Permits a 30-day grace period for late renewal of an interior design license. The two-year license expires on June 30. Licensees that fail to renew 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: Dwayne Ferguson (Ext. 16561)

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Labor Services Division

ARC 0282C

Rule Summary Adopts by reference federal Occupational Safety and Health Standards.

Fiscal Impact No fiscal impact.

STAFF CONTACT: Kenneth Ohms (Ext. 52200)

Pharmacy Board

ARC 0243C

Rule Summary Permits that a medication order for administration of a Schedule II controlled substance in a hospital outpatient setting to authorize the administration of an appropriate amount of the substance within 90 days of the date the medication administration order is initially authorized by the prescriber.

Fiscal Impact No fiscal impact.

ARC 0256C

Rule Summary Establishes procedures to be followed by a pharmacy to apply for approval of a pilot or demonstration research project for innovative applications in the practice of pharmacy relating to the authority of prescription verification and ability of a pharmacist to provide enhanced patient care. The proposed amendment defines the scope and duration of proposed pilot or demonstration research projects, application requirements, Board review and approval or denial processes, and project reporting requirements.

Fiscal Impact Minimal fiscal impact.

ARC 0242C

Rule Summary Changes the definition of dispenser to include nonresident pharmacies that dispense prescriptions for controlled substances in Schedules II through IV of Iowa Code chapter 124. Also amends the requirement for reporting substances contained in Chapter 24 regarding pharmacy Internet sites, to ensure that all pharmacies dispensing Schedule II through IV controlled substances to patients located in Iowa understand the requirement for reporting those prescriptions to the Iowa Prescription Monitoring Program (PMP). The proposed amendments identify pharmacies that may be exempt from reporting to the Iowa PMP and establish processes for claiming such exemption. The amendments change prescription reporting frequency from twice monthly to weekly and establish a reporting deadline.

Fiscal Impact No fiscal impact.

STAFF CONTACT: Aaron Todd (Ext. 16764)

Professional Licensure Division

ARC 0288C

Rule Summary Increases the number of hours required in a massage therapy program from 500 hours to 600 hours.

Fiscal Impact No fiscal impact.

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ARC 0283C

Rule Summary Increases the number of physician assistants that can be supervised by a physician from two to five. This change makes the administrative rule requirements consistent with SF 2185 (Supervision of Physician Assistants Act).

Fiscal Impact No fiscal impact.

STAFF CONTACT: Aaron Todd (Ext. 16764)

Soil Conservation Division

ARC 0303C

Rule Summary Extends the deadline for summer construction projects from October 15 to December 31. Allows haying and grazing during calendar year 2012 without loss of the summer construction incentive. Establishes an incentive of up to \$25 per acre for planting cover crops.

Fiscal Impact Minimal fiscal impact

STAFF CONTACT: Adam Broich (Ext. 18223)

Iowa Telecommunications and Technology Commission

ARC 0269C

Rule Summary Aligns the Iowa Communications Network (ICN) administrative rules with current organizational structure. Removes private colleges from the definition of certified users of the ICN. Requires advisory groups, committees, and councils of the Iowa Telecommunications and Technology Commission to provide agendas and meeting minutes to the ICN for posting on the agency's website.

Fiscal Impact The net total revenue impact is an increase of \$71,500 as follows:

- The organizational structure change is estimated to provide an annual savings of \$300,000 in wages and benefits.
- Private colleges are no longer certified users and do not have to obtain waivers to utilize services from telecommunications providers other than the ICN. This codified change is estimated to reduce ICN revenues by approximately \$228,500 annually.
- Requiring advisory committees, groups, and councils to provide their meeting agendas electronically to the ICN for posting on the agency's website will not increase costs or produce savings.

STAFF CONTACT: Dwayne Ferguson (Ext. 16561)

Department of Transportation

ARC 0250C

Rule Summary Increases penalties for illegally passing a stopped school bus. The proposed amendment imposes driver's license suspension periods of 30 days for a first conviction, 90 days for a second conviction, and 180 days for a third or subsequent conviction.

Fiscal Impact Minimal fiscal impact

STAFF CONTACT: Estelle Montgomery (Ext. 52261)

Utilities Board

ARC 0237C

Rule Summary Adds recovery of environmental compliance costs to the costs that can be recovered through an automatic adjustment clause. An automatic adjustment clause allows

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rate-regulated utilities to adjust rates and pass through certain cost changes to customers without seeking the Utilities Board approval before adjusting the rates. The Board currently monitors the automatic adjustments already permitted.

Fiscal Impact

The costs to the Utilities Board are not expected to be significant. The rule will require monthly tracking and verification of utility expenditures in the relevant accounts, but since this is already done for other accounts, the additional administrative burden, while not zero, is not expected to be significant. The utilities will be able to raise or lower costs to customers sooner than if they waited to adjust rates through a rate case. The costs passed on to customers cannot be estimated until the federal regulations for environmental compliance have been finalized, but the cost adjustments are expected to be small.

STAFF CONTACT: Dwayne Ferguson (Ext. 16561)

Commission on Volunteer Service

ARC 0291C

Rule Summary

Clarifies the purpose and requirements of certification for youth mentoring programs and adds additional information about background screening and training requirements.

Fiscal Impact

No fiscal impact.

STAFF CONTACT: Kenneth Ohms (Ext. 52200)
