



## Fiscal Services Division

### ADMINISTRATIVE RULES – FISCAL IMPACT SUMMARIES

**September 9, 2014**

*Iowa Code section 17A.4(4) requires the Legislative Services Agency (LSA) to analyze the fiscal impact of all administrative rules with an impact of \$100,000 or more and provide a summary of the impact to the Administrative Rules Review Committee (ARRC). Fiscal Impact Statements filed by State agencies can be found on our website at <https://www.legis.iowa.gov/law/administrativeRules/arrc/fiscalImpact>*

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### Department of Human Services

**ARC 1588C**

#### Rule Summary

Amends Chapters relating to appeals and hearings, granting assistance, and PROMISE JOBS:

- Clarifies when benefits or services can continue pending the outcome of an appeal. This Chapter was revised based on the implementation of the Affordable Care Act and the rules became effective March 1, 2014. However, it was discovered that the section regarding continuation of benefits or services was unclear and needed to be defined further.
- Updates policies that allow the Department to implement a new ineligibility period for accessing Family Investment Program (FIP) benefits with an electronic access card at a prohibited location when certain criteria are met to include when an appeal is filed within 10 days of the receipt of the notice implementing the intended action.
- Updates policies that allow the Department to implement a new Limited Benefit Plan (LBP) when certain criteria are met to include when an appeal is filed within 10 days of the receipt of the notice implementing the intended action.
- Changes the PROMISE JOBS record retention requirement from three to five years.
- Replaces the term General Education Diploma (GED) with High School Equivalency Diploma (HSED).
- Removes a reference to allow PROMISE JOBS to void a limited benefit plan when verification of work hours is received within 10 days of the effective date of the LBP.

**Agency Stated Authority:** Iowa Code sections 217.6, 249A.4, and 239B.4(6).

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

**LSA Response:** The LSA concurs. Any costs will be handled as part of normal maintenance and updates. The changes to FIP and PROMISE JOBS are not anticipated to impact caseloads.

**Rule Summary**

Establishes the Department’s rules for gathering needed expenditures data to calculate the county Medicaid offset. Defines standards for counties to submit their Mental Health and Disability Services (MHDS) expenditures data as required for the Department to calculate the Medicaid offset. The rules include a submission date and Department action if a county fails to submit or submits inaccurate data. The Department and representatives of the MHDS Regions have met and agreed on the data to be submitted as required by HF 2463 (FY 2015 Health and Human Services Appropriations Act).

**ARC 1591C**

**Agency Stated Authority:** Iowa Code section 225C.6 and HF 2463, section 82.

**Fiscal Impact**

**Agency Response:** No fiscal impact. This rule addresses the standards for counties to submit agreed upon data so the Medicaid offset can be calculated. Counties are already required to submit MHDS expenditures data with their December 1 annual reports. Counties will now be required to submit some of their FY 2013-2014 expenditures data by September 19 so the Department can meet the October 15 due date to notify counties of their Medicaid offset.

**LSA Response:** The LSA concurs.

**Rule Summary**

The rule makes the following changes related to appeals:

- Adds references to the Iowa Health and Wellness Plan. Individuals that apply for or are denied benefits under this plan may be eligible to receive an appeal hearing if they meet the definition of an aggrieved person.
- Makes revisions to include social service providers when application or reapplication for licensure was issued as a provisional license and the provider expected a full license but only a limited time license was issued.
- Revises Section 9 regarding Mental Health and Developmental Disabilities to the April 1, 2014, implementation of the Autism Support Program. The adverse actions that may be taken by the Department for this Program have been added, that will allow individuals affected by an adverse action the right to file an appeal regarding these actions.
- Clarifies the timeframe that the Department has to request an appeal of the proposed decision.

**ARC 1611C**

**Agency Stated Authority:** Iowa Code section 217.6.

**Fiscal Impact**

**Agency Response:** No fiscal impact.

**LSA Response:** The LSA concurs.

**Rule Summary**

Clarifies the policies and processes of the Iowa Health and Wellness Plan. Amendments include:

- How the Healthy Behaviors Program works.
- How premiums will be charged.
- The determination process for medically exempt.

**ARC 1618C**

- The appeals process.
- The standards for Accountable Care Organizations to become Medicaid providers.

**Agency Stated Authority:** Iowa Code section 249A.4.

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

**LSA Response:** The LSA concurs. There are no changes being made to the Program, only clarification of the current policies and processes.

### **ARC 1620C**

**Rule Summary**      Adds requirements for Prior Approval (PA) of high-technology radiology procedures to current prior authorization rules.

**Agency Stated Authority:** Iowa Code section 249A.4.

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

**LSA Response:** The LSA concurs. The Department of Human Services (DHS) currently requires PA for these types of procedures. The change conform the rules to the current practice.

### **ARC 1610C**

**Rule Summary**      Allows a legal representative to be a paid provider of service when providing individual Consumer-Directed Attendant Care (CDAC) or Consumer Choices Option (CCO) services to a member they legally represent. Sets the following service delivery parameters for the legal representative when they are a paid provider:

- Wages that are fair and reasonable for the service being provided.
- Limits the amount of service to 40 hours per week (no overtime pay allowed).
- Requires a contingency plan to be in place to assure services will be provided when the legal representative is unavailable to provide scheduled services due to illness or other unexpected event.

**Agency Stated Authority:** SF 2320 (FY 2015 Medicaid Consumer-Directed Attendant Care Provider Act).

**Fiscal Impact**      **Agency Response:** No fiscal impact. Allowing legal representatives to receive Medicaid funding for the provision of CDAC or CCO services will be cost neutral. The services provided and paid to the legal representative are needed services that are provided to the member by other persons or agencies. The wage and scope of service parameters are also expected to be cost neutral because these parameters will be consistent with the requirements for other service providers.

**LSA Response:** The LSA concurs. These changes were required by SF 2320.

### **ARC 1609C**

**Rule Summary**      Increases the fee schedule rates for Emergency Medical Service (EMS) providers by 10.0% from the rate in effect on June 30, 2014.

**Agency Stated Authority:** Iowa Code section 249A and HF 2463 (FY 2015 Health and Human Services Appropriations Act), sections 41 and 45.

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**Fiscal Impact** **Agency Response:** This change is estimated to cost the General Fund \$239,000 in FY 2015 and \$254,000 in FY 2016.

**LSA Response:** Funding for this change was provided in HF 2463.

**Rule Summary** **ARC 1617C**  
Extends the Primary Care Physician (PCP) rate increase required by the Health Care and Education Reconciliation Act of 2010 (HCERA) that sunsets on December 31, 2014, and allows a qualified PCP to receive the greater of the Medicare rate or Medicaid rate for a specified set of codes. The rule will freeze the Medicare rate in effect in 2014. Qualified PCPs will be paid the greater of the annual Medicaid rate or the 2014 Medicare rate for the specified codes.

**Agency Stated Authority:** Iowa Code section 249A.4

**Fiscal Impact** **Agency Response:** This change is estimated to increase General Fund expenditures by \$2.6 million in FY 2015 and \$5.2 million in FY 2016. Funding was provided as part of the FY 2015 Medicaid Appropriation.

**LSA Response:** The LSA concurs. The General Assembly sets these rates annually in the Health and Human Services appropriations Act.

**Rule Summary** **ARC 1619C**  
Makes changes to Disproportionate Share Hospital (DSH) payments and:  

- Provides that only hospitals in Iowa may qualify for DSH payments.
- Removes a requirement that a children's hospital must be a voting member of the National Association of Children's Hospitals and Related Institutions and replaces it with a requirement that a children's hospital only be a member of this association to receive DSH payments, but does not need to be a voting member.

**Agency Stated Authority:** Iowa Code section 249A.4 and HF 2463 (FY 2015 Health and Human Services Appropriations Act), sections 54 and 65.

**Fiscal Impact** **Agency Response:** No fiscal impact. These changes will result in the reallocation of DSH funds across hospitals, but the aggregate amount available for DSH payments is not changing.

**LSA Response:** The LSA concurs. Disproportionate Share Hospital payments are funded with 100.0% federal funds.

**Rule Summary** **ARC 1608C**  
Allows Community Mental Health Centers (CMHCs) the choice of being reimbursed for the services provided to recipients of medical assistance at 100.0% of the reasonable costs of the services or in accordance with an alternative reimbursement rate methodology established by the Medicaid managed care contractor for mental health services and approved by the DHS.

**Agency Stated Authority:** Iowa Code section 249A and HF 2463 (FY 2015 Health and Human Services Appropriations Act), sections 39-40, 45, and 61-62.

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

**LSA Response:** A new alternative reimbursement methodology was created to expedite payments to providers. It is expected that if providers choose to switch to this new methodology it will be budget neutral.

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	<b><u>ARC 1621C</u></b>
<b>Rule Summary</b>	Clarifies Department policies and recent rule changes relating to program integrity efforts for providers of medical and remedial care.  <b>Agency Stated Authority:</b> Iowa Code section <u>249A.4</u> .
<b>Fiscal Impact</b>	<b>Agency Response:</b> No fiscal impact.  <b>LSA Response:</b> The LSA concurs.
	<b><u>ARC 1607C</u></b>
<b>Rule Summary</b>	Provides a rate increase for Group Foster Care to begin the process of equalizing Group Foster Care rates between all providers. The rate increases the reimbursement floor in an attempt to advance all providers to the highest paid provider in each of the three service categories.  <b>Agency Stated Authority:</b> Iowa Code section <u>237.3</u> and <u>HF 2463</u> (FY 2015 Health and Human Services Appropriations Act), sections 43 and 45.
<b>Fiscal Impact</b>	<b>Agency Response:</b> This change is estimated to increase General Fund expenditures by \$3.5 million each year in FY 2015 and FY 2016.  <b>LSA Response:</b> Funding for this change was provided in the FY 2015 Health and Human Services Appropriations Act.
	<b><u>ARC 1606C</u></b>
<b>Rule Summary</b>	Expands the Child Care Assistance (CCA) service criteria to allow a parent to work part-time and attend school part-time for at least 28 hours in the aggregate and remain eligible for CCA.  <b>Agency Stated Authority:</b> Iowa Code section <u>234.6</u> and <u>HF 2463</u> (FY 2015 Health and Human Services Appropriations Act), Division XV, section 96.
<b>Fiscal Impact</b>	<b>Agency Response:</b> This change is estimated to increase General Fund expenditures by \$1.7 million in FY 2015 and FY 2016.  <b>LSA Response:</b> Funding for this change was provided in the FY 2015 Health and Human Services Appropriations Act.

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### Department of Administrative Services

	<b><u>ARC 1568C</u></b>
<b>Rule Summary</b>	Amends Department of Administrative Services (DAS) human resources rules. The changes include: <ul style="list-style-type: none"><li>• Clarifies references to the Iowa Code.</li><li>• Updates and clarifies wording and eliminates unnecessary language.</li><li>• Eliminates requirement that associations to maintain 100 employees to allow dues deduction from employees' paychecks. Associations are still required to have 100 employees when the dues deductions are initiated.</li><li>• Requires an association to provide a list of member employees during the annual review when requested by DAS. Currently, associations are required to provide the list at each review.</li><li>• Makes the language permissive for providing 90 days for associations to comply with member maintenance requirements and for termination of the dues deduction.</li></ul>

- Modifies language regarding recovering overpayment to employees and prohibits the repayment from reducing employee pay below relevant state and federal minimum wage statutes.
- Clarifies that collective bargaining agreements take precedence in determining when holiday overtime pay is received.
- Adds disabled veterans enrolled in a job training program to the persons eligible to be on promotion lists.
- Clarifies that a temporary employee and persons appointed with seasonal status do not have rights to appeal, transfer, demotion, promotion, reinstatement, or other rights of position. Those employees are not entitled to vacation, sick leave, or other benefits unless provided for in a collective bargaining agreement.
- Eliminates the requirement that prohibits an agency from implementing a reduction in force until it has first terminated all temporary employees in the same class in the reduction in force unit, as well as those that have probationary status in the same class.
- Clarifies the definition of immediate family for use of sick leave for death or temporary care of an immediate family member.
- Makes clarifications regarding deferred compensation plans and adds a 30-day time limit on appeals of a plan administrator's or trustee's decision.

These changes were published on June 11, 2014, as ARC 1503C, and no changes have been made in this filing.

**Agency Stated Authority:** Iowa Code section 8A.104(5).

**Fiscal Impact**      **Agency Response:** The rule changes do not affect departmental or private sector expenditures.

**LSA Response:** The LSA concurs.

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**College Student Aid Commission**

**ARC 1579C**

**Rule Summary**      Updates the Commission's address within the procedures for contested cases.

**Agency Stated Authority:** Iowa Code section 261.3.

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

**LSA Response:** The LSA concurs.

**ARC 1586C**

**Rule Summary**      Implements changes made to the Rural Iowa Primary Care Loan Repayment Program in SF 2347 during the 2014 Legislative Session. In addition to clarifying terms, the changes:

- Expand the types of federal loans eligible to be repaid to include the Graduate Plus loan and the Perkins loan.
- Allow applicants to apply in the final year of medical school, instead of the first year.

**Agency Stated Authority:** Iowa Code section 261.113.

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

**LSA Response:** The LSA concurs. In FY 2015, the program is funded by a General Fund appropriation of \$1.6 million.

**ARC 1587C**

**Rule Summary** Implements changes made to the Rural Iowa Advanced Registered Nurse Practitioner and Physician Assistant Loan Repayment Program in SF 2347 during the 2014 Legislative Session. In addition to clarifying terms, the changes:

- Expand the types of federal loans eligible to be repaid to include the Graduate Plus loan and the Perkins loan.
- Permit the participation of additional colleges and universities.
- Allow applicants to apply in the final year of medical school, instead of the first year.
- Specify that loan repayment will be made in five equal installments, one in each year of the five-year practice obligation.
- Address the use of any surplus funds that may be available.

**Agency Stated Authority:** Iowa Code section 261.114.

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

**LSA Response:** The LSA concurs. In FY 2015, the program is funded by a General Fund appropriation of \$400,000.

**ARC 1572C**

**Rule Summary** Provides for the administration of the Teach Iowa Scholar Program established in HF 215 (Education Reform Appropriations Act) during the 2013 Legislative Session and amended in SF 2347 (Education Appropriations Act) during the 2014 Legislative Session.

**Agency Stated Authority:** Iowa Code section 261.110.

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

**LSA Response:** The LSA concurs. The Teach Iowa Scholar Program will be funded by annual State appropriations determined by the General Assembly. The proposed rules have no bearing on those appropriations. For FY 2015, the General Assembly appropriated \$1.3 million for the Program.

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**Educational Examiners Board**

**ARC 1602C**

**Rule Summary** Replaces the Instructional Strategist I and II endorsements currently used with the K-12 Special Education endorsement. The option increases specific preparation requirements of special education teachers both in general education and special education preparation, addresses the non-categorical delivery models of special education, and includes coverage of Iowa's specific special education issues and practices.

**Agency Stated Authority:** Iowa Code section 272.2(1)(a).

**Fiscal Impact** **Agency Response:** The proposed amendments will not require any state expenditure.

**LSA Response:** The LSA concurs.

**ARC 1604C**

**Rule Summary** Creates a native language teaching authorization. The Board of Educational Examiners has adopted rules for a preliminary native language teaching authorization, that is valid for five years while candidates complete basic pedagogy courses. After that time, candidates must convert to a full native language teaching authorization that is created by this proposed amendment. The authorization will also be available to fully licensed teachers that are native speakers of a foreign language.

**Agency Stated Authority:** Iowa Code section 272.2(1)(a).

**Fiscal Impact** **Agency Response:** The proposed amendment will not require any state expenditures.

**LSA Response:** The LSA concurs.

**ARC 1603C**

**Rule Summary** Creates a Montessori authorization for educators that are working in educational settings accredited by the American Montessori Society. The authorization allows recognition of their training and coverage by the Board of Educational Examiner's code of professional conduct and ethics.

**Agency Stated Authority:** Iowa Code section 272.2(1)(a).

**Fiscal Impact** **Agency Response:** The proposed amendment will not require any state expenditures.

**LSA Response:** The LSA concurs.

**ARC 1605C**

**Rule Summary** Creates an activities administration authorization. Allows an individual with a degree in athletic administration or a related field to serve in the role of an activities director if the individual meets certain requirements for an activities administration authorization. Currently, a teaching or administrative license is required to hold an activities director position.

**Agency Stated Authority:** Iowa Code section 272.2(1)(a).

**Fiscal Impact** **Agency Response:** The proposed new rule will not require any state expenditures.

**LSA Response:** The LSA concurs.

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**Department of Education**

**ARC 1597C**

**Rule Summary** Keeps the State of Iowa in compliance with appeal procedures in federal regulations. Specific program references are included that require the appeals process to be adhered to.

**Agency Stated Authority:** Iowa Code section 256.7(5).

**Fiscal Impact** **Agency Response:** There is no fiscal impact of this rule.

**LSA Response:** The LSA concurs.



**ARC 1598C**

**Rule Summary** Establishes a statewide work-based learning intermediary network to prepare students for the workforce by connecting business and the education system and offering relevant work-based learning opportunities to students and teachers. The network is established in statute in Iowa Code section 256.40.

**Agency Stated Authority:** Iowa Code section 256.7(5).

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

**LSA Response:** The LSA concurs. The network is funded in FY 2015 by an appropriation of \$1.5 million from the Skilled Worker and Job Creation Fund.

**ARC 1596C**

**Rule Summary** Modifies supplementary weighting rules to conform to legislation enacted in HF 2271 (Shared Operational Functions Act) pertaining to shared operational functions supplementary weighting, and SF 2056 (Reorganization Incentives Extension Act) pertaining to whole grade sharing arrangements incentives.

**Agency Stated Authority:** Iowa Code section 257.11.

**Fiscal Impact** **Agency Response:** The Department has determined that this amendment will not necessitate additional annual expenditures exceeding \$100,000 or combined expenditures exceeding \$500,000 within five years by all affected persons. Additionally, the Department noted that the amendments will have no impact on small business within the meaning of Iowa Code section 17A.4A.

**LSA Response:** The modification of rules to conform the language enacted in HF 2271 and SF 2056 will have no fiscal impact. The fiscal impact of the legislation as enacted by the General assembly is summarized as follows:

The estimated fiscal impact of SF 2056 is currently unknown and will be based on the enrollment size of the districts that are eligible to receive the supplementary weighting for whole grade sharing and the number of districts that reorganize or dissolve that will be eligible for the reorganization incentives. Any fiscal impact resulting from this Act will not occur until FY 2016 at the earliest and will be in addition to the reorganization incentives currently in place for districts that reorganize or dissolve on or before July 1, 2014 (see fiscal note for additional information).

The estimated fiscal impact of HF 2271 has been updated for FY 2015 based on finalized data from the Department of Education on April 25, 2014. This includes:

**FY 2015:** Funding for school districts will total \$11.0 million, including \$9.7 million in State aid and \$1.3 million in local property taxes. Compared to the LSA estimates for shared operational functions for FY 2015 prior to enactment of HF 2271, this is a total reduction of \$16.8 million, including a reduction of \$14.7 million in State aid and \$2.1 million in local property taxes.

Additionally, funding for Area Education Agencies (AEAs) in FY 2015 will total \$60,000, a decrease of \$540,000 compared to the LSA estimate prior to enactment of the Act.

**FY 2016 through FY 2020:** Funding in future fiscal years is unknown, but will be at least at the FY 2015 level. Additionally, the maximum capacity for school districts in

each fiscal year may total up to \$46.5 million, including \$40.8 million in State aid and \$5.7 million in local property taxes.

Additionally, the total funding amount per AEA will not exceed \$30,000 for a maximum capacity total of \$270,000 each fiscal year.

Additional information can be found in the [fiscal note](#) for [HF 2271](#).

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### Credit Union Division

#### **ARC 1580C**

**Rule Summary** Updates the Division's web address. Makes modifications to conform with federal rules for investments in credit unions, primarily by defining "investment grade" and removes references to ratings by nationally recognized statistical rating organizations, adjusting certain limitations and requirements, and renumbering.

**Agency Stated Authority:** Iowa Code sections [533.107](#), [533.301\(5\)](#) and (25).

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

**LSA Response:** The LSA concurs.

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### Economic Development Authority

#### **ARC 1573C**

**Rule Summary** Amends the rules regarding the Iowa Economic Development Authority's (IEDA) Aggregate Tax Credit Limit (Cap) and High Quality Jobs Program (HQJP) to conform to program changes made in the 2013 Legislative Session. Changes include:

- Updates to reflect the current Cap amount, procedures and restrictions on exceeding the Cap, allocations for programs, and technical corrections.
- Repeals the Community Microenterprise Development Organization Grant Program.
- Requires an affidavit from financial assistance applicants about any judgments, convictions, or proceedings against any officer, principal, or director of the applicant.
- Amends rules for the actions the IEDA will take in the event of default on a contract or shortfall in contract obligations.
- Establishes compliance cost fees for tax credit award recipients. The fees consist of a one-time closing cost fee of \$500, and a 0.5% fee for all tax credits claimed on awards of \$100,000 or greater.

**Agency Stated Authority:** 2013 Iowa Acts chapter [126](#) (Economic Development Programs and Financial Assistance Act); 2013 Iowa Acts chapter [34](#) (Economic Development Authority Duties and Programs Act).

**Fiscal Impact** **Agency Response:** This change will generate fee revenue of \$200,000 per year in FY 2015 and subsequent fiscal years. Expenditures will be directed towards HQJP administration.

**LSA Response:** The [fiscal note](#) for [HF 620](#) projected the new fee revenue for IEDA over the next three years as follows:

- FY 2015: \$92,000
- FY 2016: \$118,000
- FY 2017: \$193,000

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## Environmental Protection Commission

### **ARC 1561C**

**Rule Summary** Establishes Best Management Practices (BMPs) for grain vacuuming at small grain elevators. The BMPs include practical activities used at elevators to minimize dust and possible air quality impacts resulting from vacuuming grain out of storage structures. The BMPs were developed through a stakeholder work group jointly organized by the Department of Natural Resources and Agribusiness Association of Iowa, and included grain elevator operators and grain vacuum vendors.

Adopts changes by reference to federal air toxic standards for chemical manufacturing plants and for prepared feeds manufacturing also known as National Emission Standards for Hazardous Air Pollutants (NESHAP).

**Agency Stated Authority:** Iowa Code section 455B.103A.

**Fiscal Impact** **Agency Response:** No fiscal impact. The Department will use existing staff to implement the rule.

**LSA Response:** The LSA concurs. A public hearing was held on June 16, 2014, and no comments were received. One written comment was received supporting the changes. The federal Environmental Protection Agency (EPA) in Region 7 recommended clarification in the preamble to the adopted rules and the Department complied. No changes were made to the rules.

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## Natural Resource Commission

### **ARC 1564C**

**Rule Summary** Allows dock permittees more flexibility to remove aquatic vegetation without a permit around boat docks to create boating pathways to open water. Currently, dock permittees can only remove vegetation without a permit after demonstrating that a hazardous or other detrimental condition exists. The current rule also requires the Department of Natural Resources (DNR) to inspect the hazardous or other detrimental conditions before allowing any removal. Allows this exception to take place without the DNR confirming the applicability of the exception.

The proposed rule adds flexibility by allowing two exceptions for vegetative removal without a permit:

- Vegetation creates a hazardous or detrimental condition in the boating area around the dock.
- Vegetation covers a minimum of 75.0% of the boating area around the dock.

**Agency Stated Authority:** Iowa Code section 455A.

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

**LSA Response:** The LSA concurs.

**ARC 1565C**

- Rule Summary** Simplifies fishing regulations by adopting the following changes:
- Implements paddlefish fishing regulations on the Missouri and Big Sioux Rivers with the passage of SF 2198 (Paddlefish Licensing Act).
  - Protects fishing opportunities and water quality at Clear Lake and Lost Island Lake.
  - Moves fishing rules from Chapter 85 to Chapter 81.
  - Creates an approved trotline stream segment for the Mississippi River in Allamakee, Clayton, Dubuque and Jackson Counties.

**Agency Stated Authority:** Iowa Code chapter 455A and SF 2198.

**Fiscal Impact** **Agency Response:** There will be an additional 950 (\$20 each) resident and 50 non-resident licenses (\$40 each) for paddlefish. If all licenses are sold, an additional \$21,000 will be generated for the Fish and Game Protection Fund. No additional expenditures are needed to implement the rule changes.

**LSA Response:** The LSA concurs.

**ARC 1562C**

- Rule Summary** Changes the regulation of deer hunting by residents including season dates, bag limits, possession limits, shooting hours, areas open to hunting, licensing procedures, means and methods of take, and transportation and reporting requirements. The proposed rule adopts the following changes:
- Eliminates the January antlerless deer season.
  - Reduces antlerless deer quota numbers in 72 counties by 10,000 from the licenses sold last year.
  - Restricts hunters in 27 counties to taking only antlered deer during the early muzzleloader and first shotgun seasons.

**Agency Stated Authority:** Iowa Code section 483A.

**Fiscal Impact** **Agency Response:** This rule is estimated to decrease revenue to the Fish and Game Protection Fund by \$139,000 per year. It is estimated that 75.0% of the 10,000 licenses will be sold for the January season for \$10.00 each (\$75,000) and 25.0% would have been antlerless licenses at \$25.50 (\$63,750).

**LSA Response:** The LSA concurs.

**ARC 1622C**

- Rule Summary** Rescinds two rules that are no longer used:
- 571-Chapter 9 - State Migratory Waterfowl, Trout and Habitat Stamp Design Contests.
  - 571-Chapter 53 - Controlled Hunting Areas.

**Agency Stated Authority:** Iowa Code section 455A.5(6)(a).

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

**LSA Response:** The LSA concurs.

**ARC 1614C**

**Rule Summary** Amends regulations for hunting waterfowl and coot hunting to comply with federal regulations. Also ensures the seasons open on a weekend, and adds a special 16-day hunting season for all species of teal in early September.

**Agency Stated Authority:** Iowa Code sections [481A.38](#), [481.39](#), and [481A.48](#).

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

**LSA Response:** The LSA concurs. Additional information on migratory bird season is available at:  
<http://www.iowadnr.gov/portals/idnr/uploads/hunting/migratoryregs.pdf>.

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**Iowa Ethics and Campaign Disclosure Board**

**ARC 1581C**

**Rule Summary**      Defines charitable organization as an organization described in Internal Revenue Code section 501(c)(3) that is exempt from taxation under Internal Revenue Code section 501(a). Clarifying this definition restricts candidates to transferring campaign funds only to a charity as per section 501(c)(3).

**Agency Stated Authority:** Iowa Code sections [68A.303](#) and [68B.32A\(1\)](#).

**Fiscal Impact**      **Agency Response:** No fiscal impact. There is no cost for enforcement.

**LSA Response:** The LSA concurs.

**ARC 1578C**

**Rule Summary**      Updates the rule on verified statements of registration by out-of-state and federal Political Action Committees (PACs) that give to Iowa candidates to remove the option of paper filing and require electronic filing as stated in statute.

**Agency Stated Authority:** Iowa Code sections [68A.201A](#) and [68B.32A\(1\)](#).

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

**LSA Response:** The LSA concurs.

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**Department of Inspections and Appeals**

**ARC 1566C**

**Rule Summary**      Increases the time for employers and certified nurse aide training programs to do background checks from 48 hours to seven days. Changes the length of time for facilities to file a plan of correction from 10 working days to 10 calendar days.

These changes are identical to those published as [ARC 1502C](#) on June 11, 2014.

**Agency Stated Authority:** Iowa Code sections [10A.104\(f\)](#) and [135C.14](#) and [HF 2365](#) (Health Facilities Technical Changes) and [SF 347](#) (Nursing Home Conditional Employment).

**Fiscal Impact**      **Agency Response:** No fiscal impact. The proposed rule extends the time that facilities may verify an employee's criminal or dependent adult abuse records, and adds consistency in the submission of plans of correction.

**LSA Response:** The LSA concurs.

**ARC 1616C**

**Rule Summary** Implements changes resulting from the 2014 Iowa Acts, HF 2365 (Health Facilities Technical Changes Act), that established an informal conference process for elder group homes and adult day services programs. The rules mirror those for Assisted Living Programs that were adopted as a result of the 2013 enactment of SF 394 (Health Care Facility Informal Conference Act).

**Agency Stated Authority:** Iowa Code sections 231B.2(1) and 231D.2(2).

**Fiscal Impact** **Agency Response:** The fiscal impact cannot be determined. It is unknown to what extent elder group homes and adult day services providers will avail themselves of this new informal conference process. It also is unknown as to the number of regulated entities that might receive regulatory insufficiencies and, thus, wish to participate in an informal conference. Costs to the affected entities are less than those associated with a full, formal appeal process.

**LSA Response:** The LSA concurs.

**ARC 1615C**

**Rule Summary** Provides for the establishment of basic standards for the operation of a subacute care facility as provided in Iowa Code section 135G.10. The creation of a subacute mental health care facility provides for an additional health care facility, one that specializes in short-term, intensive, recovery-oriented services designed to stabilize an individual that is experiencing a decreased level of function due to a mental health condition.

**Agency Stated Authority:** Iowa Code section 135G.10.

**Fiscal Impact** **Agency Response:** No fiscal impact. There is no cost to the State of Iowa as a result of this rulemaking. The cost, if any, to a provider that wants to operate a subacute mental health care facility is unknown.

**LSA Response:** The LSA concurs.

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**Insurance Division**

**ARC 1592C**

**Rule Summary** Requires the notification of the Insurance Division of the Department of Commerce regarding the termination of a Navigator Entity's relationship with Individual Navigators. The rule will be effective November 19, 2014.

**Agency Stated Authority:** Iowa Code sections 505.8(19) and 522D.10.

**Fiscal Impact** **Agency Response:** There are no fees or expenses attached to the proposed amendment.

**LSA Response:** The LSA concurs.

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**Iowa Finance Authority**

**ARC 1585C**

**Rule Summary** Adopts two Qualified Allocation Plans (QAP) for the Low Income Housing Tax Credit (LIHTC) Program for 2015. The first plan is for 4.0% tax credits and the second is for 9.0% tax credits, to replace the 2014 QAP that contained the plan for both tax

credits. Previously, the Iowa Finance Authority (IFA) included all the rules for the applications in one plan. Application Fees and Change in Application Fees are increased. The QAPs can be viewed at (<http://archive.constantcontact.com/fs197/1102712935862/archive/1117969760440.html>).

**Agency Stated Authority:** Iowa Code section 16.52.

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

**LSA Response:** Minimal fiscal impact. The increased fees will result in an estimated revenue increase of \$10,000 for the IFA. The LIHTC Program applications have been decreasing since 2010 and 2011.

## **ARC 1594C and ARC 1595C**

**Rule Summary** Expands the Home Ownership Assistance Program to include members of the National Guard, or Reserve, or regular component of the armed forces of the United States that served during the period of the Persian Gulf Conflict pursuant to SF 303. Modifies the definitions and requirements of “participating lender” and adds the definition of “facilitating lender” to comply with the requirement in the Act to allow for other financing offers.

**Agency Stated Authority:** 2014 Iowa Acts, SF 303, Division 8.

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

**LSA Response:** Expanding eligibility of veterans for the IFA Home Ownership Assistance Program will increase applicants. HF 2463 (Human Services Appropriations Act) increased the annual General Fund appropriation for the program by \$900,000, enough to provide 180 additional grants at the maximum award of \$5,000 per grant.

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## **Department of Public Health**

## **ARC 1567C**

**Rule Summary** Adopts the following amendments to ARC 1471C:

- In Item 2, the definition of “*Newborn critical congenital heart disease (CCHD) screening*” was amended by adding the words “or other means” following pulse oximetry; this reflects the language in 2013 Iowa Acts, chapter 140, section 91.
- Item 6 was changed to use the term for newborn screening refusal consistently.
- Item 7 was amended to reflect policies and procedures that will be developed to obtain informed consent for the use of residual newborn screening specimens, rather than refusal forms.
- Item 19 was amended to indicate that other methods, besides pulse oximetry, may be used to screen for critical congenital heart disease in the newborn. Also in Item 19, the catchwords for paragraphs 4.3(9)“b” and “c” were changed.
- New Item 20 adds paragraphs to 4.3(10), addressing the use of newborn screening and maternal prenatal screening fees. Subsequent items were renumbered accordingly. Due to these proposed changes, primarily the addition of “or other means” following pulse oximetry, the Department received a request from the American Heart Association along with 54 interested Iowa citizens to have the opportunity to make oral presentations on the changes made to the original notice of intended action.

**Agency Stated Authority:** Iowa Code section 136A.8.

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

**LSA Response:** The LSA concurs.

**Rule Summary** **ARC 1571C**  
Implements SF 2360 (FY 2015 Medical Cannabidiol Act), that permits the possession and use of cannabidiol as defined in the legislation. The rules make the following additions:

- Provides definitions of cannabidiol, Department of Public Health (IDPH), intractable epilepsy, neurologist, and primary caregiver as provided for in SF 2360. Adds definitions for date of issuance, date of expiration, Department of Transportation (DOT), patient, permanent resident, and state.
- Provides for the receipt of a written recommendation from a neurologist by the Department and the process for the issuance of a cannabidiol registration card to a patient or primary caregiver by the DOT.
- Provides for the protection of confidential patient and primary caregiver information.

**Agency Stated Authority:** Senate File 2360, section 6.

**Fiscal Impact Agency Response:** The fiscal impact cannot be determined. The General Assembly appropriated \$25,000 to the IDPH to implement the Medical Cannabidiol Act Registration Card Program. Funding was not provided to the DOT for their responsibilities under the Act. They are actively working with vendor to understand the costs associated with software adjustments needed to produce the registration cards. The final cost is unknown at this time.

**LSA Response:** The LSA concurs.

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## Nursing Board

**Rule Summary** **ARC 1569C**  
Makes the following changes to Chapter 3, “License to Practice – Registered Nurse/Licensed Practical Nurse”:

- Clarifies the definition of “Applicant”.
- Updates Advanced Registered Nurse Practitioner (ARNP) language to:
  - Remove the reference to registration and replace with renewal or licensure.
  - Include ARNP reactivation fees.
  - Include ARNP verification.
- Updates mandatory licensure language.
- Applicant/Application/Exam process:
  - Clarifies documents required to determine applicant eligibility.
  - Replaces “sentencing order” with “court documents.”
  - Replaces “criminal conviction” with “criminal history.”
  - Clarifies the passing standard of the National Council Licensure Examination (NCLEX) for registered nurse/licensed practical nurse licensure exams is established by National Council of State Boards of Nursing (NCSBN).
  - Clarifies timelines to take the exam and when fees will be imposed.
  - Foreign applicants.
    - Clarifies eligibility documents.



- Updates Test of English as a Foreign Language (TOEFL) passing scores.
- Clarifies practice is not allowed without taking the exam.
- Clarifies process for testing modification request.
- Clarifies reexamination process.
- Clarifies process to sit for an exam when an applicant previously applied but did not sit for the exam.
- Clarifies the license by endorsement process, forms required, and timing.
- Clarifies licensee obligation for name and address changes.
- Clarifies renewal process requirements and timing.
- Clarifies mandatory reporter training requirements for renewal.
- Clarifies reactivation requirements and timing.
- Updates license denial processes.

**Agency Stated Authority:** Iowa Code sections [17A.3](#) and [147.76](#).

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

**LSA Response:** The LSA concurs.

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**Pharmacy Board**

**ARC 1574C**

**Rule Summary**      Terminates the rulemaking commenced in [ARC 1041C](#), relating to transferring a prescription between pharmacies, based on comments and objections received from members of the public, health care professionals, and health care professional organizations. The Board will continue to review the issues raised by the numerous commenters.

**Agency Stated Authority:** Iowa Code section [147.76](#).

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

**LSA Response:** The LSA concurs.

**ARC 1576C**

**Rule Summary**      Requires a pharmacist to perform a final verification for the accuracy, validity, completeness, and appropriateness of a patient's prescription or medication order prior to delivery to the patient or patient's representative. Also requires verification be documented and the record to be maintained by the pharmacy.

**Agency Stated Authority:** Iowa Code section [147.76](#).

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

**LSA Response:** The LSA concurs. The rule change eliminates language ambiguity of current practices.

**ARC 1575C**

**Rule Summary**      Provides pharmacies with flexibility in the completion date of the required annual inventory of controlled substances. Clarifies when a controlled substances inventory must be completed upon a change of ownership of a pharmacy. Amends the

implementation clause at the end of the Chapter to remove references to sections of Iowa Code that were repealed.

**Agency Stated Authority:** Iowa Code sections [124.301](#) and [147.76](#).

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

**LSA Response:** The LSA concurs.

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## Public Employment Relations Board (PERB)

### **ARC 1583C**

**Rule Summary** Creates a new Chapter concerning an electronic document management system as required by 2014 Iowa Acts [HF 2172](#) (Public Employees Relations Board, Electronic Filing Act). Provides for conforming and related amendments to existing rules.

**Agency Stated Authority:** Iowa Code section [20.24](#) (as amended).

**Fiscal Impact Agency Response:** One-time cost of \$45,000 to establish the system.

**LSA Response:** Funds utilized were mostly from Training and Technology Funds carried forward at the close of FY 2013 and spent in FY 2014. Ongoing support costs for the system are estimated to be minimal.

### **ARC 1570C**

**Rule Summary** Creates a new Chapter that establishes minimum qualifications for mediators and the process that persons may apply to be included on the PERB Mediator List. Also establishes conflict of interest and confidentiality rules applicable to mediators and how a person may notify the Board with a complaint about a mediator. Creates a new Chapter that establishes minimum qualifications for arbitrators, the process to become listed and remain on the PERB Arbitrator Roster, and how persons may be disciplined or removed from the roster.

**Agency Stated Authority:** Iowa Code section [20.6\(5\)](#).

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

**LSA Response:** The LSA concurs. The Roster Listing Fee is currently collected by the Board and the rate is unchanged. Total fees collected by the Board annually generate about \$10,000.

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## Department of Revenue

### **ARC 1590C**

**Rule Summary** Implements 2014 Iowa Acts:

- [Senate File 303](#) (Military Retirement Pay Tax Exemption Act), that provides for the exclusion for Iowa Individual Income Tax for military retirement pay starting with the 2014 tax year.
- [Senate File 2337](#) (Child and Dependent Care Tax Credit Act).
- [Senate File 2343](#) (Cogeneration Facilities, Renewable Energy Tax Credit Act).
- [Senate File 2344](#) (Renewable Fuels Incentives Act).

# Administrative Rules – Fiscal Impact Summaries

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- [Senate File 2359](#) (Economic Development Program Changes Act).
- [House File 2454](#) (Beginning Farmer Tax Credit Act).
- [House File 2459](#) (Emergency Medical Services and Firefighter Tax Credit Act).
- [House File 2468](#) (Adoption Tax Credit Act).
- [House File 2460](#) (Economic Development Appropriations Act).
- [Senate File 2328](#) (Agricultural Development Division of Iowa Finance Act).
- [House File 2438](#) (Revenue Department Technical Act).
- [House File 2473](#) (Standing Appropriations Act).

**Agency Stated Authority:** Iowa Code sections [421.14](#), [422.68](#), [15E.43](#), [16.80](#), [422.5](#), [422.7](#), [422.9](#), [422.11M](#), [422.11X](#), [422.11Y](#), [422.12](#), [422.12A](#), [422.12C](#), [422.12D](#), [422.12L](#), [422.16A](#), [422.33](#), [423.4](#), and [476C.1](#).

## Fiscal Impact

**Agency Response:** The combined fiscal impact of all provisions to State General Fund revenue is a reduction of \$14.5 million for FY 2015 and \$23.6 million for FY 2016, as noted in the fiscal notes and Notes on Bills and Amendments (NOBAs); the links are below. In some instances there are also small projected impacts on other State revenue and on local option revenue.

- [Senate File 303 - Fiscal Note](#) (Military Retirement Pay Tax Exemption Act).
- [Senate File 2337 - Fiscal Note](#) (Child and Dependent Care Tax Credit Act).
- [Senate File 2343 - Fiscal Note](#) (Cogeneration Facilities, Renewable Energy Tax Credit Act).
- [Senate File 2344 - Fiscal Note](#) (Renewable Fuels Incentives Act).
- [Senate File 2359 - Fiscal Note](#) (Economic Development Program Changes Act).
- [House File 2454 - Fiscal Note](#) (Beginning Farmer Tax Credit Act).
- [House File 2459 - Fiscal Note](#) (Emergency Medical Services and Firefighter Tax Credit Act).
- [House File 2468 - Fiscal Note](#) (Adoption Tax Credit Act).
- [House File 2460 - Fiscal Notes](#) (Economic Development Appropriations Act).

**LSA Response:** The following chart displays the estimated fiscal impact of each Act implemented in this rulemaking.

<b>State General Fund Fiscal Impact by Provision</b>					
In Millions of Dollars					
	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Military Retirement Pay Tax Credit	\$ - 2.4	\$ - 9.1	\$ - 9.5	\$ - 9.0	\$ - 9.4
Child and Dependent Care Tax Credit	0.0	0.0	- 2.6	- 2.6	- 2.6
Cogeneration Facilities, Renewable Energy Tax Credit	0.0	0.0	- 2.0	- 5.3	- 7.0
Renewable Fuels Incentives	0.0	- 2.7	- 4.5	- 4.6	- 1.8
Economic Development Program Changes	0.0	0.0	- 2.0	- 1.5	- 0.9
Beginning Farmer Tax Credit	0.0	- 0.1	- 0.2	- 0.4	- 0.7
Emergency Medical Services and Firefighter Tax Credit	0.0	- 0.8	- 0.8	- 0.8	- 0.8
Workforce Development Fund Account	0.0	- 1.8	- 2.0	- 2.0	- 2.0
	<u>\$ - 2.4</u>	<u>\$ - 14.5</u>	<u>\$ - 23.6</u>	<u>\$ - 26.2</u>	<u>\$ - 25.2</u>

**ARC 1589C**

**Rule Summary** Implements SF 2340 (Solar Energy Tax Credits Act) and HF 2438 (Revenue Department Technical Act) enacted during the 2014 Legislative Session. Reflects the changes to the Solar Energy System Tax Credit for systems installed during tax years beginning on or after January 1, 2014, for individual income tax and for corporation income tax. Senate File 2340 (Solar Energy Tax Credits Act).

Provides the Solar Energy System Tax Credit for franchise tax for systems installed during tax years beginning on or after January 1, 2014. HF 2438 (Revenue Department Technical Act). The Acts increases the annual limit for the existing Solar Energy System Tax Credit from \$1.5 million to \$4.5 million.

**Agency Stated Authority:** Iowa Code sections 421.14, 422.68, 422.11L, 422.33, and 422.60.

**Fiscal Impact** **Agency Response:** The fiscal impact is \$1.7 million for FY 2015 and \$2.3 million for FY 2016, as noted in the fiscal note dated April 6, 2014.

**LSA Response:** The estimated fiscal impact remains the same as published in the April 6, 2014, fiscal note.

**ARC 1593C**

**Rule Summary** Implements 2013 Iowa Acts, SF 295 (Commercial Property Tax Credit Act) Division III. The Act creates a new property tax classification for human habitat commercial property (apartments, nursing homes, assisted living facilities, etc.). The new classification begins in Assessment Year (AY) 2015. Property included in the new classification is assigned a rollback percentage of 86.25% for AY 2015, and that percentage declines 3.75 percentage points each year through AY 2021. Beginning in AY 2022, the multi-residential classification is assigned a rollback equal to the residential rollback each assessment year.

**Agency Stated Authority:** Iowa Code sections 421.14.

**Fiscal Impact** **Agency Response:** Refer to the LSA fiscal note for 2013 SF 295: [https://www.legis.iowa.gov/DOCS/FiscalNotes/85\\_1464SVv2\\_FN.pdf](https://www.legis.iowa.gov/DOCS/FiscalNotes/85_1464SVv2_FN.pdf)

The Department has indicated that the reclassification of property as multi-residential will reduce local property tax revenues beginning after FY 2016 when the impact created by the new classification is no longer reimbursed by the State General Fund.

**LSA Response:** Under the provisions of SF 295, the new multi-residential classification will be taxed at 95.0% of assessed value in FY 2015 and at 90.0% in FY 2016. In those two years local governments will be reimbursed for the property tax revenue reduction by the State General Fund.

Beginning in FY 2017, the new multi-residential classification will benefit from annual 3.75% reductions in the percent of assessed value subject to property tax. Beginning in FY 2024, multi-residential property will be taxed at the same percentage as residential each year.

The State reimbursement only applies to property classified as commercial or industrial. Once the new multi-residential classification is established, the local government revenue reductions associated with multi-residential property will not be reimbursed (schools will continue to receive reimbursement for the \$5.40 levy through the State school aid formula). In FY 2017, the revenue reduction to local governments caused by the 86.25% multi-residential rollback is estimated to be

\$20.0 million. By FY 2024, when the multi-residential and residential property classes are taxed at the same percentage of assessed value, the local government revenue reduction is projected at \$91.0 million.

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Department of Transportation

**ARC 1601C**

- Rule Summary** Amends Department of Transportation Administrative Code Chapters related to the issuance of drivers' licenses. Changes are intended to adhere to:
- 2008 Iowa Acts, Chapter 1113, section 29 (Transportation Fees, Funds, and Revenue Sources — TIME-21).
  - 2012 Iowa Acts, Chapter 1091 (Military Vehicle Registration and Titling and Veteran Designation on Driver's Licenses and Nonoperator's Identification Cards).
  - 2013 Iowa Acts, Chapter 82 (Driver's Licenses and Nonoperator's Identification Cards – Expiration - Replacement)
  - 2013 Iowa Acts, Chapter 104 (Driver's License Renewals).

The following amendments are adopted;

- Extends the term for drivers' license term from five to eight years.
- Establishes that drivers' licenses will be issued on staggered terms to equalize revenue flows over the eight-year renewal period.
- Increases the age that drivers will receive two-year licenses from 70 to 72.
- Increases the fee to upgrade a license to include a motorcycle from \$1 to \$2 per year.
- Increases fees for replacement licenses to \$10.
- Waives the fee for nonoperator identification card when the cardholder is voluntarily surrendering a license.
- Allows veterans to obtain a license that displays veteran status.
- Conforms to federal standards regarding symbols and statements on ID cards.

**Agency Stated Authority:** Iowa Code sections 307.10 and 307.12.

**Fiscal Impact** **Agency Response:** The proposed amendments conform to changes in procedure and policy established legislatively. Rules do not have a fiscal impact beyond the impact created by the legislative changes. Fiscal impact was assessed during the legislative process.

**LSA Response:** The LSA concurs. Implemented provisions from 2012 Iowa Acts, Chapter 1091 and 2013 Iowa Acts, Chapter 104 have no fiscal impact.

Implemented provisions of 2008 Iowa Acts, Chapter 1113 were estimated to increase revenue to the Statutory Allocations Fund by an average of \$200,000 each fiscal year. The DOT has implemented this change, and is amending rules to conform to Iowa Code. Implemented provisions of 2013 Iowa Acts, Chapter 82 will reduce license production expenditures by \$1.8 million each fiscal year.

**ARC 1612C**

**Rule Summary** Amends rules pertaining to parent-taught driver education. Implements Iowa Code section 321.178A that established procedures allowing parents to obtain approval from the Department of Transportation to instruct students in approved driver's education courses. Outlines the application process and certificates of completion. Establishes procedure to allow third parties to receive approval for courses used by

teaching parents. Updates language to accommodate rule changes. Sets minimum course curriculum requirements.

**Agency Stated Authority:** Iowa Code sections [307.10](#), [307.12](#), [321.178A](#).

**Fiscal Impact**      **Agency Response:** Implements parent-taught driver education as required by Iowa Code section [321.178A](#). Although there will be an increased administrative burden to administer this program, the DOT expects it can be managed within existing budget and FTE positions.

**LSA Response:** The LSA concurs.

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**Treasurer of State**

**ARC 1613C**

**Rule Summary**      Adds more specific language to guide public units in developing public funds custodial agreements.

**Agency Stated Authority:** Iowa Code section [12B.10C](#).

**Fiscal Impact**      **Agency Response:** No fiscal impact. The rule provides guidance, but does not impact any budgets.

**LSA Response:** The LSA concurs.

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**Utilities Division**

**ARC 1563C**

**Rule Summary**      Updates rules governing the Board's designation of Eligible Telecommunications Carriers (ETCs) in order to receive support from the federal Universal Service Fund. The proposed revisions eliminate outdated provisions, align the Board's rules with recent reforms to the federal Universal Service Fund, and clarify the process for telecommunications carriers to apply to the Board for the designation as an ETC. The changes deal with:

- Report content.
- Universal service and lifeline connections for low-income consumers.
- Connect America Fund and broadband service.
- Definitions related to eligible telecommunications carriers.
- Application requirements for the ETC designation.
- Obligation to offer lifeline services to persons at or below 135.0% of the Federal Poverty Guidelines and determination of subscriber eligibility.
- Service to Tribal lands.
- Filing reports and audits consistent with the federal requirements.
- Relinquishing the ETC designation.

**Agency Stated Authority:** Iowa Code sections [17A.4](#), [476.2](#), and [476.102](#) and [47 United States Code section 214\(e\)\(3\)](#).

**Fiscal Impact**      **Agency Response:** In large part, the proposed revisions simply update current rules to align with federal rules and will have no fiscal impact on Iowa telecommunications carriers.

**LSA Response:** The LSA concurs.

**ARC 1600C**

**Rule Summary** Implements SF 2343 (Cogeneration Facilities, Renewable Energy Tax Credit Act). The legislation extends the deadline for putting in place a renewable energy facility to qualify for the State’s existing energy generation tax credit. The tax credit is equal to 1.5 cents per kilowatt hour of generated electricity. This Act extends the current deadline (January 1, 2015) two years, making facilities placed in service before January 1, 2017, eligible for the tax credit. Extends the last year for tax credit issuance by two years, from year-end 2024 to year-end 2026. The Act adds methane gas, landfill gas, and biogas as allowed fuel sources for an existing 10.0 megawatt cogeneration subcategory of qualified facilities. The subcategory is currently limited to natural gas cogeneration.

**Agency Stated Authority:** Iowa Code sections 17A.4, 476.1, and 476C.

**Fiscal Impact** **Agency Response:** No fiscal impact to the State because it is merely extending the date for completions for facilities already eligible for tax credits. After a follow-up by the LSA, the Division agrees with the fiscal note.

**LSA Response:** The estimated impact matches the fiscal note for SF 2343. It is assumed that without extending the placed-in-service deadline, 127.2 megawatts will be completed after the deadline and will not earn tax credits under existing law. The extension of the placed-in-service deadline for wind energy facilities is projected to reduce net General Fund revenue by \$75.0 million over 14 fiscal years. The projected amounts, by fiscal year, are provided in the following table:

<b>Wind Energy Tax Credits</b>					
Net General Fund Impact, in Millions					
FY 2016	\$	-2.0	FY 2023	\$	-7.5
FY 2017		-5.3	FY 2024		-7.5
FY 2018		-7.0	FY 2025		-7.5
FY 2019		-7.4	FY 2026		-5.5
FY 2020		-7.5	FY 2027		-2.2
FY 2021		-7.5	FY 2028		-0.5
FY 2022		-7.5	FY 2029		-0.1

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**Department of Agriculture and Land Stewardship**

**ARC 1582C**

**Rule Summary** Changes the registration of an Iowa thoroughbred, quarter horse, or standard bred stallion by removing the wording “bona fide Iowa resident” and changing it to “person.” Also eliminates the 51.0% Iowa ownership requirement.

**Agency Stated Authority:** Senate File 2185 (FY 2014 Horse Racing Act).

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

**LSA Response:** The LSA concurs. Changes were made due to passage of SF 2185.

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**Engineering and Land Surveying Examining Board**

**ARC 1577C**

**Rule Summary** Clarifies rules on conflict of interest. The current rule prohibits licensed engineers and land surveyors from soliciting or accepting a contract from a governmental body when a principal or officer of the licensee's firm serves as an elected, appointed, voting or nonvoting member of that governmental body. The change clarifies that a licensee will not have a conflict of interest if a principal or officer of the licensee's firm plays no role in soliciting or accepting the contract, and the contract otherwise is legally permissible.

These changes are identical to those proposed in May 2014 as ARC 1441C.

**Agency Stated Authority:** Iowa Code section 542B.6.

**Fiscal Impact** **Agency Response:** No fiscal impact. No current fees are changing, and no new fees are being imposed.

**LSA Response:** The LSA concurs.

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**Professional Licensure Division**

**ARC 1584C**

**Rule Summary** Amends the requirement to send a licensure renewal notice to barber practitioners and barber shops to be consistent with legislative changes to Iowa Code section 147.10. Establishes a mentoring program for barber students to provide them with an introduction to operating a barber shop and small business practices.

**Agency Stated Authority:** Iowa Code section 147.76.

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

**LSA Response:** The LSA concurs.

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**Regents Board**

**ARC 1599C**

**Rule Summary** Increases monetary sanctions for illegal parking and parking without an appropriate permit in a reserved lot or space at Iowa State University (ISU).

**Agency Stated Authority:** Iowa Code section 262.9(3).

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

**LSA Response:** The LSA concurs. The increase in revenue for ISU due to the increase in these two sanctions will be minimal.

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