



## Fiscal Services Division

### ADMINISTRATIVE RULES – FISCAL IMPACT SUMMARIES

**December 12, 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 <http://www.legis.iowa.gov/law/administrativeRules/arrc/fiscalImpact>*

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#### Department of Human Services

#### **ARC 1729C**

**Rule Summary** Replaces references to the multiaxial classification of mental disorders used prior to the implementation of the fifth edition of the Diagnostic and Statistical Manual of Mental Disorders (DSM-5) in 2013 with appropriate references to the new DSM-5.

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

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

**LSA Response:** The LSA concurs.

#### **ARC 1738C**

**Rule Summary** Requires Child Development Home providers to maintain accessible emergency contact information, and keep a paper copy of the parental contact information and alternative contact for the children in care.

**Agency Stated Authority:** Iowa Code section 237A.12.

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

**LSA Response:** The LSA concurs.

#### **ARC 1739C**

**Rule Summary** Revises requirements for Child Development Homes regarding fencing around above ground swimming pools.

**Agency Stated Authority:** Iowa Code section 237A.12.

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

**LSA Response:** The LSA concurs.

# Administrative Rules – Fiscal Impact Summaries

December 12, 2014

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## Department of Administrative Services

### ARC 1742C

**Rule Summary** Amends certain State Accounting Enterprise (SAE) rules to eliminate conflict with statute and ensure proper due process in offset procedures for debts owed to State agencies.

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

**Fiscal Impact** **Agency Response:** Changes in the rules are unlikely to affect the amount or frequency of offsets by public agencies.

**LSA Response:** The LSA concurs.

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## Educational Examiners Board

### ARC 1723C

**Rule Summary** Aligns the rule for military exchange licenses, created in 2013 to streamline the process for military personnel to obtain Iowa teaching licensure, with the requirements of the Home Base Iowa Act of 2014. Incorporates the Home Base Iowa Act definitions of military service and veterans into the rule. Adds a provision to allow applicants to apply for credit for verified military education, training, or service that apply to experience or educational requirement for licensure.

**Agency Stated Authority:** Iowa Code sections 272.2(1)(a), 272C.4(11) and (12).

**Fiscal Impact** **Agency Response:** No fiscal impact. The board has not experienced a fiscal impact following the adoption of its military exchange license rule.

**LSA Response:** The LSA concurs.

### ARC 1720C

**Rule Summary** Permits the issuance of a substitute authorization to include the elementary classroom rather than just in middle school, junior high school, or high school. Adds an exception to the authorization for driver's education classrooms.

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

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

**LSA Response:** The LSA concurs.

### ARC 1719C

**Rule Summary** Permits the school business official authorization to be valid for two years from the date of issuance, rather than the date of employment.

**Agency Stated Authority:** Iowa Code section 272.31.

**Fiscal Impact** **Agency Response:** The amendment will not require any additional expenditures or increase revenue.

**LSA Response:** The LSA concurs.

**ARC 1721C**

**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 be available to fully licensed teachers that are native speakers of a foreign language.

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

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

**LSA Response:** The LSA concurs.

**ARC 1717C**

**Rule Summary** Terminates a proposed rule that created a Montessori authorization for qualified individuals. Following discussion of concerns raised by members of the Administrative Rules Review Committee in September 2014, the Board voted to terminate the proposed rule and not pursue creation of this authorization.

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

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

**LSA Response:** The LSA concurs.

**ARC 1718C**

**Rule Summary** Creates an activities administration authorization. Allows an individual with an athletic administration degree in a related field to serve as an activities director. The individual must meet 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 amendment will not require any additional expenditures.

**LSA Response:** The LSA concurs.

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**Department of Education**

**ARC 1661C**

**Rule Summary** Requires an applicant for a school bus driver authorization to undergo a biennial physical examination by a certified medical examiner. The examiner must be listed on the National Registry of Certified Medical Examiners instead of a licensed physician or surgeon, osteopathic physician or surgeon, osteopath, qualified doctor of chiropractic, licensed physician assistant, or advanced registered nurse practitioner.

**Agency Stated Authority:** Iowa Code chapter 285.

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

**LSA Response:** The LSA concurs.

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**Department of Homeland Security and Emergency Management**

**ARC 1712C and ARC 1713C**

**Rule Summary** Provides information on how state and local agencies will access and utilize a statewide mass notification and emergency messaging system. It includes how the application is to be made for access, the minimum operational plans and procedures, and access to personal information provided by the public.

**Agency Stated Authority:** Iowa Code section 29C.17A, 2014 Iowa Acts, Senate File 2349, Division VIII.

**Fiscal Impact** **Agency Response:** There is an annual cost to the State of \$400,000 but this change will save local governments money. At present there are 53 counties collectively paying \$640,000 a year to contract with vendors to provide similar services. The remaining counties either do not have such a system or utilize a free resource. Counties will not be charged a fee to utilize the new statewide system. The Department does not anticipate any impact to jobs within Iowa.

**LSA Response:** The LSA concurs. This will save money for those local governments that established a mass notification and emergency messaging system. In FY 2015, the General Assembly appropriated \$400,000 from the General Fund (including 1.0 FTE position) to launch and manage the system.

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**Department of Inspections and Appeals**

**ARC 1727C**

**Rule Summary** Rescinds Chapter 9 of the Department's rules regarding the processing of indigent defense fund claims. The amendments eliminate the outdated and obsolete chapters of the DIA's administrative rules. Adopts procedures set by the State Public Defender for processing indigent defense fund claims.

**Agency Stated Authority:** Iowa Code section 10A.104(5).

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

**LSA Response:** The LSA concurs.

**ARC 1740C**

**Rule Summary** Establishes basic standards for the operation of subacute care facilities. The creation of a subacute mental health care facility provides for an additional health care facility that specializes in providing short-term, intensive, recovery-oriented services. Services are designed to ensure the safe and adequate diagnosis, evaluation, and treatment of patients with a decreased functional ability due to a serious and persistent mental health condition. The amendments clarify staff training and procedures and associated duties and patient care timelines.

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

**Fiscal Impact** **Agency Response:** At this time, the Department is unable to determine the fiscal impact associated with this rulemaking. It is unclear as to how many facilities will be established; hence it is not possible to determine any costs associated with the

process. However, the adoption of the new rules does not create any financial burden on the Department.

**LSA Response:** The LSA concurs.

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**Iowa Finance Authority**

**ARC 1724C**

**Rule Summary** Allows the Iowa Finance Authority (IFA) to set fees associated with the Mortgage Credit Certificates (MCC) Program and post the fees on its website, rather than setting the fees in the administrative rule.

**Agency Stated Authority:** Iowa Code sections 16.5(1)(r) and 17A.3(1)(b).

**Fiscal Impact** **Agency Response:** No fiscal impact to the State.

**LSA Response:** The LSA concurs.

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**Professional Licensure Division**

**ARC 1730C**

**Rule Summary** Adopts rules for issuing provisional psychology licenses pursuant to 2014 Iowa Acts, chapter 1043 (Provisional Licenses in Psychology Act) to persons possessing doctoral degrees in psychology from institutions approved by the Board of Psychology. Sets fees for the administrative costs of issuance and renewal of provisional licenses.

**Agency Stated Authority:** Iowa Code section 154B.6(3).

**Fiscal Impact** **Agency Response:** Minimal fiscal impact for expenditures related to software development changes.

**LSA Response:** The LSA concurs.

**ARC 1728C**

**Rule Summary** Implements changes for the licensure of dietitians enacted in the 2014 Legislative Session SF 2083 (Dietetics Licensure Requirements Act).

**Agency Stated Authority:** 2014 Iowa Acts chapter 1006 (Dietetics Licensure Requirements Act).

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

**LSA Response:** The LSA concurs.

**ARC 1741C**

**Rule Summary** Eliminates the requirement that a physician assistant practicing at a remote medical site have a supervising physician physically visit and practice every two weeks.

**Agency Stated Authority:** Iowa Code section 148C.3.

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

**LSA Response:** The LSA concurs.

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**Department of Public Safety (DPS)**

**ARC 1722C**

**Rule Summary** Updates the current standards in order to adopt the most recent edition of the National Fuel Gas Code that has been developed by the National Fire Protection Association (NFPA).

**Agency Stated Authority:** Iowa Code section 80A.15.

**Fiscal Impact** **Agency Response:** There may be additional costs to businesses to meet NFPA standards.

**LSA Response:** The LSA concurs.

**ARC 1715C**

**Rule Summary** Modifies and adds an existing rule that sets standards for post secondary education programs for journeyman and residential electricians. The Electrical Examining Board within the State Fire Marshal Division of the DPS is charged with adopting rules for continuing education requirements for licensure classification. These changes adopt the 2014 edition of the national electrical code with some specified exceptions.

**Agency Stated Authority:** Iowa Code section 103.6.

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

**LSA Response:** The LSA concurs.

**ARC 1725C**

**Rule Summary** Implements rules related to the Senate File 303 (Home Base Iowa Act ) codified in Iowa Code section 272C.4.

**Agency Stated Authority:** Iowa Code section 103.6.

**Fiscal Impact** **Agency Response:** These rules do not reduce standards for electrician licensing but expedites the process for licensing skilled electricians returning home as veterans from their military service. It will not lead to any costs within the regulated community or to the State.

**LSA Response:** The LSA concurs.

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**Real Estate Appraiser Examining Board**

**ARC 1731C**

**Rule Summary** Adopts and amends rules pursuant to the Real Estate Appraiser Examining Board to maintain compliance with federal law. The following chapters are amended.

- Chapter 3 “General Provisions for Examinations”.
- Chapter 4 “Associate Real Property Appraiser”.
- Chapter 5 “Certified Residential Real Property Appraiser”.
- Chapter 6 “Certified General Real Property Appraiser”.

The amendments establish uniform appraisal standards, appraiser certification requirements, and other rules necessary to administer and enforce these chapters. The amendments include a bachelor's degree certification, a timeline for national criminal background checks, changing appraiser classification from "trainee" to "associate," and updating continuing education requirements per compliance with the Uniform Standards of Professional Appraisal Practices (USPAP).

**Agency Stated Authority:** Iowa Code section 543D.5.

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

**LSA Response:** The LSA concurs.

**Rule Summary** Updates and amends the Appraiser Qualification Criteria to maintain compliance on a federal level. The proposed amendments are outlined below. **ARC 1732C**

- Grants the Board authority to send electronic or paper renewal reminders.
- Separates the requirements for "reinstatement" and "reactivation".
- Makes changes for consistency with the reinstatement requirements as stated within Chapter 4 "Associate Real Property Appraiser".
- Replaces the designation "trainee" with "associate".

The proposed amendments comply with the January 1, 2015, Appraiser Qualification Criteria.

**Agency Stated Authority:** Iowa Code section 543D.5.

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

**LSA Response:** The LSA concurs.

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**Department of Revenue**

**Rule Summary** Implements the provisions of HF2438 (Revenue Department Technical Act) and HF 2448 (Enterprise Zone Transition Act). **ARC 1744C**

House File 2438 codified existing Department of Revenue practices regarding the administration of State taxes.

House File 2448 repealed the existing Economic Development Authority Enterprise Zone (EZ) and the related Housing Enterprise Zone (HEZ) Programs. The purpose of the EZ Program was transferred to the existing High Quality Jobs (HQJ) Program and the purpose of the HEZ Program was transferred to a new Workforce Housing Tax Incentive Program (WHTIP). As part of the transition, several changes to investment tax credits and tax refunds were made.

The new WHTIP was effective on enactment and applies retroactively to tax year 2014. A provision that converts existing HEZ tax credits that were not transferable when originally issued to transferable tax credits was effective on enactment and applies to qualified nonrefundable HEZ investment tax credits issued prior to July 1, 2014. Any tax credits made transferable through the provisions of the Act and subsequently transferred may not be redeemed before January 1, 2016.

The rule applies to individual income, corporation income, and franchise tax filers, and is effective for tax periods beginning on or after January 1, 2014. The rule also affects eligible businesses approved under certain economic development programs that file refund claims for sales and use tax. The rule provides taxpayers with guidance regarding the filing of returns and refund claims.

**Agency Stated Authority:** Iowa Code sections 421.14 and 422.68.

**Fiscal Impact**

**Agency Response:** The fiscal impact is minimal for FY 2015 and \$5.1 million for FY 2016, as noted in the fiscal note dated April 25, 2014.

**LSA Response:** HF 2438 does not have an identified fiscal impact. The provisions of HF 2438 do not increase the assumed dollar value of tax credits awarded by the Authority; the Act does alter the redemption pattern for awarded credits. The fiscal impacts include program revisions that lead to quicker redemptions of awarded tax credits as well as changes that increase the percentage of awards that are eventually redeemed. The following table provides the estimated General Fund revenue impact of HF 2448.

General Fund Revenue Impact	
In millions	
	Revenue
FY 2015	\$ 0.0
FY 2016	-5.1
FY 2017	-3.8
FY 2018	-0.9
FY 2019	-1.0
FY 2020	-3.7
FY 2021	-5.0
FY 2022	-6.3

**ARC 1726C**

**Rule Summary**

Amends the rules of Chapter 49 to remove the requirement that the Department of Revenue mail a preaddressed estimate tax form to all resident taxpayers that filed an estimated tax form in the prior year. Taxpayers that choose to continue to use paper forms may procure these from the Department or on the Department’s website.

**Agency Stated Authority:** Iowa Code sections 17A.3 and 421.14.

**Fiscal Impact**

**Agency Response:** Though the fiscal impact will be minimal (less than \$100,000 annually), the Department estimates that it will save money and resources by printing and mailing fewer estimate forms beginning in tax year 2015.

**LSA Response:** The LSA concurs.

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**Nursing Board**

**ARC 1737C**

**Rule Summary**

Establishes rules implementing the licensing reciprocity provisions of the Home Base Iowa Act (2014 Iowa Acts, chapter 1116).

**Agency Stated Authority:** 2014 Iowa Acts, chapter 1116.

**Fiscal Impact**

**Agency Response:** No fiscal impact.



**LSA Response:** The LSA concurs.

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**Professional Licensing and Regulation Bureau**

**ARC 1734C**

**Rule Summary** Addresses the process that the Professional Licensing and Regulation Bureau will use to provide credit toward licensure qualifications for military service, education, and training, and the procedures for expediting reciprocal and provisional licensure for veterans that are licensed in other states. The rules will establish the same procedure for all seven boards within the Bureau.

Chapter 14 is being promulgated as a result of the Home Base Iowa Act. The Act requires all professional and occupational licensing boards, commissions, and other authorities subject to Iowa Code chapter 272C to adopt rules regarding military service and veteran licensure by January 1, 2015.

**Agency Stated Authority:** Iowa Code sections 546.3 and 546.10.

**Fiscal Impact** **Agency Response:** No fiscal impact to the State. As licensing fees will remain the same, there will be no additional cost to the State.

**LSA Response:** The LSA concurs.

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**Board of Regents**

**ARC 1743C**

**Rule Summary** Increases the application fees at the University of Northern Iowa (UNI) from \$50 to \$60 for Graduate and Professional Domestic Students and from \$70 to \$75 for Graduate and Professional International Students.

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

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

**LSA Response:** Minimal fiscal impact. The University estimates that the proposed fee increases will generate \$12,000 annually.

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**Secretary of State**

**ARC 1735C**

**Rule Summary** Updates language throughout chapter 21 providing technical clean up. These changes will not impact election administration in the State of Iowa.

**Agency Stated Authority:** Iowa Code sections 47.1 and 17A.4.

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

**LSA Response:** The LSA concurs.

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Department of Transportation

**ARC 1736C**

**Rule Summary** Requires the Department of Transportation to retain records related to the final decision for contested cases. Currently, records must be maintained for three years. This change is consistent with Iowa Code section 17A.12. Contested cases primarily pertain to drivers' license revocation, suspension, and disqualification. However, this also pertains to titles, dealer licenses, and other issues.

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

**Fiscal Impact** **Agency Response:** Rules changes are minor and will have no fiscal impact.

**LSA Response:** The LSA concurs.

**ARC 1714C**

**Rule Summary** Amends the DOT 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 in this rule.

- Extends the term for drivers' licenses 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 yearly fee to upgrade licenses to include a motorcycle from \$1 to \$2.
- Increases fees for replacement licenses from \$3 to \$10.
- Waives the fee for a 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 an estimated \$1.2 million each fiscal year. Production expenditures are supported by annual appropriations from the Road Use Tax Fund.

**Utilities Division**

**ARC 1716C**

**Rule Summary** Amends chapter 476C to extend the time limit for an eligible agency to receive in-service credits for an additional two years from January 1, 2015 to January 1, 2017. Extends the last year for tax credit issuance by two years from year-end 2024 to year-end 2026. These extensions were provided for in Senate File 2343 (Renewable Energy Tax Credit Act).

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

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

**LSA Response:** The LSA concurs.

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