

MEMORANDUM

TO: Administrative Rules Review Committee
 FROM: Fiscal Services Division, Legislative Services Agency
 DATE: October 9, 2003
 RE: Fiscal Impact of Agency Administrative Rules

House File 636 (Legislative Services Agency Consolidation Act) 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). This memorandum provides an overview of the fiscal impact of the rules presented by the agencies for the October 13, 2003 ARRC meeting.

<u>Rule</u>	<u>Rule Summary</u>	<u>Fiscal Impact Analysis</u>
Administrative Services Department		LSA Contact: Ron Robinson 1-6256
ARC 2788B and ARC 2780B	Converts rules regarding Department organization from the former departments of General Services, Personnel, and Information Technology and the accounting function of the Department of Revenue and Finance to the new Department of Administrative Services.	No fiscal impact.
ARC 2803B	Consolidates rules regarding petitions for rule making by the former Departments of General Services, Personnel, and Information Technology and adopting Chapter 5 under the new Department of Administrative Services.	No fiscal impact.
ARC 2804B	Consolidates rules on agency procedures for rule making by the former Departments of General Services, Personnel, and Information Technology and adopting Chapter 6 under the new Department of Administrative Services.	No fiscal impact.
ARC 2805B	Consolidates rules regarding declaratory orders by the former Departments of General Services, Personnel, and Information Technology and adopting Chapter 8 under the new Department of Administrative Services.	No fiscal impact.
ARC 2777B	Implements the provisions of 2003 Iowa Acts, HF 534, which establishes the Department of Administrative Services and creates customer councils to oversee the provision of services for which the Department is the sole provider. The rules establish three customer councils: general	No fiscal impact. The rules are intended to benefit governmental entities that are customers of the services provided by the Department of Administrative Services (DAS), where the Department of Administrative Services

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	services, human resources, and information technology.	(DAS) is the sole provider of the service, by giving them a voice in the provision of those services.
ARC2778B	Converts five chapters from the authority of the former Department of General Services to the new statutorily established Department of Administrative Services.	No fiscal impact.
Agriculture and Land Stewardship		LSA Contact: Deb Kozel 1-6767
ARC 2791B	<p>Department of Agriculture and Land Stewardship regulates whitetail deer preserve hunting and requires persons to apply for a whitetail deer hunting preserve license with an annual fee of \$1,000. Harvested whitetail deer are required to be tagged.</p> <p>Beginning January 1, 2004, farm deer facilities are required to register with the Department. The Department will charge an inspection fee of \$35 per hour.</p>	<p>Increased revenues include:</p> <ul style="list-style-type: none"> • \$6,000 per year for six whitetail deer hunting preserves. • \$30,000 per year for 300 farm deer breeders. Inspection fee increase revenue is unknown. • \$15,000 per year for 150 participants in the Chronic Wasting Disease Program. • Other fees including \$30,000 for veterinarian inspections, \$17,900 for slaughter inspections and \$2,500 for shipping samples. • Revenue will be used by the Department to pay expenditures. Total cost is \$101,700.
ARC 2781B	Eliminates rules related to packaging, labeling, and selling sorghum in the <u>Iowa Administrative Code</u> .	No fiscal impact.
Capital Investment Board		LSA Contact: Ron Robinson 1-6256
ARC 2764B	<p>These amendments are intended to implement Chapter 15E, <u>Code of Iowa</u>, as amended by 2003 Iowa Acts, SF 458 (FY 2004 Standing Appropriations, Salary Provisions, and Statutory Changes).</p> <p>The proposed rules amend the requirements and definitions for Investments in Qualifying Businesses and Community-Based Seed Capital Funds, and the Tax Credit for Investments in Venture Capital Funds.</p>	No fiscal impact.
ARC 2765B	These rules provide for contingent tax credits administered by the Iowa Capital Investment Board relating to investments in one or more funds organized by the Iowa Capital Investment Corporation.	No fiscal impact.
Credit Union Division (Dept. Commerce)		LSA Contact: Ron Robinson 1-6256
ARC2792B	These rules adopt new procedures for adoption of rules.	No fiscal impact.
Dental Examiners Board (Dept. Public Health)		LSA Contact: Lisa Burk 1-7942
ARC 2783B	Adopts a new definition of public health supervision that would permit the provision of dental hygiene services in certain public	The change may increase access to services by both Medicaid eligible and other low-income clients for preventive

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	health settings with contracted supervision of a dentist prior to a dental exam.	dental services, such as screening, prophylaxis, and sealants. However, the increased cost of providing these preventive services to a larger population may be offset by future Medicaid savings due to a decrease in restorative dental services. Funding has not been provided for this rule change and estimated future savings cannot be determined. For FY 2004, it is estimated that the change may result in a need for an increase ranging from \$216,000 to \$432,000 in State General Funds for Medicaid. In FY 2005, it is estimated that an additional \$454,000 to \$908,000 in State General Funds for Medicaid may be needed.
ARC 2786B	Temporary permit to practice dentistry or dental hygiene on a short-term basis at a specific location or locations to fulfill an urgent need or to serve an educational purpose.	No fiscal impact.
ARC 2787B	Further defines the expanded functions for dental assistants and allows a dentist to delegate an expanded functions to a dental assistant if the assistant has completed a Board-approved course of training. Nine expanded function are proposed with existing rules specifying only six.	No fiscal impact.
ARC 2785B	Adopts new definition of monitoring nitrous oxide inhalation analgesia and training requirements for dental hygienists who want to monitor patients receiving nitrous oxide.	No fiscal impact. Licensees who wish to monitor nitrous oxide may incur some training costs.
Department of Economic Development		LSA Contact: Russ Trimble 1-4613
ARC 2755B	Amendments update these rules to incorporate changes enacted during the 2003 legislative session (HF 692 & HF 683). The amendments to Chapter 7 add two new components - job retention and projects funded with monies from the Grow Iowa Values Fund. The amendments to Chapter 20 add new rules applicable to projects funded with monies from the Grow Iowa Values Fund.	These are existing programs so there is no new fiscal impact. The fiscal impact related to projects funded with Grow Iowa Values Fund monies are accounted for in the fiscal impact statement below for ARC 2754B.
ARC 2754B	Implements 2003 Acts HF 692 & HF 683. Establishes a new Chapter 9 for the Workforce Training & Economic Development Funds at the Community Colleges; how funds are made available to the colleges; defines allowable costs and establishes reporting requirements for projects involving Grow Iowa Values Fund	The fiscal impact is \$5.0 million for FY 2004, which is the amount appropriated in HF 683 (Grow Iowa Values Fund Act). Of the \$5.0 million impact for FY 2004, it is estimated that \$250,000 will come from the General Fund and that \$4.8 million will come from federal funds. For FY 2005 the fiscal impact will be \$5.0 million with \$1.9

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	monies.	million coming from the General Fund and \$3.1 million coming from federal funds.
ARC 2753B	Implements the Endow Iowa Grants program as authorized by 2003 Iowa Acts, HF 692 & HF 683. The rules establish application procedures, evaluation criteria, form of award, and establishes the contractual and compliance components of the program.	The fiscal impact is \$250,000 for FY 2005, which is the amount appropriated in HF 683 (Grow Iowa Values Fund Act). Of the \$250,000 impact, it is estimated that \$95,000 will come from the General Fund and that \$155,000 will come from federal funds. For FY 2006 and FY 2007, \$250,000 and \$500,000 are appropriated respectively for this purpose.
ARC 2797B	Implementation of the Endow Iowa Tax Credit Program as authorized by 2003 Iowa Acts, HF 683. Rules establish application procedures and evaluation criteria, form of award, and establish the contractual and compliance components of the program.	The fiscal impact is \$250,000 for FY 2005, which is the amount appropriated in HF 683 (Grow Iowa Values Fund Act). Of the \$250,000 impact, it is estimated that \$95,000 will come from the General Fund and that \$155,000 will come from federal funds. For FY 2006 and FY 2007, \$250,000 and \$500,000 are appropriated respectively for this purpose.
ARC 2750B	Rescinds the existing program rules for Self-Employment Loan Program (SELP) and adopts one rule to govern current SELP awards during the transition.	No fiscal impact. The same amount of program funding is available. These rules just change program policies.
ARC 2799B	The proposed amendments incorporate legislative revisions to the Value-Added Agricultural Products and Processes Financial Assistance Program in accordance with 2003 Iowa Acts, HF 692, section 87.	No fiscal impact.
ARC 2800B	Revises the definitions of "community" & "full-time", limits the amount of investment (or insurance premium) tax credits, addresses extension requests, clarifies "pay" constitution, and repayment of benefits and amendments to approved projects.	Minimal fiscal impact. Since the amendments only provide for clarification of the existing program the impact for the state budget is not measurable at this time. If there were instances of non-compliance, the current cost of \$5.0 million per year could be reduced by the amount of repayments collected from the affected participants.
ARC 2751B	The rule changes implement HF 681 (Value Added Agriculture Tax Credits) and HF 576 (Enterprise Zones), including rules for a development business project; amending definitions, updating eligibility requirements, and procedures for Enterprise Zones and development business projects. The rules also update the method used in calculating the repayment of benefits, address how layoffs and closures elsewhere in the state would be handled, and allows the department the discretion to grant businesses a one-year extension to meet the requirements of the program.	No fiscal impact associated with changes authorized by HF 681. House File 576 would reduce General Fund revenues by approximately \$280,000 annually starting in FY 2004 and by \$4.0 million over a period of five to ten years starting in FY 2006. These rule amendments implement the statutory changes in the above-referenced bills and are consistent with the 2003 fiscal note.
ARC 2748B	The proposed new chapter establishes	No fiscal impact. Existing staff will be used

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	application requirements, evaluation criteria and procedures for participation in the Cogeneration Pilot Program in accordance with 2003 Iowa Acts, HF 391.	for approval of projects.
Department of Education		LSA Contact: Robin Madison 1-5270 Dwayne Ferguson 1-6561
ARC 2741B	Increases the administrative fee charged to persons enrolled in an out-of-state drinking drivers course as a result of an Iowa court order. The fee for persons attending both in-state and out-of-state courses has been \$10. The rule change increases the fee to \$25 for out-of-state drivers. The fees defray the Department's cost of reviewing and approving the courses.	Approximately 700 to 800 of Iowa's drinking drivers enroll in out-of-state courses each year. Additional annual revenue to the Department of Education generated by the fee increase is estimated to be \$12,000. There is no additional cost to implement the rule change.
ARC 2835B	Establishes procedures for funding educational services for children residing in the Department of Human Services (DHS) Mental Health Institutes at Cherokee and Independence, the Iowa Juvenile Home at Toledo, and the State Training School at Eldora. Funding from the State Foundation Aid appropriation will be allocated to the institutions using a formula similar to the Iowa School Foundation Aid Formula.	This rule has no impact on the General Fund. Approximately \$3.4 million will be transferred from the State Foundation Aid appropriation to the DHS institutions for children's education. The school districts will be able to restore the \$3.4 million by levying local property taxes. During the FY 2004 appropriation process, the DHS institutions budgets were reduced by \$2.8 million, yielding a savings of that amount to the General Fund. This reduction is more than offset by the transfer of State Foundation Aid to the DHS educational budgets for a net increase of \$534,000.
ARC 2807	Adopts Chapter 47 for Career Academies and provides for alignment of high school and community college coursework to prepare individuals for entry into high-skill technical careers.	The permitted uses of the Workforce Training and Economic Development Fund was expanded to include career academies. It is estimated that four community colleges will develop career academies in FY 2004 at a cost to the Fund of \$453,000. Three more academies will be added in FY 2005, bringing the total cost to \$594,000.
ARC 2809B	Amends Chapter 97 regarding regional academies to change the eligible grade range from 7-12 to 9-12, sets a minimum weighting of 10 additional students for a school district hosting a regional academy, and caps statewide funding by providing a method of prorating statewide funding if the supplementary weighting costs exceed \$1.0 million.	No fiscal impact on the State.
ARC 2740B and ARC 2808B	Amends Chapter 68 dealing with charter schools to establish the criteria and a point-weighting system for the State Board of Education to select up to ten public charter school sites.	The Department of Education received a U.S. Department of Education Charter School Grant providing up to \$1.1 million in the first year, \$1.3 million in the second year, and \$1.8 million in the third year. The Department estimates five charter schools will be established in the first year and

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		receive planning funds of \$75,000 each, for a total cost of \$375,000. Another five schools will be established in the second year, receiving planning funds of \$75,000 each, while the first five schools will receive \$150,000 each for implementation, for a total cost of \$1.1 million.
Environmental Protection Commission (Department of Natural Resources)		LSA Contact: Deb Kozel 1-6767
ARC 2774B	Specific requirements for construction permit variance related to the trial burn of alternatives fuels. Updates federal regulations.	No fiscal impact.
ARC 2775B	Adds a new small unit exemption for air construction permitting requirements.	Facilities will save approximately \$300 per permit application they are no longer required to complete.
ARC 2779B	Changes to the State Drinking Water (SDW) Program. <ol style="list-style-type: none"> 1. Reinstates a construction permit fee. 2. Restructures fees that support the laboratory certification program. 3. Unregulated contaminant monitoring rules. 4. Ammonia sample collection and analysis. 5. Self-monitoring flow categories. 6. Bottled water monitoring waiver. 7. Prohibits return of water from various sources to a public water supply system. 8. Sanitary survey requirements. 9. System requirement guidelines. 10. Construction standard references. 11. Well construction requirements. 12. Well-siting requirements. 13. Drinking water revolving loan program rules changes. 14. Operator certification rules. 15. Applicant requirements for certification reapplication. 16. DNR and education programs. 17. Solid waste laboratory certification requirements. 18. Includes federal EPA rule changes. 	Fiscal impact for changes: <ol style="list-style-type: none"> 1. Estimated revenue from construction permit fee is \$125,000 per year. 2. New fees are estimated to increase revenue by \$55,000 per year. 3. Fiscal impact to implement remaining rule changes is estimated at \$375,000 per year. This will include salaries, benefits, travel, etc. to support an additional 5.00 FTE positions with an average cost of \$75,000 each. These costs were based on a model developed by the federal Environmental Protection Agency (EPA). The Department has no funding source to pay for the additional positions and will use the fees from the construction permits, federal EPA grants, and State funding.
ARC 2776B	Water quality standards changes: <ol style="list-style-type: none"> 1. Establishes numerical water quality criteria for chloride for protection of aquatic life. 2. Replaces current total dissolved solids numerical criterion with a site-specific approach. 3. Reclassifies 300 publicly owned lakes and wetlands as Class B. 4. Changes secondary contact 	Fiscal impact per change: <ol style="list-style-type: none"> 1. Capital expenditures estimated to increase from \$800,000 to \$4.3 million for six municipal and industrial sites. Increased costs could be passed on the customer. 2. Fiscal impact is estimated between \$575,000 to \$705,000 over a five-year period. 3. Minimal fiscal impact.

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	<p>recreational use designation to all waterbodies designated as Class B Coldwater aquatic life and Class High Quality. Reclassifies Class B Warm Water to Class A2 that includes fishing and other activities.</p> <p>5. Changes classifications on Surface Water Classification document.</p> <p>6. Changes Protected Flows for Selected Stream Segments.</p> <p>7. Changes allowable temperature for warm water interior streams.</p>	<p>4. Estimated increase in expenditures of \$28.0 million to facilities to install disinfection equipment such as ultraviolet radiation. Affects 168 facilities. The increased costs may be passed on to the customer.</p> <p>5. Fiscal impact to the City of Elma is a capital expenditure of \$340,000 for an advanced treatment facility.</p> <p>6. No fiscal impact.</p> <p>7. No fiscal impact.</p>
Ethics and Campaign Disclosure Board		LSA Contact: Sam Leto 1-6764
ARC 2761B	Permits a permanent organization that makes a one-time contribution in excess of \$750.00 to a campaign committee the choice of filing a one-page form in lieu of the required current five-pages.	Minimal savings. The number of permanent organizations that will use the new form is not significant. The form will reduce paperwork on the regulated community and the Board.
ARC 2758B	Permits electronic signatures on reports filed electronically via the Board's web site and permits campaign committees to generate and use their own computer generated reports.	No fiscal impact. Campaign Committees have filed electronically for approximately 18 months. The changes bring the rules into compliance with Board policies.
ARC 2757B	Places into rules current Board practices of making local campaign reports available to the county commissioners of elections electronically via the Board's web site.	Minimal savings. The Board will reduce the costs of copying and mailing the reports. This savings is offset by the costs of a Web server, scanning, and staff time.
ARC 2760B	Places into rules current Board practices concerning the permissible uses of campaign funds by candidates as announced in various Board advisory opinions.	No fiscal impact. Rule changes reflect Board policies and practices that have been in place since the calendar year 2000.
ARC 2759B	Makes technical corrections to the rule governing the filing of verified statements of registration by out-of state political action committees.	No fiscal impact. Rule changes are technical and changes the information requirements on the current form.
ARC 2756B	Move rules of similar subject matter together by chapter.	No fiscal impact. Renumbers already existing rules and some technical cleanup.
ARC 2813B	Clarifies the current statutory language on the appointment of campaign committee officers, including ages and residency requirements.	No fiscal impact. This rule implements Section 56.3, <u>Iowa Code</u> .
ARC 2814B	Clarifies that the date of receipt for contributions by mail to be reported is the date that the recipient opens the envelope. The policy was announced by the Board in Advisory Opinion 2000-13.	No fiscal impact. Policy has been in place since calendar year 2000.
ARC 2812B	Permits a trust that makes a one-time contribution in excess of \$750 to use a one-page form that registers the trust as a political committee.	Fiscal impact cannot be determined. The number of trusts that qualify cannot be determined. There would be minimal savings in the amount of paperwork.
ARC 2810B	Requires the placement of the "paid for by" attribution statement on web sites that expressly advocate about a candidate or	No fiscal impact. This puts into rule Board Advisory Opinion 2000-25.

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	ballot issue.	
ARC 2811B	Permits a candidate's committee to use a computer owned by a corporate entity to generate and file campaign disclosure reports with conditions.	No fiscal impact. This puts into rule Board Advisory Opinion 2002-01. The Board's rules already contain a similar provision for other types of committees.
ARC 2815B Renumbers current Chapter 8 and Chapter 13	The subject matter of current Chapter 8 (Rules on Petitions for Rule Making) moves into a new Chapter 13. The subject matter of the current Chapter 13 (Executive Branch Lobbying) moves into a new Chapter 8 and is redrafted significantly.	No fiscal impact. The rulemaking is putting into place current Board policies and practices.
Grow Iowa Values Board (Dept. Economic Development)		LSA Contact: Russ Trimble 1-4613
ARC 2747B	These proposed amendments establish application requirements, evaluation criteria and procedures by which the Board will process requests for financial assistance from the Grow Iowa Values Fund, including the University and College Financial Assistance.	No fiscal impact.
Department of Human Services		LSA Contact: Sue Lerdal 1-7794, Lisa Burk 1-7942, Jennifer Vermeer 1-4611
ARC 2816B	Expands the Family Investment Program (FIP) Diversion Program statewide. The purpose of the Diversion Program is to provide short-term assistance to remedy an immediate need, which prevents the family from becoming a recipient of cash assistance.	The total cost for statewide diversion of \$512,000 (713 clients) is offset by \$769,000 in cost avoidance to FIP, for a net savings of \$257,000 in FY 2004 (six months of operation). The full savings are annualized in FY 2005, for a total of \$514,000 in avoided costs.
ARC 2817B	Decreases the maximum reimbursement rates for in-home health related care (IHHRC) and residential care facility (RCF) care by 6% on 2/1/2004. HF 667 (Health and Human Services Appropriations Act) directs DHS to make rate adjustments necessary to remain within the appropriation.	The State Supplementary Assistance Program is projected to be \$639,000 over budget for FY 2004 due to increased usage of IHHRC and RCF programs. This change decreases the maximum reimbursement rate by 6% rather than an across the board reduction to all providers. The estimated savings is \$754,000 for FY 2004. The savings will be used to ensure that program expenditures do not exceed the appropriation for FY 2004.
ARC 2818B	Eliminates monthly reporting for the Food Assistance Program and replaces it with certification for 12 months with one interim report at six months ("simplified reporting"). Recipients will be required to report separately if their income increases to above the maximum allowed under the program.	The estimated cost of system changes is \$15,600. Iowa will receive additional federal benefits of \$306,000. Savings due to no longer mailing the monthly forms is estimated at \$82,000. The net impact is estimated to be \$244,023 in FY 2004.
ARC 2472B	Implements federal food stamp regulations for non-monthly reporting households when there is a change in income. These households will be required to report unearned income changes of more than \$50 per month.	The program is 100% federally funded. The federal regulations state that the federal cost is \$87,000 for Iowa.

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ARC 2583B	Implements the Preferred Drug List (PDL) pursuant to HF 619 (Medicaid Cost Containment Act). The rules expand the prior authorization requirements.	<p>Estimated increased revenue from supplemental rebates of \$733,930 federal funds and \$416,010 State funds. Reduced prescription drug expenditures of \$5,552,340 federal funds and \$3,147,660 State funds. Increased cost to administer the PDL of \$836,250 federal funds and \$836,250 State funds.</p> <p>The estimated net impact is a savings of \$5,450,020 federal funds and \$2,727,420 State funds. This reflects the net impact of the increased revenues and reduced expenditures after the administration costs are taken into account for six-months of operation in FY 2004. The annual net impact would be \$10.8 million federal funds and \$5.4 million State funds in FY 2005.</p>
ARC 2572B	These amendments change the requirements for Medicaid participation by Advanced Registered Nurse Practitioners (ARNPs).	DHS has agreed to collect data on claims paid to ARNPs. The fiscal impact cannot be determined at this time.
Inspections and Appeals Department		LSA Contact: Doug Wulf 1-3250
ARC 2793B	Updating references to the Code of Federal Regulations and the National Fire Protection Association Life Safety Code For Hospitals.	No fiscal impact.
ARC 2826B	The proposed amendments provide that long-term care facilities cannot restrict medications obtained by residents to only those that meet the facility's drug distribution system requirements.	<p>We are unable to estimate the impact of this rule change due to the multiple factors impacting costs and savings. The following are issues to consider in weighing the fiscal impact:</p> <ol style="list-style-type: none"> 1. Nursing home residents would be able to achieve savings in the cost of purchasing prescription drugs. This provides a savings to the resident and to the Medicaid program. 2. Nursing homes will need to develop procedures for administering these drugs as it may not be possible to use their standard unit dose system. 3. Administration of bulk medications is more costly in terms of nursing staff time and medication errors. 4. Any increased costs would likely be passed on to residents and the Medicaid program. 5. It is unknown how many residents will access medications from another source. There is little incentive, however, for Medicaid clients to seek alternative sources for medications. 6. It is unknown whether any cost increase

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		<p>would be greater or less than the savings achieved.</p> <p>The impact statements provided by DIA, DHS, and the Iowa Health Care Association are attached for your review.</p>
ARC 2825B	The Proposed amendments stipulate that a resident shall only be declared incompetent by a court of law or in accordance with federal regulations.	No fiscal impact.
Insurance Division (Commerce Dept.)		LSA Contact: Ron Robinson 1-6256
ARC 2796B	The amendments provide technical corrections and guidance to insurers relative to the appropriate use of language in agreements with independent certified public accountants and guidance for the completion of notes to financial statements filed with the Commissioner. These amendments adopt the 1998 and 2001 amendments to the National Association of Insurance Commissioners model regulations.	A fiscal impact statement has not been received from the agency.
ARC 2794B	<p>This new rule provides guidance to various insurers and fraternal benefit societies for statements of actuarial opinion and supporting memoranda.</p> <p>Adds language relating to actuaries' ability to utilize professional judgment in performing the asset analysis and developing the actuarial opinion and supporting memoranda, consistent with relevant actuarial standards of practice.</p>	A fiscal impact statement has not been received from the agency.
ARC 2801B	Implements the provisions of 2003 Iowa Acts, HF 599 (Iowa FAIR Plan), which applies retroactively to October 7, 1968, to validate action taken under the Iowa basic property insurance inspection program. Establishes procedures and requirements for a mandatory risk-sharing facility for basic property insurance coverage, as well as improve reasonable loss prevention measures. Formalizes the operations and procedures of the FAIR Plan and its Governing Committee.	A fiscal impact statement has not been received from the agency.
ARC 2795B	These amendments recognize, permit and prescribe the use of the 2001 CSO Mortality Table in determining the minimum reserve liabilities and non-forfeiture benefits. The table reflects increases in life expectancy since the adoption of the 1980 CSO Mortality Table.	A fiscal impact statement has not been received from the agency.

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ARC 2743B	These rules establish requirements for a uniform prescription drug information card that provides a standard set of data elements to allow for efficient and effective processing of prescription orders and submissions.	A fiscal impact statement has not been received from the agency.
Iowa Finance Authority (Dept. Economic Development)		LSA Contact: Russ Trimble 1-4613
ARC 2827B	Implements the Housing Trust Fund Program, which was created in SF 452 (FY 2004 Infrastructure Appropriations Act).	The fiscal impact is \$800,000 for FY 2004, which is the amount appropriated in the Act from the Rebuild Iowa Infrastructure Fund (RIIF). According to the Iowa Finance Authority, the State would be able to fund eight to fifteen local housing trust funds and housing projects and would leverage \$2.6 million.
Labor Services Division (Dept. Workforce Development)		LSA Contact: Russ Trimble 1-4613
ARC 2831B	The proposed amendments update the rules; adopt the version of the building code used by the office of the Fire Marshall; eliminate inspection quotas for state inspections; specify what information should be contained in accident reports; amend numerous provisions relating to special inspectors; clarify safety standards for new installations; clarify legislative intent for regulation of material lift elevators; increase some fees and establish at least one new fee; amend requirements for posting notices and permits near facilities; and allow the Labor Commissioner to post a notice that a facility is not to be used.	The Department has not provided a fiscal impact statement.
Lottery Authority		LSA Contact: Ron Robinson 1-6256
ARC 2770B and 2771B	On July 1, 2003, the Lottery Division of the Department of Revenue and Finance became the Iowa Lottery Authority, an autonomous instrumentality of the State of Iowa, no longer connected to an executive branch department. Because of the organizational change, the Lottery's former administrative rules are being rescinded and new rules adopted.	Net General Fund revenues from the Lottery are expected to increase by \$8,000,000 during FY 2004. In subsequent fiscal years, the Lottery is anticipating that it will maintain the revenues transferred to the General Fund in FY 2004, if not increase revenues.
Medical Examiners Board (Dept. Public Health)		LSA Contact: Lisa Burk 1-7942
ARC 2762B	The proposed amendments will raise the licensure fees for renewal and reinstatement of permanent licensure fees.	Minimal fiscal impact. It is estimated that an increase in licensure fees will generate a total of \$63,000 in additional General Fund revenue. It is anticipated that there will be a \$12.50 increase for 3,360 online license renewals totaling an additional \$42,000, and that there will be a \$25.00 increase for 840 paper renewals totaling an

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		additional \$21,000.
ARC 2763B	Convenience fee for on-line renewal of license.	No information has been provided by the agency.
Natural Resource Commission (Dept. Natural Resources)		LSA Contact: Deb Kozel 1-6767
ARC 2819B	Changes to State Park Rules: <ol style="list-style-type: none"> 1. Increases the day-use lodge rental and group camp dining fee at Lake Keomah State Park. 2. Lowers weekday rental fee for all day-use lodge rentals. 3. Clarifies library fees and the Conservation Education Center. 4. Operating hours at the Brushy Creek State Recreation Area beach. 5. Elk Rock State Park added to the after-hours fishing category. 	Minimal fiscal impact for the majority of the changes. Rental fee increases are estimated to increase rental fees by \$1,365 per year. Reducing the lodge rental fees for weekday activities encourages small groups to use these facilities. The increase in rental fee is difficult to determine.
Nursing Board (Dept. Public Health)		LSA Contact: Lisa Burk 1-7942
ARC 2830B	Identifies the types of licensee and personnel information that are public records and makes provision for obtaining the information. Also, establishes the requirements for printed matter and advertising in the Board's newsletter, which is a non-public forum.	No fiscal impact.
ARC 2829B	Eliminates the requirement to notify the Board of the rearrangement of the sequence of courses and consolidates three sections of rules requiring program reports to the Board.	No fiscal impact.
ARC 2828B	Establishes a set amount for the Advanced Registered Nurse Practitioner (ARNP) registration fee and eliminates the fee that changed based on the length of the registration.	Minimal fiscal impact. It is estimated that the change will result in a \$1,500 increase in revenue for the General Fund per year. Approximately 83.0% of renewals are now three years in length. Seventy ARNPs may pay an additional \$21.00 per year.
Professional Licensure and Regulation (Dept. Commerce)		LSA Contact: Ron Robinson 1-6256
ARC 2802B	The amendment establishes guidelines for the Division's newsletter.	The Division has not provided a fiscal impact statement.
Professional Licensure Division (Dept. Public Health)		LSA Contact: Lisa Burk 1-7942
ARC 2745B	Physical and Occupational Therapy Examiners – Technical changes related to the conduct of persons who attend public meetings, name or address changes, and issuing duplicate license certificate or wallet card. Also, new practice and discipline chapters are adopted.	Minimal fiscal impact of less than \$100.
ARC 2746B	Physical and Occupational Therapy Examiners - Technical changes related to the conduct of persons who attend public meetings, name or address changes, and issuing duplicate license certificate or	Minimal fiscal impact of less than \$100.

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	wallet card. Education, supervisory, and renewal requirements are amended and new practice and discipline chapters are adopted.	
ARC 2744B	Psychology Examiners – Technical changes related to the conduct of persons who attend public meetings, name or address changes, and issuing duplicate license certificate or wallet card. Also, new practice and discipline chapters are adopted. Also adopts a newly revised discipline chapter that contains standard language that is consistent with other Boards' discipline chapters.	Minimal fiscal impact of less than \$100.
Department of Public Health		LSA Contact: Lisa Burk 1-7942
ARC 2820B	The proposed chapter provides guidelines for birthing hospitals, birth centers, physicians, and other health care professionals for the screening of newborns for hearing loss. In addition, the rules facilitate the transfer of data regarding the hearing screens to the Department to enhance the capacity of agencies and practitioners to provide services to children and families.	Minimal fiscal impact.
ARC 2824B	Provides explanation for the five programs of the Birth Defects Institute within the Department of Public Health. Activities and responsibilities are detailed, as well as the responsibilities of health care providers, birthing facilities, and laboratories in complying with the Program's function and activities. In addition, updates the newborn metabolic screening fee to \$56.00 for FY 2004. The Iowa Neonatal Metabolic Screening Program is adding approximately 30 disorders to the mandated newborn metabolic screening panel.	Net fiscal impact of zero. It is assumed there will be an estimated 38,000 newborns having newborn metabolic screening in the State. One dollar from each of the 38,000 screenings will be transferred to the Department of Public Health and used to support the salary of the State Coordinator for Genetic Services.
ARC 2823B	Defines who can sign the medical exemption form; rewords the religious exemption section; defines a valid certificate; defines the use of the immunization registry; and defines the release of immunization information.	No fiscal impact.
ARC 2822B	Provides information about the dose and timing of the Varicella (chicken pox) vaccine that is now required for enrollees in licensed child care centers and public or nonpublic elementary schools.	It is estimated that the State will receive an additional \$760,000 in federal funds in FY 2004 and \$700,000 in FY 2005.
ARC 2821B	Increase in fees paid for the shipment of low-level radioactive waste across the State in order to cover the cost of	Net fiscal impact of zero as the fees will be used to administer the Program. The increase in fees for FY 2004 is an

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	administering the Program in order to meet State and federal mandates to monitor the transportation of these materials.	estimated \$12,500 and an estimated \$25,000 in FY 2005.
Revenue Department		LSA Contact: Ron Robinson 1-6256
ARC 2767B	The proposed amendments are necessitated by recent legislation that removes the words “and finance” from the Department’s name and transfers a number of the Department’s financing duties to the newly created Department of Administrative Services.	A fiscal impact statement has not been received from the agency. The proposed amendments will not necessitate additional expenditures by political subdivisions or agencies and entities that contract with political subdivisions.
ARC 2834B	<p>These amendments implement 2003 Iowa Acts, HF 674 (Active Duty Pay Income Tax Exclusion).</p> <ol style="list-style-type: none"> 1. Specifies persons in the armed forces deployed outside the U.S. in certain contingency operations would be eligible for the tax benefits. 2. Provides that active duty pay of national guard members and armed forces military reserve members for military service on or after January 1, 2003, is exempt from Iowa income tax. 3. Provides a deduction of up to \$1,500 for un-reimbursed overnight transportation, meal and lodging expenses for travel to the extent the expenses were incurred as a member of the national guard or military reserve on or after January 1, 2003. 4. Provides an Iowa income tax exclusion for income realized from repayment of military student loans by individuals serving on active duty. 5. Describes the Iowa income tax exclusion of the death gratuity payable to an eligible survivor of a member of the armed forces who died while on active duty after September 10, 2001. 6. Subtracts the deduction for un-reimbursed travel expenses to the extent the deduction was included under miscellaneous itemized deductions of the taxpayer. 7. Provides that certain veterans’ organizations are exempt from federal income tax if 75.0% of the organization’s members need to be past or present armed forces members because the membership of the organization includes ancestors or lineal descendants. 	<p>A fiscal impact statement has not been received from the agency.</p> <p>The proposed amendments will not necessitate additional expenditures by political subdivisions or agencies and entities that contract with political subdivisions.</p> <p>The Department has determined that these proposed amendments may have an impact on small business.</p>
ARC 2769B	These amendments implement 2003 Iowa	A fiscal impact statement has not been

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	<p>Acts, HF 576 (Enterprise Zones Act) and HF 681 (Cooperatives, Economic Tax Credit Act).</p> <ol style="list-style-type: none"> 1. Eliminates the requirement, for tax years beginning on or after July 1, 2003, that eligible businesses whose projects primarily involve the production of value-added agricultural products only include cooperatives primarily involved in the production of ethanol. 2. Updates an implementation clause. 3. Provides that eligible businesses in enterprise zones may be subject to repayment of tax credits previously taken if the business experiences a layoff or closes facilities within Iowa. 	<p>received from the agency.</p> <p>The proposed amendments will not necessitate additional expenditures by political subdivisions or agencies and entities that contract with political subdivisions.</p> <p>The Department has determined that these proposed amendments may have an impact on small business.</p>
ARC 2768B	<p>These amendments implement 2003 Iowa Acts, SF 441 (Housing Tax Credit Bifurcation Act).</p> <ol style="list-style-type: none"> 1. Provides that tax credit certificates must be issued to individuals who qualify for the eligible housing business tax credit and to provide for the transferability of the eligible housing business tax credit for individual income tax. 2. Includes in the tax credit certificate issued to individuals a place for the name and tax identification number of the transferee and amount of the tax credit transferred if the property rehabilitation tax credit is transferred. 3. Provides that the property rehabilitation tax credit can be transferred for individual income tax. 4. Provides that tax credit certificates must be issued to corporations that qualify for the eligible housing business tax credit and to provide for the transferability of the eligible housing business tax credit for corporation income tax purposes. 5. Includes in the tax credit certificate issued to corporations a place for the name and tax identification number of the transferee and amount of the tax credit transferred if the property rehabilitation tax credit is transferred. 6. Provides that the property rehabilitation tax credit may be transferred for corporation income tax. 7. Provides that tax credit certificates must be issued to financial institutions that qualify for the eligible housing business tax credit and to provide for the 	<p>A fiscal impact statement has not been received from the agency.</p> <p>The proposed amendments will not necessitate additional expenditures by political subdivisions or agencies and entities that contract with political subdivisions.</p> <p>The Department has determined that these proposed amendments may have an impact on small business.</p>

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	transferability of the eligible housing business tax credit for franchise tax purposes.	
ARC 2832B	<p>These amendments are proposed pursuant to 2003 Iowa Acts, HF 677 (Capital Investment Program).</p> <p>Provides tax credits for businesses approved by the Iowa Department of Economic Development under the New Capital Investment Program for individual and corporate income tax, and franchise tax.</p>	<p>A fiscal impact statement has not been received from the agency.</p> <p>The proposed amendments will not necessitate additional expenditures by political subdivisions or agencies and entities that contract with political subdivisions.</p> <p>The Department has determined that these proposed amendments may have an impact on small business.</p>
ARC 2833B	<p>The purpose of these proposed amendments is to implement 2003 Iowa Acts, HF 344 (Fuel Tax Exemption, Political Subdivision Act) and SF 458 (FY 2004 Standing Appropriations, Salary Provisions, and Statutory Changes Act).</p> <p>Adds definitions, an implementation clause and requires dealers to maintain records similar to others in the fuel distribution chain. Reflects the change in the tax rate for gasoline from 20.1¢ to 20.3¢ for the 2003–2004 fiscal year, and creates a refund for the tax paid on fuel used by benefited fire districts for public purposes.</p>	<p>A fiscal impact statement has not been received from the agency.</p> <p>The proposed amendments will not necessitate additional expenditures by political subdivisions or agencies and entities that contract with political subdivisions.</p> <p>The Department has determined that these proposed amendments may have an impact on small business.</p>
ARC 2766B	<ol style="list-style-type: none"> 1. Requires that property leased to others by the Department of Corrections and the Department of Human Services be subject to taxation and amends an implementation clause. 2. Amends paragraph 80.2(2)“c” to permit former members of the armed forces of the United States who opted to serve five years in the reserve forces of the United States to be eligible for the military service property tax exemption if any portion of their term of enlistment would have occurred during the Korean Conflict (June 25, 1950, to January 31, 1955). 3. Amends paragraph 80.7(8)“b” to provide that state reimbursement for property tax revenue lost by counties from the phase–out of the tax on industrial machinery, equipment, and computers will end with the 2004 rather than the 2006 fiscal year (two years earlier than scheduled). 	<p>A fiscal impact statement has not been received from the agency.</p> <p>The proposed amendments will not necessitate additional expenditures by political subdivisions or agencies and entities that contract with political subdivisions.</p> <p>The Department has determined that these proposed amendments may have an impact on small business.</p>

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Utilities Division (Commerce Dept.)		LSA Contact: Ron Robinson 1-6256
ARC 2772B	The amendments are in response to <u>Iowa Code</u> section 476.47, which requires all electric utilities to offer by January 1, 2004, alternate energy purchase programs that allow customers to contribute voluntarily to the development of alternate energy in Iowa.	No fiscal impact.
ARC 2773B	The amendment deals with granting eligible telecommunications carrier (ETC) status to wireless telecommunications carriers based on their certification from the Federal Communications Commission (FCC) and establishing filing procedures and service quality requirements for wireless carriers that seek and receive eligible telecommunications carrier (ETC) status.	No fiscal impact.
ARC 2782B	The proposed rules add new Chapter 43, and are intended to implement the broadband initiative created in 2003 Iowa Acts, SF 368 (Iowa Broadband Initiative Act).	<p>It was estimated that the Iowa Utilities Board would expend approximately \$45,000 and add 1.0 FTE position to work on rate rebalancing, the broadband initiative, and conduct studies of the current state of exchange competition in Iowa and intrastate access charges. Since the utility companies reimburse the expenses of the Iowa Utilities Board, there would be no net fiscal impact on the Utilities Board.</p> <p>Local exchange service customers of Qwest, Iowa Telecom, and Frontier, may experience a price increase of up to \$2 per month, or \$24 per year, if those companies choose to participate in the broadband initiative. If the companies choose to participate, they will receive additional annual revenues that must be spent only on the deployment of advanced telecommunication services in Iowa. Assuming that the charge to the customers is the maximum amount allowed by statute, Qwest's annual revenues could increase annually by up to \$24 million (approx. 1 million customers x \$24); Iowa Telecom's revenues could increase annually by up to \$7.7 million (approx. 300,000 customers x \$24); Frontier's revenues could increase annually by up to \$1.2 million (approx. 50,000 customers x \$24).</p>

Please contact the LSA analyst listed for each rule, Jennifer Vermeer (281-4611), or Tim Faller (281-4615) if you have any questions.

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