



ADMINISTRATIVE RULES – FISCAL IMPACT SUMMARIES

Section 17A.4(3) Iowa Code Supplement requires the Legislative Services Agency (LSA) to analyze the fiscal impact of all administrative rules with an impact of \$100,000 or more and provide a summary of the impact to the Administrative Rules Review Committee (ARRC). Fiscal Impact Statements filed by State agencies can be found on our website at http://staffweb.legis.state.ia.us/lfb/docs/Admin_Rules/arfiscal_notes.htm.

DEPARTMENT OF ADMINISTRATIVE SERVICES

ARC 4691B

Rule Summary The proposed rule implements House File 839 (FY 2006 State Information Technology Reorganization), establishing the Technology Governance Board (TGB) in place of the Information Technology Council. New Chapter 20 sets forth the operations of the Board. Establishment of the Board also requires the Department to revise its process for developing and approving enterprise information technology operational standards and the process for agencies to obtain approval of major information technology procurements.

Fiscal Impact The Technology Governance Board will have 11 meetings during its first year of operation in FY 2006 and 12 meetings in FY 2007 and succeeding fiscal years. There will be no new costs for State employees serving on the Board, since the salary costs of the employees will be within existing budgets. Those costs are as follows:

- Administrative support (\$80,000) – Costs will be covered in the DAS-Information Technology Enterprise (ITE) budget, which includes the percentages of two ITE staff members' salaries, and costs associated with two public members appointed to the Board.
- Information technology consolidation research (\$170,000) – Costs will be covered within the \$500,000 and \$1.0 million appropriation requests for architecture and data center funding, if approved for FY 2007.

ARC 4690B

Rule Summary The proposed rule updates rules regulating parking on the Capitol Complex by revising the definition of "employee." The rules will make it easier to enforce segregation of parking in employee and visitor lots. Includes rules for State employees who do not regularly work on the Capitol Complex and for board and commission members who work at the Capitol Complex only occasionally.

Fiscal Impact Minimal fiscal impact. Additional non-adhesive hang tags (\$1.50 each) will be purchased as parking permits for off Complex employees who park at the Capitol Complex. Some off-Complex employees presently use adhesive decals on their vehicles. The cost of the hang tags will be partially offset by a reduction in the

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purchase of the adhesive decals (\$0.90 each). The non-adhesive hang tags can be reused. The number of hang-tags that will be required is unknown. Typically, the Department has provided parking permits free of charge, and the rules do not change this practice.

STAFF CONTACT: Jess Benson (Ext. 14613)

DEPARTMENT OF AGRICULTURE AND LAND STEWARDSHIP

ARC 4605B

Rule Summary Terminates the Notice of Intended Action for ARC 4246B, which strikes an exception to the requirement of nameplates on anhydrous ammonia tanks and adds a new rule pertaining to the certification of anhydrous ammonia applicators and nurse tanks with unreadable or missing nameplates under the jurisdiction of the Department of Agriculture and Land Stewardship. This rule was also Adopted and Filed Emergency as ARC 4247B, and no changes were made after public participation was completed.

Fiscal Impact No fiscal impact.

ARC 4655B

Rule Summary Rescinds and replaces Chapters 90 (State Licensed Warehouse and Warehouse Operators), 91 (Licensed Grain Dealers), 92 (Participation in Grain Indemnity Fund), 93 (Grain Indemnity Fund Board – Organization and Operations), and 94 (Claims Against the Grain Depositors and Sellers Indemnity Fund).

Fiscal Impact Minimal fiscal impact regarding increased expenditures. Total costs to the regulated community for compliance is unknown; however, the proposed changes may increase costs and, in a few instances, reduce costs due to eliminating restrictions on storage facilities. The estimated savings cannot be calculated, as the number of warehouse operators choosing to build and license new facilities is unknown.

STAFF CONTACT: Debra Kozel (Ext. 16767)

ARTS DIVISION – DEPARTMENT OF CULTURAL AFFAIRS

ARC 4696B

Rule Summary Consolidates rules concerning the Iowa Arts Council's grant programs and other activities to reflect the Council's priorities and emphasize the concept of partnering.

Fiscal Impact No fiscal impact.

STAFF CONTACT: Robin Madison (Ext. 15270)

DEPARTMENT OF CORRECTIONS

ARC 4693B

Rule Summary Amends the standards for county jail facility inspections to be consistent with American Correctional Association (ACA) industry standards for jail operations.

Fiscal Impact No fiscal impact. Implementing the ACA space standards reduces the required amount of square footage per inmate.

ARC 4692B

Rule Summary Amends the standards for county jail facility inspections to be consistent with ACA industry standards for temporary holding facility operations.

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Fiscal Impact No fiscal impact. Implementing the ACA space standards reduces the required amount of square footage per inmate.

STAFF CONTACT: Beth Lenstra (Ext. 16301)

CREDIT UNION DIVISION – DEPARTMENT OF COMMERCE

ARC 4673B

Rule Summary Adopts a new rule to require evidence of title when lending for the purpose of acquisition or refinance of acquisition when a new mortgage, deed of trust, or similar instrument is filed.

Fiscal Impact No fiscal impact.

ARC 4672B

Rule Summary The rules are amended to eliminate rules regarding advertising at satellite terminals, and include exceptions to the approval of satellite terminals and to customer instruction in the use of the terminals.

Fiscal Impact No fiscal impact.

STAFF CONTACT: Sam Leto (Ext. 16764)

DEPARTMENT OF ECONOMIC DEVELOPMENT

ARC 4633B

Rule Summary Updates the description of the Iowa Economic Development Board to incorporate changes pursuant to House File 868 (FY 2006 Grow Iowa Values Act). The rule adds descriptions of three new committees that the Board is directed under the Act to establish: the Due Diligence Committee, the Loan and Credit Guarantee Committee, and the Technology Commercialization Committee.

Additional proposed rule revisions include updating the chapter to include information about Board meeting procedures and processes, updating the Department's web site address, and other technical corrections to Code of Iowa references.

Fiscal Impact No fiscal impact.

ARC 4634B

Rule Summary The proposed rule adds a new chapter to implement HF 868 (FY 2006 Grow Iowa Values Act) and HF 809 (FY 2006 Economic Development Appropriations Act), which establish and provide funding to the Grow Iowa Values Fund. The rule describes the allocation of moneys in the Fund, the allowable uses of Values Fund Assistance, application procedures, wage requirements, approval procedures, and contract administration provisions.

As a result of public comment, the rule was revised to add a provision that permits the Board to give extra consideration to wage waiver requests when the request is for a Value-Added Agricultural Products and Processes Financial Assistance Program (VAAPFAP) project or for a project located in an economic enterprise area. An "economic enterprise area" is defined in the revised subrule.

Fiscal Impact The fiscal impact is \$42.0 million annually from FY 2006 through FY 2015. This includes the amount appropriated for Department of Economic Development (DED)

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Programs (\$35.0 million), Regents Institutions (\$5.0 million), the Iowa Cultural Trust Fund (\$1.0 million), and State, Destination, and Banner parks (\$1.0 million). The remaining \$8.0 million impact of the \$50.0 million Grow Iowa Values Fund appropriation appears in the rules that follow.

ARC 4635B

Rule Summary The amendments to Chapters 7 (Iowa Jobs Training Program), 9 (Workforce Training and Economic Development Funds), and 20 (Accelerated Career Education (ACE) Program) update statutory references and replace Values Fund Board references with Iowa Economic Development Board references.

The amendments to Chapter 7 revise language related to HF 868, such as Board designations and statutory references. These amendments, following consultation with the community colleges, include minor revisions related to how the funds are distributed to accounts within the program, allow the community colleges to establish accounts for administration and payment of funds for training provided, and allow prospective employee training to meet limited short-term training for individuals to be hired upon completion of the training.

The amendments to Chapter 9 also add a provision to permit operational expenses associated with vocational technical training.

After public comments, technical changes were made to the rules.

Fiscal Impact The fiscal impact is \$7.0 million annually from FY 2006 through FY 2015. This is the amount appropriated in HF 809 (FY 2006 Economic Development Appropriations Act) for Workforce Training and Economic Development Funds.

ARC 4636B

Rule Summary The proposed new chapter is intended to implement HF 868 and HF 809, which establish and provide funding for economic development region activities through the Grow Iowa Values Fund. The rule describes the economic development region activities for which funding is available, application procedures, and approval procedures.

To clarify the intent of the rule, the introductory paragraph has been revised to clarify that an “economic enterprise area” means a designated “economic development region” that meets the listed criteria.

Fiscal Impact The fiscal impact is \$1.0 million annually from FY 2006 through FY 2015. This is the amount appropriated for Economic Development Region Financial Assistance in HF 809.

ARC 4637B

Rule Summary The proposed new chapter is intended to implement HF 868 and HF 809, which authorize tax credits for investments in Economic Development Region Revolving Funds. The rule describes the amount of tax credits available, application procedures, and other requirements applicable to this new tax credit program.

Fiscal Impact The fiscal impact is \$2.0 million annually. This amount could vary in future fiscal years, depending on the amount of tax credits awarded in one fiscal year. House File 868 allows up to \$2.0 million annually in tax credits awarded, plus any unused tax credits from the previous fiscal year.

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ARC 4638B

Rule Summary The proposed amendment to the Endow Iowa Grants Program adds a new definition of “endow Iowa qualified community foundation,” includes Endow Iowa Qualified Community Foundations as eligible applicants, and updates various Code of Iowa references.

Fiscal Impact HF 809 appropriated \$50,000 annually from FY 2006 through FY 2008 for the lead philanthropic entity.

ARC 4639B

Rule Summary The proposed amendment to the Endow Iowa Tax Credits Program adds new definitions of “community affiliate organization” and “endow Iowa qualified community foundation,” updates Code of Iowa references, and makes other technical corrections to correspond to recent legislative revisions. The rule revises the allocation amount from an aggregate of \$2.0 million to a total of \$2.0 million annually. The rule also sets aside 25.0% of the total annual amount available for tax credits for permanent endowment gifts made to community affiliate organizations, or made in conjunction with the Endow Iowa Grants Program.

In response to public comment, the rules were amended to clarify that, if the number of applications exceeds the amount of annual tax credits available, the Department will establish a waiting list for the next year’s allocation of tax credits, and applications shall first be funded in the order listed on the waiting list.

Fiscal Impact The fiscal impact for HF 868 (FY 2006 Grow Iowa Values Act) is a reduction in General Fund revenues of \$1.0 million in FY 2006, \$2.0 million in FY 2007 and FY 2008, and \$1.0 million in FY 2009.

ARC 4640B

Rule Summary The proposed rule to the Community Economic Betterment Account (CEBA) Program removes a reference to the Community Economic Betterment Review Committee, and replaces it with a cross reference to the Due Diligence Committee created by the Iowa Economic Development Board to review financial applications. The rule also clarifies the wage requirements for projects receiving over \$500,000, and revises the wage requirements for the modernization projects.

During the review of the proposed amendments, Department staff identified that the definition of “average county wage” in the Community Economic Betterment (CEBA) rules was now inconsistent with the wage threshold calculation described in the simultaneously proposed amendments to Chapter 168 (Additional Program Requirements). Under those amendments, wage calculations will be quarterly, not annually as stated in the CEBA rules. In the final rules, the CEBA “average county wage” definition was revised by changing “annual” calculation to “quarterly” calculation to be consistent with the amendments to Chapter 168 that the Board adopted on October 20, 2005.

Fiscal Impact No fiscal impact.

ARC 4642B

Rule Summary The new rule addresses the applicability of contracts and awards made under the New Jobs and Income Program and the New Capital Investment Program, both of which were repealed effective July 1, 2005. In addition, the rule specifies the eligibility requirements; the application review process; the determination of award

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amounts; and the agreement, compliance, and repayment provisions of the new High Quality Job Creation Program.

As a result of an internal review by Department staff, comments from the public, and discussion at the Board meeting, the following revisions were made to the proposed rules:

- The definition of “average county wage” was revised to match the definition used in other Department program rules (Chapter 2 (Grow Iowa Values Fund Assistance), Chapter 53 (CEBA), and Chapter 59 (Enterprise Zone)).
- The definition of “high quality jobs” and paragraphs 68.4(7)“a” and “b” were revised to clarify that “high quality jobs” means 130.0% of the average county wage or the wage established by the Board as a result of the wage waiver process.
- New subrule 68.2(9) was added to rule 261— 68.2 to clarify that if a project is creating jobs, with none of them being high quality jobs, then the project is not eligible to receive benefits and assistance under this Program.
- Subrule 68.3(2), “wage waiver,” was revised to add a provision that permits the Board to give extra consideration to wage waiver requests when the request is for a Value-Added Agricultural Products and Processes Financial Assistance Program (VAAPFAP) project or for a project located in an economic enterprise area. An “economic enterprise area” is defined in paragraph 68.3(2)“b.”
- Paragraph 68.4(4)“a,” “claiming the tax credit,” and paragraph 68.4(4)“c,” “refunds,” were revised by restructuring for clarity. The paragraphs have been divided into subparagraphs, each with catchwords, to identify the subject matter.

Fiscal Impact

As specified in the fiscal note for HF 868, General Fund revenues will be reduced by \$5.5 million in FY 2007. The reduction in revenues will increase each year until FY 2011, when General Fund revenues will be reduced by \$12.7 million annually.

ARC 4641B

Rule Summary

The proposed rule to the Enterprise Zone Program adds a definition of “annual base rent”; extends the time period for zone certification from July 1, 2005, to March 1, 2006; requires amortization of the investment tax credit over five years; removes the limitations concerning when the Department may negotiate an award; rescinds references to the New Jobs Tax Credit; and updates provisions applicable to the housing enterprise zone component.

Technical amendments have been made to carry out the intent of the noticed rule.

Fiscal Impact

No fiscal impact.

ARC 4643B

Rule Summary

The proposed rule to the Loan and Credit Guarantee Program adds microenterprises as eligible applicants; removes references to the Loan and Credit Guarantee Advisory Board and replaces them with references to the Loan and Credit Guarantee Committee established by the Iowa Economic Development Board; clarifies that the Board has final decision-making authority on applications, and adds a provision applicable to the loan and credit guarantee authorization fee for projects involving a line of credit.

Fiscal Impact

No fiscal impact.

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ARC 4644B

Rule Summary House File 868 (Grow Iowa Values Fund) requires the DED to update program wage thresholds on a quarterly basis under the High Quality Job Creation Act (HJCA). For purposes of consistency among other Department-administered financial assistance programs, the quarterly program wage thresholds calculations under the Act will be used for all DED financial assistance programs. This amendment establishes a new Division IV, Program Wage Thresholds Calculations. The rule describes the Department's process for updating program wage thresholds, clarifies that the thresholds apply to other Department-administered programs, and provides a transition period for pending applications.

Fiscal Impact No fiscal impact.

STAFF CONTACT: Ron Robinson (Ext. 16256)

BOARD OF EDUCATIONAL EXAMINERS – DEPARTMENT OF EDUCATION

ARC 4607B

Rule Summary Requires licensure applicants from out of state to meet the same basic skills testing requirement currently mandated for applicants who complete a teacher preparation program through an Iowa institution.

Fiscal Impact No fiscal impact.

STAFF CONTACT: Robin Madison (Ext. 15270)

DEPARTMENT OF ELDER AFFAIRS

ARC 4659B

Rule Summary Technical changes to the Department's chapter on introduction, abbreviations, and definitions to clarify language and eliminate duplication of statutory language.

Fiscal Impact No fiscal impact.

ARC 4660B

Rule Summary Technical changes to correct the Department's mailing address; clarify language; and eliminate duplication of statutory language.

Fiscal Impact No fiscal impact.

ARC 4661B

Rule Summary Technical changes to the Department's chapter on planning responsibilities to clarify language and eliminate duplication of statutory language.

Fiscal Impact No fiscal impact.

ARC 4662B

Rule Summary Technical changes to the Department's chapter on fiscal policy to clarify language; and eliminate duplication of statutory language.

Fiscal Impact No fiscal impact.

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ARC 4663B
Rule Summary Technical changes to the Department's chapter on the Area Agencies on Aging planning and administration to clarify language and eliminate duplication of statutory language.

Fiscal Impact No fiscal impact.

ARC 4664B
Rule Summary Technical changes to the Department's chapter on Area Agencies on Aging service delivery to clarify language, eliminate duplication of statutory language, and eliminate the section related to federal Title III-G on elder abuse, which has been transferred to a new chapter.

Fiscal Impact No fiscal impact.

ARC 4665B
Rule Summary Technical changes to the Department's chapter on the Senior Internship Program to transfer the Senior Internship Program definition from Chapter 1 to Chapter 10.

Fiscal Impact No fiscal impact.

ARC 4666B
Rule Summary Establishes rules on elder abuse, neglect, or exploitation prevention and awareness to reflect current policies and procedures.

Fiscal Impact No fiscal impact.

ARC 4667B
Rule Summary Establishes rules for the elder abuse initiative and emergency shelter to reflect current policies and procedures.

Fiscal Impact No fiscal impact.

ARC 4668B
Rule Summary Technical changes to the Department's chapter on the Senior Living Coordinating Unit to clarify language and eliminate the responsibilities and definition of Community-Based Adult Services Committee.

Fiscal Impact No fiscal impact.

ARC 4669B
Rule Summary Technical changes to the Department's chapter on the Senior Living Program and home and community-based services for seniors to clarify language and eliminate duplication of statutory language.

Fiscal Impact No fiscal impact.

STAFF CONTACT: Lisa Burk (Ext. 17942)

ENVIRONMENTAL PROTECTION COMMISSION – DEPARTMENT OF NATURAL RESOURCES

ARC 4651B
Rule Summary Exempts additional equipment and processes from the requirement to obtain an air construction permit. This exemption was developed by a workgroup consisting of the Iowa Department of Economic Development, the federal Environmental Protection

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Agency, and the Iowa Air Emissions Assistance Program at the University of Northern Iowa.

Fiscal Impact No fiscal impact.

ARC 4647B

Rule Summary Adopts federal National Emission Standards for Hazardous Air Pollutants as promulgated by the federal Environmental Protection Agency between 1996 and 2003. Currently, the Department of Natural Resources (DNR) is not aware of any facilities in Iowa subject to these standards.

Fiscal Impact No fiscal impact.

ARC 4645B

Rule Summary Updates references to federal effluent and pretreatment standards, and associated analytical methods in Chapters 60, 62, and 63. The changes include:

- Updates to reflect the Code of Federal Regulations.
- Amendments to the Water Pollution Control Act through July 1, 2005.
- Updates to reflect the approved methods for wastewater sample analysis.

Fiscal Impact No fiscal impact.

ARC 4652B

Rule Summary Adopts wastewater permit fees for construction permits, individual stormwater permits, and the General Permit #5.

Fiscal Impact The estimated fiscal impact is an increase in revenues of \$877,000 per year. Estimates were derived using the past number of permits and multiplying them by the proposed fees. Facilities affected include privately-owned industries, campgrounds, mobile home parks, quarries and mining operations, and all municipalities.

ARC 4649B

Rule Summary The proposed amendment provides technical corrections and additions to the list of major water sources – rivers and streams listed in Table 1 of Chapter 65. The corrections and additions provide a more consistent and accurate representation of these water sources for the State, as the current list is lacking some stream and river segments and was not consistently developed.

Fiscal Impact No fiscal impact.

ARC 4650B

Rule Summary Allows a planning area to retain their autonomy while using a federally compliant sanitary landfill within another planning area for final disposal of all solid waste generated within the planning area. This rule implements HF 399 (FY 2006 Solid Waste Planning Areas Act).

Fiscal Impact No fiscal impact.

ARC 4648B

Rule Summary Creates two new chapters with Chapter 211 focusing on financial assistance to regional collection centers and mobile unit collection centers. Chapter 123 will contain permit requirements for both collection centers.

Fiscal Impact No fiscal impact.

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ARC 4653B

Rule Summary Implements a certification process for third-party underground storage tank (UST) compliance inspectors and requires underground storage tank owners and operators to have an annual inspection. The owners or operators would pay an inspection fee that would cover the cost of the inspection. This process would be contracted out by the DNR. The Department would add training and testing for certification of private compliance inspectors and provide testing and oversight of certification.

Fiscal Impact The estimated cost of a compliance inspection of an underground storage tank is between \$250 and \$350. The different types of underground storage tanks are listed below:

- State Owned – There are 57 underground storage tanks owned by the State, and the annual inspection cost is estimated between \$14,000 and \$20,000 per year.
- Private Industry – There are 2,583 privately-owned underground storage tanks, and the annual inspection cost is estimated between \$646,000 and \$904,000 per year. Included in the total are 157 sites in temporary closure. A compliance inspection at a temporarily closed site is estimated to cost less. There is one insurance company that insures and inspects 1,889 of the private sites. The inspection cost is included in the insurance premium price, which reduces the number of sites requiring a compliance inspection to approximately 694 sites, for an estimated cost of between \$174,000 and \$243,000 per year.
- Local Governments – There are 237 sites owned by local governments in the State, of which 165 are insured. This reduces the number of sites requiring an inspection to 72 sites, for an estimated cost of between \$18,000 and \$25,000 per year.

DNR Workload – There would be an increased workload to review the inspection reports. Currently, the Department averages three to five years between inspections. The annual compliance inspections may increase the number of follow-up activities and inspections for compliance problems. This may decrease over time with annual inspections increasing compliance. The estimated number of personnel and the associated costs to successfully operate the program is unknown at this time.

ARC 4646B

Rule Summary The rule clarifies new requirements regarding underground storage tanks, including requirements for self-insurance. The rule also includes requirements for insurance providers of claims-made policies to notify the insured, and any additional named insured, of a six-month extended reporting expiration date in a written final cancellation or non-renewal notice. Additionally, the rule requires language in an insurance endorsement or certificate of insurance that allows the DNR to take necessary steps on behalf of the insured to preserve existing coverage under the terms of the policy.

Fiscal Impact No fiscal impact.

STAFF CONTACT: Debra Kozel (Ext. 16767)

IOWA FINANCE AUTHORITY – DEPARTMENT OF ECONOMIC DEVELOPMENT

ARC 4683B

Rule Summary Extends the maximum loan term to 40 years and increases the maximum size of subordinate loans for multi-family housing.

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Fiscal Impact No fiscal impact. The loan fees are not being changed by the amendments.

STAFF CONTACT: Ron Robinson (Ext. 16256)

DEPARTMENT OF HUMAN SERVICES

ARC 4623B

Rule Summary Terminates certain social services, and places limitations on the appeals process.

Fiscal Impact No fiscal impact.

ARC 4624B

Rule Summary Eliminates various payments and reimbursements based on an agreement with the federal Centers for Medicare and Medicaid Services (CMS) for termination of Intergovernmental Transfers (IGT) revenues.

Fiscal Impact The State will lose \$66.1 million in IGT revenue and has received federal approval for a State Medicaid Plan Waiver (the IowaCare Program) to be able to match \$53.2 million in other State and county revenue to use as a match for federal funds. With the plan to maximize federal funding, the minimum shortfall in replacing the IGT revenue to the State General Fund is \$12.9 million.

ARC 4621B

Rule Summary In accordance with legislation passed during the 2005 Legislative Session, the rule changes the eligibility rules for State Supplementary Assistance. The lower income limit for eligibility is reduced from 135.0% of the Federal Poverty Level (FPL) to 120.0% of the FPL, allowing the State to receive Federal Financial Participation (FFP) for the additional people. Also, these rules clarify the Medicaid eligibility requirement to specify full benefits as opposed to limited benefits, which are available through IowaCare, the family planning waiver, or the Medicaid savings program.

Fiscal Impact The fiscal impact is estimated to be \$49,000 each year in FY 2006 and FY 2007. New costs to the State include \$39,600 per year to pay each of the 3,300 eligible people \$1.00 per month and \$5,400 per year for increased Field Operations. The federal government will provide \$3,900 in matching funds for field operations per fiscal year and about \$2.0 million per fiscal year for the Medicare Premium Payment. These funds replace 100.0% State funds, more than off-setting the new expenses.

ARC 4658B

Rule Summary The proposed rule changes the Medicaid eligibility requirements for verification of pregnancy to allow the Department of Human Services to accept a woman's declaration of pregnancy and a probable conception date instead of requiring written verification by a health professional.

Fiscal Impact The fiscal impact cannot be determined.

ARC 4625B

Rule Summary Increases premiums for persons eligible for the Medicaid for Employed Persons with Disabilities Program. These individuals are eligible to "buy into" Medicaid while employed with a premium based on a sliding fee scale. Approximately 2,000 (25.0%) will pay a premium. Iowa statute requires the maximum premium to be similar to the State's health insurance cost. These rules increase the premium by 10.8% to parallel the calendar year 2005 increase in the State's health insurance cost. The maximum

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premium is charged when the average cost for State employees' insurance is equal to 7.5% of the disabled person's gross income.

Fiscal Impact

The maximum monthly premium of \$381 is charged when the person's income is equal to 632.0% of the Federal Poverty Level, and will increase to \$422 per month for persons with an income equal to 705.0% of the Federal Poverty Level. For those at 150.0% of the Federal Poverty Level, the monthly premium increases from \$24 to \$27 per month. For those at the second tier of the sliding scale, the Poverty Level increases from 174.0% to 178.0%, while the premium increases from \$45 per month to \$50 per month. Since the increased premium changes with an increase in the Federal Poverty Levels used for the sliding fee scale, certain persons may see a decrease in the amount of monthly premium. The Department of Human Services assumes there will be an increase in the eligible enrollment for this Program when determining the fiscal impact. Being a Medicaid Program, this revenue increase is divided between the Federal government and the State of Iowa. The State revenue increase will be \$23,000 for the second half of FY 2006, and \$55,000 for FY 2007.

ARC 4628B

Rule Summary

Excludes Medicaid recipients who are eligible for the federal Medicare Part D Drug Benefit from receiving Medicare Part D Covered Drugs from the Medicaid Program. Starting January 2006, State Medicaid Programs are not able to provide drugs covered by Medicare Part D to Medicaid eligibles. Drugs that are not provided by Medicare Part D may continue to be part of the States' Medicaid Programs. The Department of Human Services plans to continue to provide those limited provisions to those eligible for Medicaid. The number of "dual eligibles" for FY 2006 is estimated at 49,000 within the Iowa Medicaid Program. The following link provides a review by the Kaiser Commission on Medicaid and the Uninsured of the "clawback" requirement: <http://www.kff.org/medicaid/upload/The-Clawback-State-Financing-of-Medicare-Drug-Coverage.pdf>.

Fiscal Impact

The federal government is providing this coverage to Iowa Medicaid eligibles by what is referred to as a "clawback" provision, in which the State of Iowa will pay the federal government a formula-driven amount for this cost based upon FY 2003 drug expenditures. The estimated State cost is \$33.3 million for the second half of FY 2006, and \$70.0 million for FY 2007.

ARC 4629B

Rule Summary

Implements the Preferred Drug List (PDL) and sets all drug copays within the PDL at \$1.00.

Fiscal Impact

No fiscal impact.

ARC 4627B and ARC 4626B

Rule Summary

These amendments temporarily increase Medicaid reimbursement for nonemergency transportation and the transportation allowance for PROMISE JOBS participants to \$0.30 per mile. The rule is being proposed in response to higher fuel prices, and will be in effect from November 1, 2005 until June 30, 2006.

Fiscal Impact

The fiscal impact for the change in Medicaid transportation reimbursement is estimated to be \$635,000. This funding will be part of the FY 2006 supplemental request. The estimate includes the following assumptions:

- The mileage rate is increasing from \$0.20 per mile to \$0.30 per mile.

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- In FY 2005, \$3.6 million in State and federal dollars combined was spent on Medicaid transportation.
- There were approximately 287,000 eligibles per month on average in FY 2005.
- The State match rate for Medicaid transportation is 50.0%.
- There will be a fiscal impact for eight months of FY 2006.
- There were 18.0 million miles reimbursed under Medicaid in FY 2005.
- An average of 5.2 miles per month per eligible were paid out in FY 2005.
- It is estimated that the State will pay for 12.7 million miles in FY 2006.

The estimated State fiscal impact for the change in PROMISE JOBS mileage reimbursement is \$1.1 million. The DHS estimates that there will be enough money in the FY 2006 Family Investment Program (FIP) budget to cover this increase. The estimate includes the following assumptions:

- The mileage rate is increasing from \$0.21 to \$0.30 for the remaining eight months of FY 2006.
- Mileage costs for FY 2005 totaled \$3.8 million.
- Reimbursed miles for FY 2005 totaled 17.9 million (1.5 million miles per month).

ARC 4630B

Rule Summary Provides a 3.0% reimbursement rate increase for most Medicaid providers.

Fiscal Impact The estimated fiscal impact is \$16.5 million, which was provided in the FY 2006 appropriation for the Medicaid Program in HF 825 (Health and Human Services Appropriations Act), and a \$28.8 million increase in federal matching funds.

ARC 4620B

Rule Summary Implements the process for federal Medicare Part D drug subsidy eligibility.

Fiscal Impact The fiscal impact is \$2.7 million in State funds, which was provided in HF 825 (FY 2006 Health and Human Services Appropriations Act), to provide additional staff to undertake these responsibilities and other Medicaid Reform activities.

ARC 4618B

Rule Summary Implements an increase in reimbursement rates for foster and adoptive parents, bringing rates up to 65.0% of the USDA estimate of the cost to raise a child in the Midwest, effective July 1, 2005.

Also, implements a 3.0% across-the-board rate increase for social services providers for FY 2006 using rates in effect on June 30, 2005. Rates will increase by 3.0% or to the provider's actual and allowable cost plus inflation for each service, whichever is less. In addition, the changes implement the way the DHS pays emergency juvenile shelter providers and the way in which purchase of service agency contracts may be initiated in the event a Request for Proposal (RFP) is used to select contractors to provide a service.

Fiscal Impact It is estimated that the total cost of increasing reimbursement rates for foster and adoptive parents will be \$1.9 million. Of this, \$1.1 million will be paid from State General Funds and \$800,000 will be paid from federal funds in FY 2006. House File 825 (FY 2006 Health and Human Services Appropriations Act) provided additional

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funds in the Child and Family Services appropriation for this purpose. State costs will be slightly higher in FY 2007 due to a change in the federal financial participation rate.

It is estimated that the total cost of increasing rates for social services providers will be \$348,000. Of this, \$280,000 will be paid from State General Funds and \$69,000 will be paid from federal funds in FY 2006. House File 825 (FY 2006 Health and Human Services Appropriations Act) provided additional funds in the Child and Family Services appropriation for this purpose. State costs will be slightly higher in FY 2007 due to a change in the federal financial participation rate.

It is estimated there will be no additional fiscal impact if the DHS uses a Request for Proposal (RFP) to contract for shelter care services. Shelter Care is capped at \$7.0 million within the Child and Family Services appropriation.

		ARC 4631B
Rule Summary	Provides for implementation of the flexible family-centered component of the child welfare redesign.	
Fiscal Impact	The fiscal impact cannot be determined.	
		ARC 4632B
Rule Summary	Changes various definitions involving juvenile court services to conform to changes in the <u>Code of Iowa</u> , appropriations acts, and current practice. Also, increases the percentage allowed for the administrative cost of graduated sanction services from 5.0% to 10.0%; makes changes regarding the contracting process to comply with the Accountable Government Act, including tying payment to performance; and deletes some contract-related rules that are now promulgated by the Department of Administrative Services. In addition, changes are made to payment and record retention requirements for juvenile court services.	
Fiscal Impact	No fiscal impact. Any increase in costs is anticipated to be absorbed through cost shifting in current funding allocations.	
		ARC 4622B
Rule Summary	The rule revises the Child Care Assistance fee chart to reflect the new federal poverty levels (FPL), increases the maximum gross income limit for basic care to 145.0% of the federal poverty level, and increases special needs care to 200.0% of the level. The rule also updates provider reimbursement rate ceilings to reflect the 2002 provider rate survey.	
Fiscal Impact	The total estimated cost for these changes is an increase of \$9.9 million for FY 2006, with implementation to begin on September 1, 2005. This includes \$2.4 million to expand eligibility for Child Care Assistance to 145.0% of the federal poverty level for basic care, 200.0% for special needs care, and \$7.5 million to increase provider reimbursement rates to those in the 2002 provider rate survey. House File 825 (FY 2006 Health and Human Services Appropriations Act) provides these increases in the Child Care Assistance appropriation for FY 2006. An additional \$2.0 million will be needed in FY 2007 for annualization.	
		ARC 4619B
Rule Summary	The rule aligns child protective services rules with the Better Results for Kids Child Welfare Redesign, identifying populations for service eligibility criteria, and making form changes to align documentation with practice.	

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Fiscal Impact No fiscal impact.

STAFF CONTACTS: Kerri Johannsen (Ext. 14611) Lisa Burk (Ext. 17942) Sue Lerdal (Ext. 17794)

LANDSCAPE ARCHITECTURAL EXAMINING BOARD, PROFESSIONAL LICENSING AND REGULATION DIVISION – DEPARTMENT OF COMMERCE

ARC 4609B

Rule Summary Allows the Board to offer a consent agreement on stipulated charges in lieu of going to a contested case hearing on a first-time violation of the Board's continuing education requirements.

Fiscal Impact No fiscal impact.

STAFF CONTACT: Sam Leto (Ext. 16764)

NATURAL RESOURCE COMMISSION – DEPARTMENT OF NATURAL RESOURCES

ARC 4654B

Rule Summary Changes camping rules at State parks and forests and includes a centralized reservation system for renting campsites and facilities. Changes made since the Notice of Intended Action include:

- Provides definitions for "immediate family," "open shelter with kitchenette," and "walk-in campers."
- Reduces the cancellation fee from \$10.00 to \$5.00.
- Changes the check-out time from 2:00 p.m. to 3:00 p.m.
- Clarifies how reservable sites will be identified.
- Further clarifies that the reservation fee is charged per reservation and not per the number of days stayed.
- Clarifies when park staff will place reservation registrations in campsite holders.
- Clarifies procedures for walk-in campers that occupy non-rented reservable campsites.

Fiscal Impact Estimated revenues generated from the reservation system will be approximately \$230,000 in FY 2006 and \$250,000 in FY 2007. This assumes 45,000 reservations are completed using the reservation system, with 20,000 using the internet and paying the \$4.00 fee, and 25,000 using the call center and paying the \$6.00 fee.

Revenue generated from changing the reservation (\$5.00) or canceling the reservation (\$5.00), is unknown; however, using the estimated reservation number of 45,000, the following revenue could be generated:

<u>Percent of Campers</u>	<u>Number of Campers</u>	<u>Change or Cancellation Fee</u>	<u>Revenue Generated</u>
1.0%	450	\$5.00	\$ 2,250
5.0%	2,250	\$5.00	\$ 11,250
10.0%	4,500	\$5.00	\$ 22,500

Expenditures for the reservation system are estimated at \$230,000 per year, as the vendor does not get paid for a transaction until a reservation is made, changed, or

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cancelled. Existing Department staff has developed the reservation system, and expenditures were incurred within the operating budget.

New Cabin Rental Income – The increase in revenue from the new cabins and lodge rental fees is estimated at \$65,000 per year. This includes \$18,000 from the new cabins at Black Hawk State Park, \$15,000 for the beach lodge at Lake MacBride State Park, and \$35,000 for the cabins at Brushy Creek State Park.

STAFF CONTACT: Debra Kozel (Ext. 16767)

PROFESSIONAL LICENSURE DIVISION – DEPARTMENT OF PUBLIC HEALTH

ARC 4670B
Rule Summary Barber Examiners – Increases the license renewal fee by \$10.00 per licensee. There are 1,361 licensees and licenses renewed every two years. House File 825 (FY 2006 Health and Human Services Appropriations Act) codified language that permits the Board to retain 90.0% of any new fee increase, with the remaining 10.0% deposited into the General Fund.

Also, corrects discipline rules by removing reference of a lapsed license and provides barbers whose license has been on inactive status with the opportunity to reactivate their license without re-taking the exam.

Fiscal Impact The fee increase will generate additional revenues of approximately \$14,000. Of this, the Board will retain approximately \$12,600 (90.0%) and \$1,400 (10.0%) will be deposited into the General Fund.

ARC 4606B
Rule Summary Chiropractic Examiners – Increases the license renewal fee by \$20.00 per licensee. There are 1,414 licensees and licenses renewed every two years. House File 825 (FY 2006 Health and Human Services Appropriations Act) codified language that permits the Board to retain 90.0% of any new fee increase, with the remaining 10.0% deposited into the General Fund.

Also, amends subrules to allow licensees who renew within six months of a new licensure cycle to wait until the subsequent renewal period; corrects discipline rules by removing references to a lapsed license; clarifies how many hours an instructor can claim for teaching a course; and provides for continuing education hour credit to be claimed for proctoring the national examination.

Fiscal Impact The fee increase will generate additional revenues of approximately \$28,000. Of this, the Board will retain approximately \$25,000 (90.0%) and \$3,000 (10.0%) will be deposited into the General Fund.

ARC 4689B
Rule Summary Cosmetology Arts and Science Examiners – Proposed amendments make administrative rules consistent with legislative changes relating to intense pulsed light devices and provide for a mechanism for attestation when proof of high school graduation may not be possible.

Fiscal Impact No fiscal impact.

ARC 4685B
Rule Summary Cosmetology Arts and Science Examiners – Clarifies the examination required for licensure.

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Fiscal Impact	No fiscal impact.	ARC 4686B
Rule Summary	Cosmetology Arts and Science Examiners – Proposed amendments correct terminology by changing the word “reactivation” to “reinstatement,” clarify continuing education requirements, and delete the word “initial” to allow the subrule to apply to all types of licenses.	
Fiscal Impact	No fiscal impact.	ARC 4687B
Rule Summary	Cosmetology Arts and Science Examiners – Proposed amendment adopts new rules relating to temporary permits.	
Fiscal Impact	No fiscal impact.	ARC 4688B
Rule Summary	Cosmetology Arts and Science Examiners – Increases the license renewal fee by \$10.00 per licensee. There are 15,367 licensees and licenses renewed every two years. House File 825 (FY 2006 Health and Human Services Appropriations Act) codified language that permits the Board to retain 90.0% of any new fee increase, with the remaining 10.0% deposited into the General Fund.	
Fiscal Impact	The fee increase will generate additional revenues of approximately \$154,000. Of this, the Board will retain approximately \$139,000 (90.0%) and \$15,000 (10.0%) will be deposited into the General Fund.	ARC 4684B
Rule Summary	Cosmetology Arts and Science Examiners – Removes the requirement to take a separate exam covering Iowa law except in cases of reactivation; clarifies the date that continuing education in the area of each procedure is required; addresses salon change of ownership requirements; defines salon and school display of licensure documents; defines salon owner and independent contractor responsibilities; defines whirlpool spa sanitation procedure requirements and other salon sanitation requirements; and provides the Board with the ability to order an examination for mental, physical, or clinical competency, or alcohol or drug screening.	
Fiscal Impact	No fiscal impact.	ARC 4657B
Rule Summary	Hearing Aid Dispensers Examiners – Increases the license renewal fee by \$10.00 per licensee. There are 258 licensees and licenses renewed every two years. House File 825 (FY 2006 Health and Human Services Appropriations Act) codified language that permits the Board to retain 90.0% of any new fee increase, with the remaining 10.0% deposited into the General Fund.	
Fiscal Impact	The fee increase will generate additional revenues of approximately \$2,600. Of this, the Board will retain \$2,300 (90.0%) and \$300 (10.0%) will be deposited into the General Fund.	ARC 4612B
Rule Summary	Nursing Home Administrators Examiners – Increases the license renewal fee by \$10.00 per licensee. There are 704 licensees and licenses renewed every two years. House File 825 (FY 2006 Health and Human Services Appropriations Act) codified language that permits the Board to retain 90.0% of any new fee increase, with the	

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remaining 10.0% deposited into the General Fund. Also, corrects discipline rules by removing references to a lapsed license.

Fiscal Impact The fee increase will generate additional revenues of approximately \$7,000. Of this, the Board will retain \$6,300 (90.0%), and \$700 (10.0%) will be deposited into the General Fund.

ARC 4695B

Rule Summary Speech Pathology and Audiology Examiners – Increases licensure fees by \$16.00 per licensee. There are 267 audiologists and 782 speech pathologists that renew licenses every two years. House File 825 (FY 2006 Health and Human Services Appropriations Act) codified language that permits the Board to retain 90.0% of any new fee increase, with the remaining 10.0% deposited into the General Fund.

Fiscal Impact The fee increase will generate additional revenues of approximately \$17,000. Of this, the Board will retain approximately \$15,000 (90.0%) and \$2,000 (10.0%) will be deposited into the General Fund.

ARC 4694B

Rule Summary Speech Pathology and Audiology Examiners – Provides the Board with the ability to order an evaluation for mental, physical, or clinical competency, or alcohol or drug screening.

Fiscal Impact No fiscal impact.

ARC 4615B

Rule Summary Physician Assistant Examiners – Increases the license renewal fee by \$10.00 per licensee. There are 722 licensees and licenses renewed every two years. House File 825 (FY 2006 Health and Human Services Appropriations Act) codified language that permits the Board to retain 90.0% of any new fee increase, with the remaining 10.0% deposited into the General Fund. Also, corrects discipline rules by removing references to a lapsed license.

Fiscal Impact The fee increase will generate additional revenues of approximately \$17,000. Of this, the Board will retain \$15,000 (90.0%), and \$2,000 (10.0%) will be deposited into the General Fund.

STAFF CONTACT: Lisa Burk (Ext. 17942)

DEPARTMENT OF PUBLIC SAFETY

ARC 4678B

Rule Summary This rule addresses various amendments to 661 IAB Chapter 2, including removing the requirements of a written examination prior to obtaining a private investigator license.

Fiscal Impact No fiscal impact.

ARC 4676B

Rule Summary This rule revises the rules for the Iowa Sex Offender Registry, including reinstatement of the risk assessment process, as mandated pursuant to HF 619 (Sex Offender Registry Act).

Fiscal Impact No fiscal impact.

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ARC 4675B

Rule Summary This rule creates a new chapter regarding a DNA database maintained by the DCI Criminalistics Laboratory, as mandated pursuant to HF 619 (Sex Offender Registry Act).

Fiscal Impact No fiscal impact.

ARC 4677B

Rule Summary This rule allows logbooks of retail sales of pseudoephedrine products to be maintained in electronic format, if the retailer is able to provide the same information in printed form if the logbook were maintained manually. Also, provides instructions to cities and counties on reporting civil penalties assessed pursuant to the pseudoephedrine law, as mandated pursuant to SF 169 (Methamphetamine Act).

Fiscal Impact No fiscal impact.

STAFF CONTACT: Jennifer Acton (Ext. 17846)

RACING AND GAMING COMMISSION – DEPARTMENT OF INSPECTIONS AND APPEALS

ARC 4608B

Rule Summary Makes multiple miscellaneous changes, including:

- Changes the Commission's web site address.
- Allows a gaming representative to revoke the license of a person who has a confirmed positive drug test for a controlled substance.
- Adds a legislative change to a rule.
- Changes two incorrect cross references.
- Adds a subrule pertaining to State fire and building code rules.
- Changes the number of betting interests for trifecta wagering.

Fiscal Impact No fiscal impact.

STAFF CONTACT: Douglas Wulf (Ext. 13250)

DEPARTMENT OF REVENUE

ARC 4680B

Rule Summary Section 421.7, Code of Iowa, requires the Director of Revenue to determine and publish the interest rate for each calendar year. The Director has determined that the rate of interest on interest-bearing taxes under Title XVI shall be 8.0% for calendar year 2006 (0.7% per month). The Department will also pay interest at the 8.0% rate on refunds.

Fiscal Impact The fiscal impact cannot be determined. Taxpayers owing taxes will pay more interest than in the previous year and taxpayers owed refunds will receive more interest than in the previous year.

ARC 4614B

Rule Summary The rules implement tax credit provisions of the following three Acts:

- HF 857 (FY 2006 Housing Development Tax Credit Act) – Allows for the transfer of eligible housing business tax credits for projects located in a Brownfield site or a blighted area.

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- HF 868 (FY 2006 Iowa Values Fund Act) – Provides for additional historic, cultural, and entertainment district tax credits, and additional Endow Iowa tax credits.
- HF 882 (FY 2006 Standing Appropriations Act) – Allows a tax credit to an eligible housing business under the Enterprise Zone Program, and for property rehabilitation to be allocated to a limited partner designated by the limited partnership when Section 42 Low-Income Housing Credits are used to finance these projects.

Fiscal Impact The fiscal impact of the provisions of these Acts is provided below. Additional detail is provided in each fiscal note.

- House File 857 – The tax credit provision implemented in this rule will reduce General Fund revenues by approximately \$800,000 for FY 2006 and \$3.5 million for FY 2007.
- House File 868 – The tax credit provisions implemented in this rule will reduce General fund revenues by \$1.0 million for FY 2006 and \$6.0 million for FY 2007.
- House File 882 – No fiscal impact. Under current law, tax credits for projects using Section 42 Low-Income Housing Credits are already transferable.

ARC 4682B

Rule Summary These rules implement House File 868, which provides for a wage-benefits tax credit for individual income, corporation income, and franchise tax.

Fiscal Impact The wage-benefits tax credit will have no impact on General Fund revenues for FY 2006, but will reduce General Fund revenues by \$10.0 million in FY 2007, as noted in the fiscal note for HF 868.

ARC 4681B

Rule Summary These rules implement SF 390 (FY 2006 Alternate Energy Purchase Program Act), which provides for renewable energy production tax credits for individual income, corporation income, and franchise tax. These rules also implement HF 882, Sections 163 through 171, which provide for a wind energy production tax credit for individual income, corporation income, and franchise tax.

Fiscal Impact The renewable energy tax credit will have no impact on General Fund revenues for FY 2006, but will reduce General Fund revenues for FY 2007 by \$2.8 million, as noted in the fiscal note for SF 390. The wind energy production tax credit will increase General Fund revenues by \$10.2 million for FY 2006 and by \$925,000 for FY 2007.

ARC 4613B

Rule Summary Makes numerous changes to various Administrative Rules (detailed below), including updating the name of the Department to the Department of Revenue, and changes to conform to legislation passed during the 2005 Legislative Session:

Renewable Energy Tax Credit – Specifies that persons claiming tax credits are to submit information to the director of the Department of Revenue, and a warrant is to be issued for the amount of the taxes paid. Excess credit may be carried forward for up to seven years.

Agricultural Productivity Value – Defines the taxable valuation of agricultural buildings and structures in terms of agricultural land productivity.

Assessment Protests – Permits a protester to combine property assessment protests.

Board of Review Deadlines – Sets the deadline for appealing a Board of Review decision to within 20 days of the Board's adjournment, or May 31, whichever is later.

Statewide Property Assessment Appeal Board – Specifies the experience requirements for Board members and staffing for the Statewide Property Assessment Appeal Board within the Department of Revenue to hear appeals of local boards of review for the assessment year beginning January 1, 2007. The Board has three members, a secretary, general counsel (attorney) and other staff as needed. The Board members are compensated at the same level as a district judge but are not State employees for purposes of salary and benefits. Provisions are included for a review committee, effective January 1, 2012, to review the activities of the Board and report to the General Assembly.

Assessor Compliance – Requires county and city assessors to determine the value of real property in accordance with Department of Revenue rules. Also, provides for notice of noncompliance, appeal, rectifying noncompliance, and penalty.

Incumbent Assessor Reappointment – Provides that the failure of the Conference Board to provide timely notification of the decision not to reappoint an assessor shall result in the assessor being reappointed.

Proration of Claims – Provides that if the Elderly and Disabled Tax Credit claims are not fully funded by the State appropriation, the claims payments will be prorated.

Partial Payment – Strikes the county treasurers' ability to set minimum partial tax payments for mobile, modular, and manufactured homes and the requirement that the payment be attributed to the oldest delinquent installment due. Also, strikes the county treasurers' ability to set minimum partial tax payments for property taxes and the requirement that the payment be attributed to the oldest delinquent installment due.

Abatement of Taxes – Allows the Board of Supervisors to abate taxes against property acquired as a gift after the property tax exemption filing deadline if the property belongs to religious, literary, and charitable societies or educational institutions and would have been exempt if the claim was timely filed. Taxes may be abated for property of libraries and art galleries acquired as a gift after July 1.

Homestead Property Tax Credit to Heir – Allows an heir occupying property as part of an estate to claim the Homestead Tax Credit.

Homestead Property Tax Credit Funded by State – Requires the county treasurer to only allow the portion of the Homestead Tax Credit that is funded by the State appropriation.

Military Service Tax Exemption – Extends the Military Service Tax Exemption to veterans with three years of active service, to Iowa National Guard members and reservists who have 20 years of service and continue to serve, to heirs of property that is part of an estate in the process of administration that is eligible for the military exemption, and certain relatives. Only the portion of the exemption funded by a State appropriation is extended to the claimant.

Elderly and Disabled Low-Rent Housing Exemption – Expands the definition of eligible low-rent housing from "owned and operated" to "owned and operated or

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controlled” by a nonprofit organization. Also, provides for refinancing of an eligible low-rent housing development mortgage without loss of the exemption.

Wind Energy Production Tax Credit – Moves forward by one year the time period for wind energy production facilities being placed in service to be eligible for the tax credit, for an eligibility window of July 1, 2005, to July 1, 2008.

Mobile Home Park Storm Shelters – Increases the portion of a multi-purpose use mobile home park storm shelter that is tax exempt from 25.0% to 50.0% of the structure’s commercial valuation.

Low-Rent Public Housing – Provides a property tax exemption for property with 40 or more dwelling units owned and managed by a non-profit organization located within the city limits of a city of 110,000 population or more, which has a public housing authority that does not own or manage low-rent housing stock.

Charitable Nursing Facilities Exemption – Exempts from property taxes nursing facilities operated by a nonprofit organization for charitable purposes.

Annexed Property Tax Exemption – Permits a city council to provide a partial tax exemption for annexed property for up to ten years.

Continuing Education Certification Waiver – Permits the director of the Department of Revenue, for good cause, to waive the continuing education requirements for a county assessor and deputy assessor upon written request by the assessor or deputy assessor.

Fiscal Impact

Unless listed below, the above changes to the rule will not have a significant fiscal impact to State agencies.

Renewable Energy Tax Credit – No fiscal impact for FY 2006. Claims are to receive reimbursement beginning in FY 2007 through FY 2019 and will reduce General Fund revenues. Claims are projected to increase from a \$2.8 million General Fund reduction in FY 2007, to an annual reduction of \$5.5 million from FY 2010 through FY 2015, declining to \$0.1 million in FY 2019, yielding a total General Fund reduction of \$55.0 million for the life of the program.

Statewide Property Assessment Appeal Board – No fiscal impact for FY 2006. It is assumed the Board will be funded by a General Fund appropriation. The compensation cost for the three Board members and the salary and benefits cost for two additional staff will be approximately \$229,000 in FY 2007 and \$458,000 in succeeding years. Additional staff will increase these costs. Costs for space, equipment, and administrative support will either be appropriated to or absorbed by the Department of Revenue.

Military Service Tax Exemption – Affects an estimated 1,200 National Guard members and reservists and 5,600 veterans with three years of service. Assuming a 78.6% property ownership rate, approximately 5,350 veterans will claim the exemption. The change is not expected to affect a significant number of heirs and relatives. The State reimbursement is projected to increase by approximately \$69,000 and the State Foundation Aid for school districts is projected to increase by approximately \$54,000, for a total General Fund impact of \$123,000 annually.

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SECRETARY OF STATE

ARC 4656B

Rule Summary Changes the address of the Secretary of State Offices to the Lucas State Office Building. Also, rescinds waste tire hauler rules.

Fiscal Impact No fiscal impact.

ARC 4679B

Rule Summary The amendments make editorial changes to Chapter 22; provide additional security guidance to county commissioners to improve the safety of voting equipment; incorporate requirements of the Help America Vote Act (HAVA); and provide programming and vote-counting procedures for the newly certified Election Systems & Software voting system.

Fiscal Impact No fiscal impact.

STAFF CONTACT: Douglas Wulf (Ext. 13250)

DEPARTMENT OF TRANSPORTATION

ARC 4671B

Rule Summary The rules are amended to reflect the amendments made in SF 2070 (FY 2005 Motor Vehicle Registration and Titling Act), and to accommodate the new computer system for registering and titling vehicles, which was activated in January 2005. Senate File 2070 makes procedural changes to the registration and title application process, permits electronic transactions, and repeals the requirement to submit a copy of the registration receipt when exchanging regular plates for special plates or when applying for a registration credit or refund.

The rules are amended to streamline processes where warranted, remove form numbers and titles and use more generic descriptions for forms, correct or delete outdated language, strike language that unnecessarily repeats the Code of Iowa, consolidate and simplify wording, add the Department's Internet address for vehicle-related forms and information, and update citations to federal and State laws in the text of rules and in implementation clauses.

Fiscal Impact The fiscal impact cannot be determined. Most of the amendments are intended to streamline the rules and bring them up to date. Procedural changes made should reduce unnecessary paperwork and time spent by the DOT, county treasurers, vehicle dealers, and vehicle owners.

ARC 4610B

Rule Summary The amendments relate to the administration of the Airport Improvement Program. The changes increase the clarity of the rules, eliminate unnecessary information, add Commercial Service Airports to eligible applicants, and provide consistency in the administration of the Program.

Fiscal Impact No fiscal impact.

ARC 4611B

Rule Summary The amendments relate to the administration of the General Aviation Airport Vertical Infrastructure Programs. Changes include increasing the clarity of the rules, and changing the funding ratio for projects from a 70/30 ratio (70.0% State funds, 30.0%

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local funds) to: “The Department may fund up to 85.0% of an eligible project.” The proposed rule also omits the maximum State participation of \$50,000 per airport per year.

Also, the proposed rule amends the priorities for which projects are eligible. Current priorities include: “Projects which produce revenue for the airport such as hangars, terminal buildings and fuel facilities. New construction shall have priority over rehabilitation of existing infrastructure provided that adequate demonstration of need is submitted.” New priorities, as proposed by the rule, include: “Airport role and objectives defined in the State Aviation System Plan; demonstration of increased aeronautical activity; and justification showing the ability to produce additional income for the airport.”

In addition, the proposed rule provides that the DOT Commission will no longer approve the amount to be funded for each project, but will continue to approve the projects to be funded.

Fiscal Impact No fiscal impact.

STAFF CONTACT: Mary Beth Mellick (Ext. 18223)

UTILITIES DIVISION – DEPARTMENT OF COMMERCE

ARC 4617B

Rule Summary The Board is proposing to update and reorganize its contested case procedural rules in Chapter 7, and moving all rules applicable only to rate cases, tariff filings, and rate regulation election by rural electric cooperatives to new Chapter 26, without making changes to those rules at this time. The Board also proposes a new rule 26.1 setting forth the scope of the chapter, with the remaining rules in Chapter 26 the same as in current Chapter 7. The Board also proposes to move the rule regarding service of documents and required number of copies currently in Chapter 1 to Chapter 7.

Fiscal Impact No fiscal impact.

ARC 4616B

Rule Summary This rule amends 199 IAC Chapter 39 to require designated eligible telecommunications carriers (ETCs) to provide quality of service reporting to the Board regarding services supported by the Universal Service Fund.

Fiscal Impact No fiscal impact.

STAFF CONTACT: Sam Leto (Ext. 16764)

WORKERS' COMPENSATION DIVISION – DEPARTMENT OF WORKFORCE DEVELOPMENT

ARC 4674B

Rule Summary Amends the mileage rate for transportation expense by the Division from 29.0 cents per mile to 40.5 cents per mile to match the allowance provided at the federal level. The rules also amend the effective date of the mileage rate from 35 days after publication, to on or after August 1, 2005.

Fiscal Impact No or little fiscal impact.

STAFF CONTACT: Ron Robinson (Ext. 16256)
