



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.

**ACCOUNTANCY EXAMINING BOARD – PROFESSIONAL LICENSING AND REGULATION,
DEPARTMENT OF COMMERCE**

ARC 4813B

Rule Summary Amends Chapter 10 to adopt a mandatory requirement for continuing education in ethics and clarifies how hours of credit are determined for courses that offer multiple topics.

Fiscal Impact No fiscal impact.

STAFF CONTACT: Sam Leto (Ext. 16764)

DEPARTMENT OF ADMINISTRATIVE SERVICES

ARC 4821B

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. Funding is included for two ITE staff members' salaries, and costs associated with two public members appointed to the Board.

Table of Contents:

Accountancy Examining Board – p. 1	Labor Services Division – p. 10
Department of Administrative Services – p. 1	Law Enforcement Academy – p. 10
Department of Agriculture and Land Stewardship – p. 2	Medical Examiners Board – p. 11
Arts Division – p. 2	Natural Resource Commission – p. 11
Banking Division – p. 2	Nursing Board – p. 11
Department for the Blind – p. 3	Pharmacy Examiners Board – p. 12
Civil Rights Commission – p. 3	Professional Licensure Division (Public Health) – p. 13
Credit Union Division – p. 3	State Public Defender – p. 16
Department of Education – p. 3	Department of Public Health – p. 16
Board of Educational Examiners – p. 3	Department of Public Safety – p. 17
Department of Elder Affairs – p. 4	Real Estate Commission – p. 18
Iowa Empowerment Board – p. 4	Board of Regents – p. 18
Environmental Protection Commission – p. 5	Department of Revenue – p. 18
Iowa Finance Authority – p. 7	School Budget Review Committee – p. 21
Department of Human Services – p. 7	Secretary of State – p. 21
Department of Inspections and Appeals – p. 9	Department of Transportation – p. 22
Insurance Division – p. 10	

Administrative Rules – Fiscal Impact Summaries

February 10, 2006

2

- 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.

STAFF CONTACT: Jess Benson (Ext. 14613)

DEPARTMENT OF AGRICULTURE AND LAND STEWARDSHIP

ARC 4286B and ARC 4837B

Rule Summary Amends the rules governing the administration of the Farmers' Market Special Supplemental Food Program to comply with federal law by including provisions and rules governing the Senior Farmers' Market Nutrition Program. Additional farm stands may require inspections, but existing staff would perform the inspections. The rule does not impose additional costs on participating farmers' markets or farm stands. The Department is terminating the rule-making commenced in ARC 4285B, since it was simultaneously adopted and filed as an emergency rules.

Fiscal Impact No fiscal impact.

ARC 4857B

Rule Summary Amends rules related to animal exhibition requirements in Iowa at county fairs, 4-H fairs or exhibitions, or similar exhibitions.

Fiscal Impact No fiscal impact to the State.

STAFF CONTACT: Debra Kozel (Ext. 16767)

ARTS DIVISION – DEPARTMENT OF CULTURAL AFFAIRS

ARC 4848B

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)

BANKING DIVISION – DEPARTMENT OF COMMERCE

ARC 4849

Rule Summary The rule provides the application procedures for applying for a mobile bank office, a courier service, or a convenience office. The rule also requires banks operating such offices to adopt a policy addressing the operation of the office. In addition, the rule addresses banks' options for charging for courier services provided by a third party.

Fiscal Impact No fiscal impact.

STAFF CONTACT: Sam Leto (Ext. 16764)

Administrative Rules – Fiscal Impact Summaries

February 10, 2006

3

DEPARTMENT FOR THE BLIND

ARC 4827B

Rule Summary Prohibits dangerous weapons on the premises of the Department for the Blind. The rule also eliminates unnecessary language, as advised by the Attorney General, regarding disciplinary action against a blind food service manager.

Fiscal Impact No fiscal impact.

STAFF CONTACT: Robin Madison (Ext. 15270)

CIVIL RIGHTS COMMISSION

ARC 4790B

Rule Summary Updates administrative rules to reflect enactment of SF 215 (FY 2006 Civil Rights Commission Mailing Requirements Act). The Act eliminated certified mail requirements for certain Civil Rights Commission complaints and orders.

Fiscal Impact The savings are anticipated to be approximately \$4,000 annually in operating costs.

STAFF CONTACT: Beth Lenstra (Ext. 16301)

CREDIT UNION DIVISION – DEPARTMENT OF COMMERCE

ARC 4834B

Rule Summary Chapter 24 contains rules regarding the operation or control of a satellite terminal and pertaining to a financial transaction engaged in through a satellite terminal. The amendments relate to approval of satellite terminals and to instructions for customers using the terminals.

Fiscal Impact No fiscal impact.

STAFF CONTACT: Sam Leto (Ext. 16764)

DEPARTMENT OF EDUCATION

ARC 4859B

Rule Summary Eliminates sections of the rules for Special Education that conflict with the December 2004 reauthorization of the federal law.

Fiscal Impact No fiscal impact to the State. There may be minimal fiscal impact to local school districts to adjust the Individual Education Plans (IEPs) of students.

STAFF CONTACT: Robin Madison (Ext. 15270)

BOARD OF EDUCATIONAL EXAMINERS

ARC 4812B

Rule Summary Establishes a process for licensees to petition for removal of Letters of Reprimand from information that is routinely posted on the Board's web site.

Fiscal Impact No fiscal impact.

Administrative Rules – Fiscal Impact Summaries

February 10, 2006

4

ARC 4797B

Rule Summary Permits those who successfully completed a teacher preparation program but, upon completion, did not apply for an Iowa teaching license to obtain a substitute teacher's license. The rule also permits those holding an administrative license to substitute teach.

Fiscal Impact No significant fiscal impact. There may be a slight increase in the number of applicants for the substitute teacher's license, for which the fee is \$85. There is no data available to determine how many additional applicants will result from the rule change.

STAFF CONTACT: Robin Madison (Ext. 15270)

DEPARTMENT OF ELDER AFFAIRS

ARC 4806B and ARC 4805B

Rule Summary Makes changes relating to the addition of case management as a Medicaid-covered service under the home and community-based Medicaid Elderly Waiver.

House File 841 (FY 2006 IowaCare Medicaid Reform Act) directed the Department of Elder Affairs (DEA) to collaborate with the Department of Human Services to submit a State Plan Amendment (SPA) for the home and community-based Medicaid Elderly Waiver that would add case management as a Medicaid-covered service in order to draw down federal revenues that would be used as additional funds for the Case Management Program for the Frail Elderly. The SPA has been submitted and is awaiting approval from the federal Centers for Medicare and Medicaid Services (CMS).

The Act also required that the DEA provide the State match using existing funds and that the reimbursement rate established for the service not result in expenditures exceeding the amount used by the DEA in FY 2006. The current average reimbursement rate for the service is \$46 for approximately 9,400 clients per month.

Fiscal Impact The DEA estimates an increase of \$3.0 million in State funds will be needed for the Case Management Program for the Frail Elderly in FY 2007 if this is approved as a Medicaid-covered service, which is largely due to the Department's plan to increase the average reimbursement rate from \$46 to \$115 (150.0%).

As a result, the cost of serving the current caseload of 9,400 would increase by \$69 per client per month. An additional 650 clients would also be served at a rate of \$115. If the increase of \$3.0 million in State funds is provided, an additional \$6.0 million in estimated federal matching funds could also be drawn down by the State under the Program.

STAFF CONTACT: Lisa Burk (Ext. 17942)

IOWA EMPOWERMENT BOARD

ARC 4836B

Rule Summary Incorporates legislative changes and requirements in House File 761 (Early Childhood Policy Act), enacted in 2005, including updating definitions, terminology, standards, and indicators. Reflects expanded responsibilities of the Office of Empowerment and Empowerment Team. Addresses the requirement in HF 761 that the Office of Empowerment coordinate an early childhood web site.

Administrative Rules – Fiscal Impact Summaries

February 10, 2006

5

Fiscal Impact Minimal fiscal impact. The fiscal note for HF 761 estimated a cost for the web site of \$5,000 in FY 2006 and \$3,000 in FY 2007.

STAFF CONTACT: Robin Madison (Ext. 15270)

ENVIRONMENTAL PROTECTION COMMISSION – DEPARTMENT OF NATURAL RESOURCES

ARC 4823B

Rule Summary Adopts proposed federal rules for the Clean Air Interstate Rule (CAIR) that amends the Acid Rain Program rules. The federal Environmental Protection Agency (EPA) promulgated the CAIR provisions to address emissions of sulfur dioxide (SO₂) and nitrogen oxide (NO_x) from Eastern and Midwestern states, including Iowa, which were found to contribute to unhealthy levels of fine particulate matter and ozone in downwind states. Under CAIR, Iowa is required to meet EPA-prescribed emissions targets for SO₂ and NO_x emissions in two phases. The first phase occurs in 2009 and the second phase occurs in 2015. The EPA determined that controlling SO₂ and NO_x emissions from fossil fuel-fired electric generating units (EGUs) to meet CAIR emission goals was highly cost effective. As such, EPA provided two options for states to implement CAIR: 1) Adopt EPA "model" rules that require EGUs to participate in an EPA administered, interstate emissions cap and trade program, or 2) Meet individual state emissions budgets through other control measures. The Department convened a stakeholder workgroup to discuss the CAIR implementation options. After considering the workgroup recommendations, the Department is proposing to adopt EPA's cap and trade program.

Fiscal Impact **Changes to the Department of Natural Resources:** The EPA has indicated that it may reduce the federal 105 grant money to states participating in the EPA's trading program to partially defer the costs of the EPA running the program. Beginning in FFY 2008 (October 1, 2007), this would be a reduction of \$35,000 to the Department. This expense supports the centralized management of an interstate cap and trade program, which is the most cost efficient to the Department and to the regulated community. Most of the CAIR-affected EGUs are currently Title V facilities. These facilities pay Title V fees based on tons of actual pollutants emitted. The Department may begin to see the effects of implementation of the cap and trade program on the Title V fees as early as FY 2008. These effects will be varied, and based on the regulated community's choice to comply with the rule provisions by either purchasing emissions allowances or installing pollution control equipment to reduce NO_x and SO₂ emissions. Installation of pollution control equipment could result in a reduction in the number of tons subject to Title V fees. The Department will maintain revenue levels sufficient to cover all reasonable costs to administer the Title V program. The proposed rules will affect two regulated groups: 1) Facilities with EGUs, and 2) Other facilities subject to the Title V operating permit program.

Facilities with EGUs subject to provisions of Clean Air Interstate Rule (CAIR): The NO_x and SO₂ cap and trade provisions of CAIR are expected to impact approximately 25 utilities in the State. These utilities include a mix of investor-owned utilities and cooperative utilities. The total annual cost for all of Iowa's EGUs to comply with the CAIR cap and trade program, beginning in 2009, is estimated at approximately \$252.0 million; however, the EPA provides Iowa the option to defer approximately \$112.0 million of this annual cost by issuing emissions allowances to affected EGUs. The Department is proposing this option, and will distribute EPA's allowances to affected EGUs at no cost. The total annual cost to affected EGUs to comply with the EPA-determined SO₂ and NO_x targets is estimated at \$140.0 million. The EPA will reduce the number of available allowances in 2015, at which time the

total annual cost to Iowa EGUs for compliance is estimated at \$169.0 million. It is expected that some facilities will achieve the required emission targets by installing control equipment. A recent construction permit application from a facility with a medium to large coal-fired EGU estimated the one-time capital cost of a scrubber for SO₂ control at approximately \$96.0 million. Annual operation and maintenance costs were estimated at \$27.0 million.

All Title V facilities: As noted above, an increase in Title V fees could begin as soon as SFY 2008. Because of the many factors influencing emissions from all Title V sources, it is difficult to determine the impact to Title V fees. Assuming there are emissions from non-EGUs, Title V facilities stay the same, and some SO₂ and NO_x control from EGUs, the cost to all Title V fee payers is conservatively estimated to increase by 14.0% above current levels. This is considered to be the highest increase that would occur over the next five to eight years.

ARC 4824B

Rule Summary

The proposed rules adopt the federal Clean Air Mercury Rule (CAMR) and make amendments to State rules for the adoption of federal new source performance standards, federal emission guidelines, emissions testing methods, and continuous emissions monitoring methods to reflect changes in the federal rules to promulgate CAMR. These rules implement Clean Air Act Section 110 and 111, as codified in 40 Code of Federal Regulations (CFR), Parts 60 and 75. States are required to adopt rules and submit to the federal Environmental Protection Agency (EPA) a State Implementation Plan (SIP) to implement CAMR by November 2006.

Fiscal Impact

No fiscal impact to the State. The proposed CAMR rules will affect 16 utilities in the State with coal-fired electric generating units (EGU). These utilities include a mix of investor-owned utilities and cooperative utilities. The EPA determined that achieving mercury reductions by controlling emissions from coal-fired EGUs through a cap and trade program was highly cost effective. The total annual cost for all of the affected Iowa EGUs to comply with the CAMR cap and trade program, beginning in 2010, is estimated at approximately \$44.0 million; however, the EPA provides Iowa the option to defer approximately \$33.0 million of this annual cost by issuing emissions allowances to the affected EGUs. The Department is proposing this option, and will distribute the EPA's allowances to affected EGUs at no cost. The total annual cost to affected EGUs to comply with the EPA-determined mercury targets is estimated at \$11.0 million. The EPA will reduce the number of available allowances in 2018, at which time the annual cost to Iowa EGUs for compliance is estimated at \$32.0 million.

It is expected that some facilities will achieve the required emission targets by installing pollution control equipment. The EPA has determined that most affected EGUs will achieve the 2010 target for CAMR through the requirements of the separate Clean Air Interstate Rule (CAIR), and will not install specific mercury controls to meet the 2018 cap until 2015. Mercury emissions controls, such as activated carbon injection, have not yet been installed commercially on EGUs. The capital and annual costs of installing and operating control equipment cannot be estimated at this time.

Four municipal utilities in the State are affected by the mercury emission targets for coal-fired EGUs. The total annual cost for all Iowa municipals to comply with the CAMR cap and trade program, beginning in 2010, is estimated at approximately \$2.2 million; however, the EPA provides Iowa the option to defer approximately \$1.7 million of this annual cost to affected municipals by issuing emissions allowances.

Administrative Rules – Fiscal Impact Summaries

February 10, 2006

7

The Department is proposing this option, and will distribute the EPA's allowances to affected municipals at no cost. The total annual cost to affected municipals to comply with the EPA-determined mercury targets, beginning in 2010, is estimated at \$525,000. The EPA will reduce the number of available allowances in 2018, at which time the total annual cost to municipals for compliance is estimated at \$1.5 million. The affected municipal utilities may incur costs for mercury pollution control equipment in the same way as described above for other affected EGUs. Municipals will also incur costs for mercury monitoring, beginning in 2008, as described above for other affected EGUs.

ARC 4825B

Rule Summary The proposed rule amends Chapter 144 to add color cathode ray tubes (CRTs) to the list of household hazardous materials. Retailers that sell CRTs will be required to purchase an annual Household Hazardous Materials Permit for \$25. The revenue generated from the permits will be used to provide educational materials for retailers, and to provide Toxic Cleanup Days, HHM Education Grants, and administrative support for the programs.

Fiscal Impact Minimal fiscal impact. It is estimated there are 50 retailers that will need to purchase a \$25 permit. This will increase revenue to the Department of Natural Resources (DNR) by \$1,250 per year. Expenditures related to adding the color CRTs to the list of household hazardous waste are estimated at \$1,250. This includes issuing permits, providing signing to the retailers, and other program activities.

STAFF CONTACT: Debra Kozel (Ext. 16767)

IOWA FINANCE AUTHORITY

ARC 4798B

Rule Summary The rules clarify and define the terms "abstract of title," "nonpurchase product," "title guaranty report of title," "title search(es)" and "abstract," as applied to refinanced or junior mortgages to facilitate mortgage lenders participation in the secondary market.

Fiscal Impact No fiscal impact.

ARC 4855B

Rule Summary The rules create a new chapter concerning the State Revolving Fund Program operated by the Iowa Finance Authority. The proposed new chapter contains rules to guide the Authority in the financial aspects of the Water Pollution Control Works and Drinking Water Program, including loan programs, project funding, loan approval, and loan terms.

Fiscal Impact No fiscal impact. The State Revolving Fund is largely comprised of federal funds. The Iowa Finance Authority provides a 20.0% matching of funds through the issuance of bonds. Interest earned on existing loans under the State Revolving Fund Program is used to pay debt service on the bonds.

STAFF CONTACT: Ron Robinson (Ext. 16256)

DEPARTMENT OF HUMAN SERVICES

ARC 4801B and ARC 4802B

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

Administrative Rules – Fiscal Impact Summaries

February 10, 2006

8

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 approximately \$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 4822B

Rule Summary Proposed rule change has been terminated.

Fiscal Impact No fiscal impact.

ARC 4840B

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 4803B and 4804B

Rule Summary These amendments update the methodology used for determining the Medicaid eligibility and financial participation of a married person residing in an institution while their spouse remains in the community. The rules increase the maximum amount that may be attributed to the community spouse from \$95,000 to \$99,500. The rules also increase the amount of the maintenance needs allowance for the community spouse from \$2,378 per month to \$2,489 per month. This change effects the amount of the Medicaid member's income that is considered available to be contributed toward the cost of their care in the medical facility.

Fiscal Impact The fiscal impact is estimated to be less than \$10,000 annually.

ARC 4841B

Rule Summary This amendment temporarily increases Medicaid reimbursement for nonemergency transportation 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 for November through June of FY 2006. 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.
- 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.

Administrative Rules – Fiscal Impact Summaries

February 10, 2006

9

- 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 was paid out in FY 2005.
- It is estimated that the State will pay for 12.7 million miles in FY 2006.

ARC 4799B

Rule Summary This rule implements the provision of HF 841 (FY 2006 IowaCare Medicaid Reform Act) that allows inpatient and outpatient services for adults at Iowa's Mental Health Institutes (MHIs) as Medicaid-covered services.

Fiscal Impact The MHIs are appropriated a total of \$25.9 million for FY 2006. The State share is 36.4%, or \$9.4 million. The State match rate for FY 2007 will be an average of 37.6%, for a fiscal impact of \$9.7 million. Funding is currently appropriated from a \$34.0 million transfer of Polk County Property taxes from Broadlawns Medical Center to the General Fund.

ARC 4814B

Rule Summary The proposed amendments change the rules regulating the *hawk-i* program to reference the electronic application and referral forms for families ineligible or cancelled from Medicaid; clarify that either a Medicaid or a *hawk-i* application can be used to determine eligibility for both programs; explain that a child voluntarily excluded from Medicaid for any financial reason may qualify for *hawk-i*; provide for premiums to be considered as paid timely if postmarked by the due date and allow a one-time, ten-day extension for premium payment; and introduce data-matching, currently used in Medicaid, to the *hawk-i* program.

Fiscal Impact There will likely be no fiscal impact from these rule changes, though there is the potential for some cost savings through the data-matching process.

ARC 4800B

Rule Summary Clarifies definitions, allowable funding streams, implementation procedures and requirements, governance board roles and responsibilities, and reporting requirements for the decategorization initiative to ensure alignment with the statutory requirement of HF 616 (FY 2006 Decategorization Services Act).

Fiscal Impact The fiscal impact cannot be determined. The rule changes do not impact the current allocation methods or amount of funds available to provide services; however, it is possible that some carryover funds will not be expended by the time limits designated in the rules. Therefore, the funds would revert to the General Fund.

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

DEPARTMENT OF INSPECTIONS AND APPEALS

ARC 4838B

Rule Summary The effect of the adopted amendment is to allow licensed physician assistants, licensed registered nurses, and licensed practical nurses to pronounce a person's death. Section 708.2, Code of Iowa, permits these licensed health-care practitioners, in addition to licensed physicians, to make such pronouncements.

Fiscal Impact No fiscal impact.

STAFF CONTACT: Douglas Wulf (Ext. 13250)

Administrative Rules – Fiscal Impact Summaries

February 10, 2006

10

INSURANCE DIVISION – DEPARTMENT OF COMMERCE

ARC 4778B

Rule Summary The proposed rule authorizes the electronic delivery of accident and health group insurance certificates by health maintenance organizations, while guaranteeing that plan members still receive important information contained in such group insurance certificates.

Fiscal Impact No fiscal impact.

STAFF CONTACT: Sam Leto (Ext. 16764)

LABOR SERVICES DIVISION – DEPARTMENT OF WORKFORCE DEVELOPMENT

ARC 4828B

Rule Summary Updates and streamlines Iowa's Occupational Safety and Health Administration (OSHA) rules to remove outdated, duplicative, and inconsistent standards.

Fiscal Impact No fiscal impact.

ARC 4779B

Rule Summary Adopts the current national standards relating to elevator safety, changes rule relating to posting operating permits in elevators, makes certain editorial corrections, and removes an exception for maintenance inspections on platform lifts with roped hydraulic pistons.

Fiscal Impact Minimal fiscal impact. The national codes are similar to the previously adopted versions of the codes. As a result of these rule changes, the Division of Labor Services will incur an additional one-time cost of approximately \$10,000 for the purchase of copies of the standard books and training inspection staff.

ARC 4780B

Rule Summary Updates fees for alteration permits to reflect economic changes.

Fiscal Impact Minimal fiscal impact. The fee will increase from an average of \$123 to \$400. This will increase revenue by approximately \$41,000 when implemented for a full year. Elevator companies will pay a greater fee when applying for an alteration permit. These fees may be passed on to customers if the market will allow. Governmental entities with elevator alteration projects will be required to pay the increased fees to whatever extent the elevator companies pass the fees to customers.

STAFF CONTACT: Ron Robinson (Ext. 16256)

LAW ENFORCEMENT ACADEMY

ARC 4860B

Rule Summary This rule allows individuals who do not meet normal hearing standards in each ear to have additional testing in order to be considered eligible for hiring.

Fiscal Impact Minimal fiscal impact since minimal hearing standards are already in place and monitored by the Academy. The rule change allows more individuals who can function as peace officers to be eligible for hire.

STAFF CONTACT: Jennifer Acton (Ext. 17846)

Administrative Rules – Fiscal Impact Summaries

February 10, 2006

11

MEDICAL EXAMINERS BOARD – DEPARTMENT OF PUBLIC HEALTH

ARC 4447B and ARC 4791B

Rule Summary Terminates noticed rules regarding the establishment of collaborative drug therapy management between Iowa licensed physicians and pharmacists in community and hospital settings.

Fiscal Impact No fiscal impact.

STAFF CONTACT: Lisa Burk (Ext. 17942)

NATURAL RESOURCE COMMISSION – DEPARTMENT OF NATURAL RESOURCES

ARC 4826B

Rule Summary Changes rules related to barge fleeting. The overall fee increase will be 20.0% and phased in over the next five years. The annual increase will be in accordance with the Consumer Price Index. The rule regulates the practice of barge fleeting to protect:

- Public and private interests of public waters of the State of Iowa under the jurisdiction of the Natural Resource Commission.
- Public health safety and welfare.
- Fish and wildlife habitat.

Fiscal Impact Minimal fiscal impact. The fee increase will generate between \$20,000 and \$25,000 per year.

ARC 4794B

Rule Summary The Department of Natural Resources (DNR) was petitioned by the Dubuque County Conservation Board and the federal Fish and Wildlife Service to establish a “no-wake” zone in a portion of a backwater area known as Mud Lake on the Mississippi River. This will reduce the shoreline erosion and excessive noise level from large boats operating at higher speeds. The DNR was also petitioned by the East Okoboji Lakes Improvement Corporation for rule making that establishes a speed limit for vessels on certain Dickinson County lakes between the hours of sunset and sunrise. This addresses a boating safety issue which concerns limited sight visibility during nighttime hours.

Fiscal Impact Minimal fiscal impact.

STAFF CONTACT: Debra Kozel (Ext. 16767)

NURSING BOARD – DEPARTMENT OF PUBLIC HEALTH

ARC 4792B

Rule Summary The rules to increase licensure renewal fees were not implemented; therefore, fees are returned to the level set in 2003.

Fiscal Impact No fiscal impact.

STAFF CONTACT: Lisa Burk (Ext. 17942)

Administrative Rules – Fiscal Impact Summaries

February 10, 2006

12

PHARMACY EXAMINERS BOARD – DEPARTMENT OF PUBLIC HEALTH

		ARC 4820B
Rule Summary	Changes the requirements for a foreign pharmacy graduate to demonstrate proficiency in the English language to accept the new internet-based test of English as a Foreign Language. The rule also updates the name of the foreign pharmacy graduate certification body.	
Fiscal Impact	No fiscal impact.	
		ARC 4819B
Rule Summary	Reduces the time an individual who assumes the duties of a pharmacy technician has to register from within 90 days to within 30 days of accepting employment in Iowa.	
Fiscal Impact	No fiscal impact.	
		ARC 4818B
Rule Summary	Clarifies the responsibilities of the pharmacist in terms of ensuring that the pharmacy has adequate space within the prescription department or a secure storage room for the storage of all prescription drugs, devices, and controlled substances, and to support pharmacy operations.	
Fiscal Impact	No fiscal impact.	
		ARC 4817B
Rule Summary	Clarifies the definition of “kickbacks” and amends the license fee imposed for pharmacy license changes to comply with current fees imposed for a pharmacy license.	
Fiscal Impact	Minimal fiscal impact. The change is an increased fee of \$50 for approximately 150 licensees each year for a total of \$7,500. The change should have occurred earlier this fiscal year when license fees were increased; however, this subrule was overlooked.	
		ARC 4816B
Rule Summary	Makes changes that require the record of pseudoephedrine products by dispensing pharmacists be legible and include the total milligrams of pseudoephedrine contained in the product dispensed.	
Fiscal Impact	No fiscal impact.	
		ARC 4815B
Rule Summary	Clarifies that a pharmacy may sell a compounded drug product prepared pursuant to Board rules to another pharmacy for administration to a patient of the purchasing pharmacy and that the purchasing pharmacy may then bill the patient for the compounded drug product.	
Fiscal Impact	No fiscal impact.	
		ARC 4759B
Rule Summary	Clarifies the provisions regarding patient counseling for new prescriptions, specifically stating that an offer to counsel does not fulfill the counseling requirement.	

Administrative Rules – Fiscal Impact Summaries

February 10, 2006

13

Fiscal Impact No fiscal impact.

STAFF CONTACT: Lisa Burk (Ext. 17942)

PROFESSIONAL LICENSURE DIVISION – DEPARTMENT OF PUBLIC HEALTH

ARC 4782B
Rule Summary Behavioral Science Examiners – Increases licensure fees by \$20 per licensee. There are 690 licensees 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. Also, allows licensees who renewed before the start of the next renewal cycle to wait until the following cycle to renew.

Fiscal Impact The fee increase will generate additional revenues of approximately \$14,000. Of this, the Board will retain approximately \$12,000 (90.0%) and \$2,000 (10.0%) will be deposited into the General Fund.

ARC 4781B
Rule Summary Behavioral Science Examiners – Proposed amendment adopts licensee record keeping procedures.

Fiscal Impact No fiscal impact.

ARC 4783B
Rule Summary Behavioral Science Examiners – Proposed amendment 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 4776B
Rule Summary Dietetic Examiners – Increases licensure fees by \$20 per licensee. There are 845 licensees 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.

In addition, the changes allow licensees who recently reactivated their license prior to the start of a new renewal cycle to renew at the next renewal cycle; removes references to Board approval in the continuing education chapter, as well as removes other technical references regarding other professional education activities; and adds a requirement to provide a narrative describing other professional development activities.

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 4777B
Rule Summary Dietetic 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.

Administrative Rules – Fiscal Impact Summaries

February 10, 2006

14

	ARC 4787B
Rule Summary	Mortuary Science Examiners – Proposed amendments redefine the definition of “authorized person,” delete the word “initial,” revise student practicum requirements, and update requirements regarding preparation of a body.
Fiscal Impact	No fiscal impact.
	ARC 4789B
Rule Summary	Mortuary Science Examiners – Clarifies responsibilities of funeral directors; clarifies requirements of crematory establishments; corrects rules relating to burial transits; clarifies disposition of cremation remains; 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 4788B
Rule Summary	Mortuary Science Examiners – Increases licensure fees by \$20 per licensee. There are 868 licensees that renew licenses every two years. Funeral home licenses will also be increased by \$15 for 600 funeral homes. 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	<p>The fee increase for licensees 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.</p> <p>The fee increase for funeral home licenses will generate additional revenues of approximately \$9,000. Of this, the Board will retain approximately \$8,000 (90.0%) and \$1,000 (10.0%) will be deposited into the General Fund.</p>
	ARC 4796B
Rule Summary	Massage Therapy Examiners – Permits the Board to accept the applicant’s copy of examination passage as initial proof prior to official examination service notification to expedite the application process.
Fiscal Impact	No fiscal impact.
	ARC 4784B
Rule Summary	Massage Therapy Examiners – Increases licensure fees by \$10 per licensee. There are 2,030 licensees 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 \$20,000. Of this, the Board will retain approximately \$18,000 (90.0%) and \$2,000 (10.0%) will be deposited into the General Fund.
	ARC 4785B
Rule Summary	Massage Therapy Examiners – Defines the national examination required for endorsement and provides the Board with the ability to order an evaluation for mental, physical, or clinical competency, or alcohol or drug screening.

Administrative Rules – Fiscal Impact Summaries

February 10, 2006

15

Fiscal Impact	No fiscal impact.	
Rule Summary	Optometry Examiners – Provides the Board with the ability to order an evaluation for mental, physical, or clinical competency, or alcohol or drug screening, and retain licensure overpayments.	ARC 4851B
Fiscal Impact	No fiscal impact.	
Rule Summary	Optometry Examiners – Amends continuing education requirements to provide for the substitution of Council on Endorsed Licensure Mobility for Optometrists (CELMO) certification, in lieu of proof of continuing education program attendance, and removes reference to an approved sponsor.	ARC 4852B
Fiscal Impact	No fiscal impact.	
Rule Summary	Optometry Examiners – Increases licensure fees by \$24 per licensee. There are 601 licensees 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. In addition, the changes allow licensees who renew within six months of a new licensing cycle to wait until the subsequent renewal period; correct discipline rules by removing references of a lapsed license and add a new rule as replacement.	ARC 4850B
Fiscal Impact	The fee increase will generate additional revenues of approximately \$14,000. Of this, the Board will retain approximately \$13,000 (90.0%) and \$1,000 (10.0%) will be deposited into the General Fund.	
Rule Summary	Podiatry Examiners – Provides the Board with the ability to order an evaluation for mental, physical, or clinical competency, or alcohol or drug screening, and retain licensure overpayments.	ARC 4854B
Fiscal Impact	No fiscal impact.	
Rule Summary	Podiatry Examiners – Increases licensure fees by \$28 per licensee. There are 232 licensees 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.	ARC 4853B
Fiscal Impact	The fee increase will generate additional revenues of approximately \$7,000. Of this, the Board will retain approximately \$6,300 (90.0%) and \$700 (10.0%) will be deposited into the General Fund.	
Rule Summary	Social Work Examiners – Provides that the Board will accept the Association of Social Work Board's registry verification of academic transcripts and verification of licensure in other states.	ARC 4786B

Administrative Rules – Fiscal Impact Summaries

February 10, 2006

16

Fiscal Impact No fiscal impact.

Rule Summary Athletic Training Examiners – Increases licensure fees by \$20 per licensee. There are 359 licensees 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. **ARC 4811B**

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

Rule Summary Athletic Training Examiners – Provides the Board with the ability to order an evaluation for mental, physical, or clinical competency, or alcohol or drug screening. **ARC 4810B**

Fiscal Impact No fiscal impact.

STAFF CONTACT: Lisa Burk (Ext. 17942)

STATE PUBLIC DEFENDER – DEPARTMENT OF INSPECTIONS AND APPEALS

Rule Summary Clarifies existing administrative procedures and conforms the rules to current law. **ARC 4856B**

Fiscal Impact No fiscal impact.

STAFF CONTACT: Beth Lenstra (Ext. 16301)

DEPARTMENT OF PUBLIC HEALTH

Rule Summary Immunizations – Corrects an error in a date that establishes the number of Diphtheria, Tetanus, and Pertussis (DTaP) vaccine doses required for applicants enrolled or attempting to enroll in an elementary school. The intent was for the four-dose requirement to be effective for children entering kindergarten in the 2006-2007 school year. **ARC 4839B**

Fiscal Impact No fiscal impact.

Rule Summary Private Sector Drug-Free Workplace Testing – Adds the definition of “sample” from the human body to include “saliva” so the rule is consistent with the definition in the Code of Iowa. The rule also updates the name of the federal agency (Centers for Medicare and Medicaid Services) responsible for laboratory proficiency testing. **ARC 4845B**

Fiscal Impact No fiscal impact.

Rule Summary Private Well Sampling, Reconstruction, and Plugging – Provides for the distribution of grants to county boards of health for the purpose of sampling, reconstructing, and plugging private water wells. **ARC 4843B**

Administrative Rules – Fiscal Impact Summaries

February 10, 2006

17

Fiscal Impact The Program is supported with revenues from the Agricultural Account established pursuant to Section 455.11(2)(b)(3), Code of Iowa, which averages \$1.4 million annually.

ARC 4842B

Rule Summary Radiation Machines and Radioactive Materials – Changes to correct errors, provide clarification, and meet federal compatibility requirements. Also, increases mammography fees to cover increased regulation costs.

Fiscal Impact The additional revenues generated from the increased fee will be an estimated \$10,000 and will be used to support regulation activities.

ARC 4844B

Rule Summary Volunteer Health Care Provider Program – Makes changes that provide defense and indemnification to volunteer health care providers of free services at approved clinics and to eligible free clinics.

Fiscal Impact The fiscal impact cannot be determined. The Program is currently staffed within the existing budget; however, the Department reports that without an increase in 1.0 FTE position, staff levels for other programs will be impacted.

ARC 4847B

Rule Summary County Medical Examiners – Makes changes to clarify existing rules covering deaths that require autopsies. The rule also adds other categories of deaths that require autopsies performed by the State Medical Examiner or an approved representative.

Fiscal Impact The fiscal impact is anticipated to be minimal due to a slight increase in the number of required autopsies.

ARC 4846B

Rule Summary Substance Abuse Commission – Changes that transfer the duties of the Substance Abuse Commission to the State Board of Health. The Commission was dissolved by the 2005 General Assembly, and duties were transferred to the Board.

Fiscal Impact No fiscal impact.

STAFF CONTACT: Lisa Burk (Ext. 17942)

DEPARTMENT OF PUBLIC SAFETY

ARC 4772B

Rule Summary The proposed rule adopts a new State Building Code, based upon the International Building Code and related “International” and “I-Codes.”

Fiscal Impact The fiscal impact cannot be determined since the numbers of buildings and facilities subject to the provisions is unknown. The Codes proposed for adoption, however, allow for flexible alternatives at a lower cost than the Codes being replaced.

STAFF CONTACT: Jennifer Acton (Ext. 17846)

Administrative Rules – Fiscal Impact Summaries

February 10, 2006

18

REAL ESTATE COMMISSION – DEPARTMENT OF COMMERCE

ARC 4809B

Rule Summary Adds a new subrule to clarify that an Iowa licensee is prohibited from participating in marketing plans with a person who is licensed or authorized to conduct real estate business in another state or foreign country.

Fiscal Impact No fiscal impact.

STAFF CONTACT: Sam Leto (Ext. 16764)

BOARD OF REGENTS

ARC 4795B

Rule Summary Allows nonorganized (confidential and supervisory) employees in the Regent Merit System to carry over 40 hours of emergency care leave. This change was negotiated for AFSCME-covered staff in the Regent Merit System effective July 1, 2005. The amendment will allow all employees of the Regent Merit System to have the same benefit.

Fiscal Impact No fiscal impact to the State General Fund.

STAFF CONTACT: Mary Shipman (Ext. 14617)

DEPARTMENT OF REVENUE

ARC 4831B

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 4830B

Rule Summary These rules implement House File 868 (FY 2006 Iowa Values Fund Act), 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 4832B

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 (FY 2006 Standings Appropriations Act), Sections 163 through 171, which provide for a wind energy production tax credit for individual income, corporation income, and franchise tax.

Administrative Rules – Fiscal Impact Summaries

February 10, 2006

19

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.
Rule Summary	<p style="text-align: right;">ARC 4829B</p> 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 controlled” by a nonprofit organization. The rule 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

Administrative Rules – Fiscal Impact Summaries

February 10, 2006

21

2015, declining to \$500,000 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.

ARC 4833B

Rule Summary Creates a new chapter to implement Section 423.4(4), Code of Iowa, as amended by House File 840 (FY 2006 Event Venue, Use of Sales Tax Revenue Act). The Act provides for a rebate pilot program of Iowa sales tax to qualifying owners and operators of sanctioned automobile racetrack facilities in order to increase tourism in Iowa.

Fiscal Impact The estimated fiscal impact of the sales tax rebate is \$12.5 million over ten fiscal years, beginning in FY 2007.

STAFF CONTACT: Jess Benson (Ext. 14613)

SCHOOL BUDGET REVIEW COMMITTEE – DEPARTMENT OF EDUCATION

ARC 4858B

Rule Summary Creates a uniform accounting system for all school districts using Generally Accepted Accounting Principles (GAAP) for budgeting and reporting to the general public, as required by Section 257.31(4), Code of Iowa.

Fiscal Impact No significant fiscal impact.

STAFF CONTACT: Robin Madison (Ext. 15270)

SECRETARY OF STATE

ARC 4835B

Rule Summary The amendments revise rules identifying a change in location of certain offices of the Secretary of State from the Hoover State Office Building to the Lucas State Office Building. The rule also repeals two chapters of rules consistent with action of the 2002 Legislative Session regarding regulation of waste tire haulers, since those duties were assigned to the Department of Natural Resources effective July 1, 2002.

Fiscal Impact No fiscal impact.

STAFF CONTACT: Douglas Wulf (Ext. 13250)

Administrative Rules – Fiscal Impact Summaries

February 10, 2006

22

DEPARTMENT OF TRANSPORTATION

ARC 4775B

Rule Summary This rule adopts by reference a new edition of Section II of the “Uniform Manual, Real Property Acquisition and Relocation Assistance.” The manual is revised to incorporate amended federal regulations (49 CFR Part 24).

For businesses to be displaced by a project, the revisions expand advisory services to be provided by the displacing agency, increase reimbursement limits from \$1,000 to \$2,500 for expenses incurred in searching for a replacement business property, and remove certain relocation costs from inclusion in the \$10,000 cap placed on reestablishment expenses.

For residential displacements, the revisions provide that a displaced tenant's income will be considered in determining the maximum rental assistance payment, only if the person is classified as low income, allows a displaced tenant to apply the entire amount of the rental assistance payment toward a down payment on replacement housing, and allows a displaced homeowner to apply the entire amount of the calculated replacement housing payment toward a rental assistance payment if justified.

Fiscal Impact The DOT does not anticipate any significant increase in costs. Benefits paid on federal-aid projects are reimbursable from federal-aid funds (80.0% federal match for non-interstate highway projects and 90.0% federal match for interstate highway projects).

ARC 4793B

Rule Summary This rule adopts changes to comply with the Federal Motor Carrier Safety Regulations and Hazardous Materials Regulations in Title 49, Code of Federal Regulations (CFR). Sections 321.449 and 321.450, Code of Iowa requires the Department to comply with such regulations. To ensure the consistency required by statute, the Department annually adopts the specified federal regulations, as adopted by the U.S. Department of Transportation.

The rule also amends paragraph 520.1(2)"c" that specifies that operators of vehicles designed to transport 7 or more persons, but fewer than 16, including the driver, are not exempt from log book requirements afforded the 100-air-mile radius driver under Title 49, Code of Federal Regulations.

Fiscal Impact The fiscal impact cannot be determined. The proposed federal regulatory changes may impact motor carrier operations, equipment maintenance, and reporting requirements. Due to insufficient information, the estimated fiscal impact cannot be determined.

ARC 4808B

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 4807B

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% 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)
