



Fiscal Services Division

ADMINISTRATIVE RULES – FISCAL IMPACT SUMMARIES

March 10, 2017

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

Table of Contents			
Agency	Page	Agency	Page
Landscape Architectural Examining Board	1	Environmental Protection Commission	5
Economic Development Authority	1	Natural Resource Commission	5
Medicine Board	2	Department of Education	6
Professional Licensure Division	3	Soil Conservation and Water Quality Division	7
Department of Revenue	3	College Student Aid Commission	8
Labor Services Division	3	Department of Human Services	8
Department of Workforce Development	4	Law Enforcement Academy	8
Utilities Division	4	Secretary of State	9

Landscape Architectural Examining Board

ARC 2941C

Rule Summary Amends rules to reflect current examination and licensing, including updating the reinstatement and fee process. Replaces “registration” with the word “licensure.” Eliminates unnecessary and redundant references.

Agency Stated Authority: Iowa Code sections 544B.10 and 546.10(8).

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

LSA Response: The LSA concurs.

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Economic Development Authority

ARC 2938C

Rule Summary Adopts the following changes to the Small Business Innovation Research and Small Business Technology Transfer programs (SBIR/STTR):

- Raises the maximum award amount from \$25,000 to \$100,000 and allows the same applicant to receive more than one award.
- Defines the term “award” as an SBIR/STTR grant and contract funds awarded by federal agencies.
- Removes the requirement that the Innovation Corporation develop an online platform.
- Removes the requirement that the Corporation work with the Program administrator at the Office of Intellectual Property and Technology Transfer at Iowa State University in providing technical assistance.

Agency Stated Authority: Iowa Code section 15.106A.

Administrative Rules – Fiscal Impact Summaries

March 10, 2017

2

Fiscal Impact **Agency Response:** No fiscal impact to the State. The total amount of funding remains the same, so there is no fiscal impact of these rules.

LSA Response: The LSA concurs.

ARC 2944C

Rule Summary Creates a new chapter governing the administration of the Historic Preservation and Cultural and Entertainment District Tax Credit (HPCED) Program. House File 2443 (Economic Development Authority Miscellaneous Administration Act) transferred the administration of this Program to the Iowa Economic Development Authority (IEDA) from the Department of Cultural Affairs (DCA), effective August 15, 2016. Projects registered prior to August 15, 2016, are administered by the DCA and the Department of Revenue pursuant to the statutes and rules that apply to projects registered prior to August 15, 2016. The IEDA will administer the tax credit portion and the DCA will review the historic components of project applications.

The Department of Revenue is responsible for administering tax credit transfers and processing tax credit claims. The rules outline the application process for the HPCED Program, clarify the requirements for qualified rehabilitation expenditures including developer fees, expand the CPA examination rules, and establish rules for ensuring compliance with the Program as administered by the IEDA. The proposed rules are based on the DCA existing rules, with the following changes:

- Limits developer fees that qualify for the tax credit (see Iowa Code section 49.4(3)(b)).
- Expands the requirements governing the CPA examination by waiving the examination only for those projects that do not exceed \$100,000 and are funded exclusively by private funding sources (see Iowa Code section 49.15(2)(d)). This item has been amended since it was first noticed to clarify that that the claimed expenditures comply with administrative rules in “all material respects.”

Agency Stated Authority: Iowa Code section 15.106A.

Fiscal Impact **Agency Response:** No fiscal impact to the State. This Program already exists and the rulemaking does not make any changes to the tax credit cap allocation. The expansion of rules governing the CPA examination may result in increased costs for eligible taxpayers claiming the tax credit.

LSA Response: The LSA concurs.

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Medicine Board

ARC 2950C

Rule Summary Updates the Iowa Administrative Code (IAC) chapter governing licensure of acupuncturists. Identifies diagnostic and treatment modalities, revises requirements for the disclosure statement, and requires that licensees report full legal name changes.

Agency Stated Authority: Iowa Code section 147.76.

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

LSA Response: The LSA concurs.

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Administrative Rules – Fiscal Impact Summaries

March 10, 2017

3

Professional Licensure Division

ARC 2952C

Rule Summary Updates references and legal citations to the Board of Chiropractic's website and makes technical corrections.

Agency Stated Authority: Iowa Code sections 147.76, 151.11, and 272C.3.

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

LSA Response: The LSA concurs.

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Department of Revenue

ARC 2942C

Rule Summary Adopts IAC chapter 242 to facilitate the rapid response of businesses and workers to a disaster. Provides that notwithstanding any law to the contrary, an out-of-state business or an out-of-state employee that performs disaster and emergency-related work on critical infrastructure during a disaster response period due to a State-declared disaster is not subject to income tax, corporate income tax, use tax, equipment tax, property tax or tax filing, or permit or return requirements.

Agency Stated Authority: Iowa Code sections 422.8, 422.13, 422.14, 422.16, 422.33, 422.36, 422.37, 422.68, 423.6, 423.33, 423.58, 423D.3, and 427.1.

Fiscal Impact **Agency Response:** After analysis and review of this rulemaking, these rules do not have a fiscal impact, but the statutes that they implement do. The fiscal note for Senate File 2306 (Regulation of Businesses Responding to State-Declared Disasters Act), dated March 28, 2016, provides a projected impact on the General Fund of a revenue reduction of \$189,000 in FY 2017, and \$324,000 in FY 2018 and future fiscal years. <https://www.legis.iowa.gov/docs/publications/FN/782026.pdf>

LSA Response: The LSA concurs.

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Labor Services Division

ARC 2959C

Rule Summary Adopts by reference new federal Occupational Safety and Health Administration (OSHA) standards concerning walking and working surfaces.

Agency Stated Authority: Iowa Code section 88.5.

Fiscal Impact **Agency Response:** Cannot be determined, as information specific to Iowa is not available. Federal OSHA conducted a detailed fiscal impact analysis. OSHA estimated that nationally, the combined dollar value of prevented fatalities and injuries will total \$615.0 million per year. OSHA estimated that the net monetized benefits of the final standard will be \$310.0 million (\$615.0 million in benefits - \$305.0 million in compliance costs).

LSA Response: The LSA concurs.

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Administrative Rules – Fiscal Impact Summaries

March 10, 2017

4

Department of Workforce Development

ARC 2940C

Rule Summary Updates references to payroll tax withholdings for purposes of determining weekly Workers' Compensation payments.

Agency Stated Authority: Iowa Code section 86.8.

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

LSA Response: The LSA concurs.

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Utilities Division

ARC 2955C

Rule Summary Clarifies and streamlines access to affiliate records, requirements for annual filings, and asset and service transfer processes.

Agency Stated Authority: Iowa Code chapters 476, 476B, and 476C.

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

LSA Response: The LSA concurs.

ARC 2956C

Rule Summary Adopts amendments regarding services supplied by gas utilities, including allowing customers to supply meter readings by electronic means.

Agency Stated Authority: Iowa Code sections 474.5 and 476.2.

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

LSA Response: The LSA concurs.

ARC 2957C

Rule Summary Amends existing rules to streamline and conform the Utilities Board's organizational procedures to current operations. Includes technical changes referencing the Board's electronic filing system and financial record retention procedures.

Agency Stated Authority: Iowa Code sections 474.5 and 476.2.

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

LSA Response: The LSA concurs.

ARC 2963C

Rule Summary Rescinds the Utilities Board's rules regarding the Tax Reform Act of 1986. The statute upon which the rules were based was repealed in 1990, and upon review, the Board finds that there is no further need for these rules, as rate-regulated utilities addressed by the statute have been through multiple general rate cases since 1986.

Agency Stated Authority: Iowa Code section 476.8A.

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

LSA Response: The LSA concurs.

ARC 2954C

Rule Summary Eliminates obsolete and unnecessary requirements, and reflects the Utilities Board's objective to adopt rules that apply to all telecommunications services and minimize the regulatory burden on the industry as a whole.

Agency Stated Authority: Iowa Code section 17A.4.

Fiscal Impact **Agency Response:** No fiscal impact. The Utilities Board does not anticipate that these proposed rule changes will create any substantive financial impact on the regulated community or to the Board.

LSA Response: The LSA concurs.

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Environmental Protection Commission

ARC 2949C

Rule Summary Adopts the following amendments to air quality rules:

- Rescinds unnecessary provisions and updates other rules to provide regulatory certainty and flexibility. The rules implement a portion of the Department's five-year rules review plan.
- Amends rules to match federal regulations and eliminates the inconsistency between federal and State rules. This ensures that Iowa's air quality rules are no more stringent than federal regulations. Allows the Department of Natural Resources (DNR) to be the primary agency to enforce air quality requirements in Iowa.

Agency Stated Authority: Iowa Code section 455B.133.

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

LSA Response: The LSA concurs.

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Natural Resource Commission

ARC 2937C

Rule Summary Amends Iowa's migratory bird hunting rules:

- Increases the daily bag limits for black ducks.
- Expands the dove season from 70 days to 90 days.
- Modifies the extended falconry season to remove an overlap between the start and the end of the conventional duck seasons.
 - Includes nontechnical changes.

Agency Stated Authority: Iowa Code section 455A.5.

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

LSA Response: The LSA concurs.

ARC 2951C

- Rule Summary** Amends rules regarding turtle harvesting:
- Clarifies the dates of seasonal commercial harvest for common snapping, smooth softshell, spiny softshell, and painted turtles.
 - Specifies the same season dates for recreational harvest of smooth softshell, spiny softshell, and painted turtles.
 - Allows for a year-round recreational harvest of snapping turtles.
 - Sets daily catch limits to maintain overall turtle numbers.
 - Provides gear placement, gear tag, and gear attendance requirements for all harvesters.
 - Specifies turtle traps must be set above waterlines to avoid drowning captured turtles when water levels rise.
 - Prohibits the culling release of a turtle that has been taken into possession and is considered inferior to the other turtles taken.

Agency Stated Authority: Iowa Code sections 481A.39, 481A.67 as amended by 2016 Iowa Acts, House File 2357 (Turtle Harvesting Act), and 482.1.

Fiscal Impact **Agency Response:** Minimal fiscal impact. The DNR does not anticipate any notable change in the sale of commercial or recreational fishing licenses as a result of this proposed rulemaking. Department staff currently monitoring turtle harvest and enforcing regulation thereof will continue to do so without additional training or cost to State government.

LSA Response: The LSA concurs. The Natural Resource Commission held three public hearings on November 29, 2016. There were a total of 26 comments with 19 comments in favor of the rule change and seven comments opposed.

ARC 2961C

Rule Summary Establishes rules for the Lease to Beginning Farmers Program. The Program allows a certified beginning farmer to obtain agricultural production leases on land managed by the DNR before the leases are available to the general public. The Program began in 2013 with the passage of HF 457 (FY 2014 Agriculture Land Leasing to Beginning Farmers Act). Over the past three years, the Department has entered into approximately 150 leases with beginning farmers.

Agency Stated Authority: Iowa Code section 456A.38.

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

LSA Response: The LSA concurs.

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Department of Education

ARC 2939C

Rule Summary Amends IAC chapter 65 to reflect Iowa Code requirements on the funding of at-risk programming. Changes include the elimination of the competitive grant process, eligibility criteria, cycle for award, reporting, and feedback.

Agency Stated Authority: Iowa Code section 256.7(21).

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

LSA Response: The LSA concurs.

Rule Summary **ARC 2945C**
Updates accreditation standards for Iowa’s community colleges to align those standards with those of the Higher Learning Commission.

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

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

LSA Response: The LSA concurs.

Rule Summary **ARC 2948C**
Provides the standards and program requirements that all educator preparation programs must meet to be accredited by the State Board of Education. Updates the existing standards and brings rules in line with national standards for educator preparation.

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

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

LSA Response: The LSA concurs.

Rule Summary **ARC 2946C**
Addresses the creation of standards for, and certification and inspection of, Children’s Residential Facilities established by 2016 Iowa Acts, SF 2304 (Children’s Residential Facilities, Standards for Certification and Inspection), which requires the State Board of Education to adopt rules governing education programs and education services by children’s residential facilities pursuant to Iowa Code section 282.34.

Agency Stated Authority: Iowa Code section 256.7(21).

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

LSA Response: The LSA concurs.

Rule Summary **ARC 2947C**
Implements the system of career and technical education as adopted pursuant to 2016 Iowa Acts, HF 2392 (Career And Technical Education, Schools Act).

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

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

LSA Response: The LSA concurs.

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Soil Conservation and Water Quality Division

Rule Summary **ARC 2953C**
Increases the minimum estimated cost for projects that require public bidding from \$25,000 to \$100,000. However, competitive bids can be accepted for work estimated to cost less than \$100,000. Changes the bid notification process by posting on

Internet sites rather than newspapers, and decreases the minimum number of days for a notice from 15 days to 13 days.

Agency Stated Authority: Iowa Code sections 207.21 and 208.17.

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

LSA Response: The LSA concurs.

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College Student Aid Commission

ARC 2943C

Rule Summary Corrects a reference to the IAC in regard to the All Iowa Opportunity Scholarship Program. Defines “eligible school or agency” and expands and updates the definition of “teacher” in regard to the Iowa Teacher Shortage Loan Forgiveness Program.

Agency Stated Authority: Iowa Code section 261.3.

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

LSA Response: The LSA concurs.

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Department of Human Services

ARC 2958C

Rule Summary Implements the January 1, 2017, cost-of-living adjustment (COLA) increases to the income limits and benefit amounts for several State Supplementary Assistance (SSA) categories. Implements the changed personal needs allowance for residential care facility assistance and family life home assistance. The net change to the personal needs allowance is a decrease. The decrease is due to a small COLA percentage increase that is offset by a decrease in the average monthly Medicaid copays used to calculate the amount of this deduction.

Agency Stated Authority: Iowa Code section 217.3(6).

Fiscal Impact **Agency Response:** Minimal fiscal impact. The anticipated increase in expenditures for the Dependent Person coverage group is offset by the anticipated decrease in expenditures for the Residential Care Facilities assistance coverage group. The net increase in expenditures for State Supplementary Assistance for FY 2017 is anticipated to be \$1,799 and for FY 2018 is anticipated to be \$3,576.

LSA Response: The LSA concurs.

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Law Enforcement Academy

ARC 2960C

Rule Summary Amends IAC to implement 2016 Iowa Acts, House File 2267 (Civil Service Employee Residency Requirements Act), that changes the residency requirement of civil service employees employed by cities and allows these employees to reside outside of the State of Iowa if allowed by city ordinance. Allows certified police officers and

certified reserves who are allowed to live outside of the State of Iowa to possess out-of-state driver's licenses.

Agency Stated Authority: Iowa Code section 80B.11(1)(a) and 80B.11(1)(h).

Fiscal Impact

Agency Response: This could result in significant savings at the local level and make it easier to hire and retain officers. There is no impact to the State General Fund.

LSA Response: The LSA concurs.

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Secretary of State

ARC 2962C

Rule Summary

Creates a new IAC chapter to implement changes from the 2016 enactment of SF 2306 (Facilitating Business Rapid Response to State-Declared Disasters Act) requiring out-of-state organizations aiding in disaster recovery to register in Iowa within 15 days of entering the State.

Agency Stated Authority: Iowa Code section 29C.24.

Fiscal Impact

Agency Response: The fiscal impact to the Secretary of State's Office is anticipated to be minimal, but there may be an impact to either the Homeland Security and Emergency Management Division or the Department of Revenue.

LSA Response: The LSA concurs that there will be no fiscal impact on the Secretary of State's Office and verified with the departments that this rule will have no impact on the Homeland Security and Emergency Management Division or the Department of Revenue.

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