



Fiscal Services Division

ADMINISTRATIVE RULES – FISCAL IMPACT SUMMARIES

July 6, 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>.

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Department of Human Services

ARC 3092C

Rule Summary Revises the Child Care Assistance (CCA) fee chart based on the new federal poverty levels (FPL). Updates rules regarding job searches for new applicants to allow three months of job searching to conform to federally mandated changes. Makes technical corrections.

Agency Stated Authority: Iowa Code section 234.6.

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

LSA Response: The LSA concurs. The rules do not have a fiscal impact, but the federal changes the rules are implementing do have a fiscal impact. An additional \$1.5 million was appropriated from the General Fund to the Child Care Assistance Program in FY 2017 to cover these additional costs.

ARC 3093C

Rule Summary Clarifies that appeals related to health care decisions made by a managed care organization must follow a different process than other Department of Human Services (DHS) Appeals. A member, member's representative, or provider acting on the member's behalf with the member's written consent may file an appeal. However, the appellant must exhaust the first-level review process with the managed care organization prior to appealing to DHS. A provider cannot file an appeal on its own behalf or relating to a claims dispute issue with a managed care organization. The managed care contract does not allow appeal hearings to be granted for either instance.

Agency Stated Authority: Iowa Code section 217.6.

Fiscal Impact **Agency Response:** No fiscal impact. The Department is revising its appeals procedures to account for the changes required by federal regulations for managed care and streamlining other processes to make the appeals process more efficient.

LSA Response: The LSA concurs.

Rule Summary **ARC 3094C**
Increases premiums for applicants and recipients with income over 150% of the federal poverty level (FPL) under the Medicaid for Employed People with Disabilities (MEPD) program. Iowa Code section 249A.3(2)(a)(1) requires the maximum premium payable by an individual whose income exceeds 150% of the official poverty guidelines to be commensurate with the cost of State employees' group health insurance in this State.

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

Fiscal Impact **Agency Response:** The higher MEPD premium collections will result in a savings to the State of \$26,447.

LSA Response: The LSA concurs.

Rule Summary **ARC 3095C**
Makes the following updates:

- Requires child care centers, child development homes, and child care homes to have written emergency plans to respond to food or allergic reactions.
- Includes a component of child development in pre-service/orientation training for staff.
- Makes clarifications on substitutes and essential child care trainings, and technical corrections.

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

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

LSA Response: The LSA concurs.

Rule Summary **ARC 3096C**
Requires child care providers to report serious injuries to the DHS.

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

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

LSA Response: The LSA concurs.

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Department of Administrative Services

ARC 3111C and ARC 3115C

Rule Summary Creates more equality among employees whose shifts are greater than 16 hours with those employees whose shifts are 16 hours or less. The proposed amendment limits military leave for over-16-hour shift employees to 30 calendar days in accordance with Iowa Code section 29A.28(1)(a) for military duty of 30 days or more, while providing 30 work days of leave for those employees whose shifts are 16 hours or less.

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

Fiscal Impact **Agency Response:** Approximately 16 24-hour shift State employees are expected to be deployed in their National Guard military capacity between October 2017 and July 2018. The State of Iowa’s current military leave rule provides 24-hour shift employees 720 hours of military leave per calendar year. In contrast, 8-hour shift employees only receive 240 hours of military leave. These 24-hour shift employees’ salaries are 100.0% reimbursed by the federal government, but for purposes of military leave benefits, the federal government has limited reimbursement to 159 hours of military leave on a federal fiscal year basis. The implication for the 16 employees set to deploy from October through July is that State military leave benefits will cross two calendar years (totaling 1,440 hours for 24-hour shift employees), but only one federal fiscal year (so reimbursed only 159 of those hours). This disparity has created the potential for a projected cost of \$510,000 to the Department of Public Defense if the rule does not go into effect, which is close to 8.0% of the Department’s budget.

LSA Response: The LSA concurs.

ARC 3113C

Rule Summary Reviews and updates administrative rules for the Terrace Hill Commission, including the Terrace Hill Endowment for the Musical Arts (THEMA), to be consistent with statute and to reflect and clarify commission practice.

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

Fiscal Impact **Agency Response:** No fiscal impact. The Terrace Hill Endowment for the Musical Arts operates solely on private funds and does not receive funds from the State budget.

LSA Response: The LSA concurs.

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Department of Agriculture and Land Stewardship

ARC 3091C

Rule Summary Increases license fees for a number of license types provided by the Department. Fees will be doubled and paid on a two-year basis instead of an annual basis. Implements HF 617 (FY 2018 Department of Agriculture Administration Act) and updates other provisions.

Agency Stated Authority: Iowa Code section 163.1.

Fiscal Impact **Agency Response:** Minimal fiscal impact. This will reduce the amount of administrative time spent on processing fees as the process will happen every two years instead of annually.

LSA Response: The LSA concurs.

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Soil Conservation and Water Quality Division

ARC 3086C

Rule Summary Updates the name of the State Soil Conservation Committee to the State Soil and Water Quality Committee. Adopts other various changes. This implements HF 617 (FY 2018 Department of Agriculture Administration Act).

Agency Stated Authority: Iowa Code section 163.1.

Fiscal Impact **Agency Response:** Minimal fiscal impact.

LSA Response: The LSA concurs.

ARC 3112C

Rule Summary Allows the Division to recall unused cost share funds dedicated to water protection practices and reallocate the funds to Soil and Water Conservation Districts that can expend the money immediately.

Updates the practices that can be paid for with soil and water cost share funds. This includes:

- Fencing costs to keep livestock out of intermittent streams.
- A practice known as “STRIPS” that allows a landowner to use 10.0% of a crop field to plant native perennials or other diverse plants. Research indicates that adding a prairie strip will reduce nitrogen runoff and will hold the soil in place.

Agency Stated Authority: Iowa Code section 161A.4.

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

LSA Response: The LSA concurs.

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Insurance Division

ARC 3144C

Rule Summary Revises definitions of “spot rate” and “synthetic guaranteed investment contract.” Requires that a plan of operations for a class of contracts include the following: the criteria used by the insurer to evaluate the potential issuance of a pooled fund contract, the criteria used to approve an investment manager for segregated portfolio assets associated with pooled fund contracts, and a description of risk-mitigation techniques used by an insurer in connection with contracts issued to pooled funds. Additionally, revises the methodology to calculate the minimum value of guaranteed contract benefits for contracts issued to a pooled fund representing multiple employer-sponsored plans. Requires that an actuarial memorandum be issued to clearly describe how withdrawal risks and dynamic lapse assumptions impact any future plan sponsor withdrawals.

Agency Stated Authority: Iowa Code section 505.8 and Iowa Code chapter 508.

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

LSA Response: The LSA concurs.

ARC 3145C

Rule Summary Adds an internal audit function requirement to an insurer or group of insurers unless otherwise exempt from the requirements of these rules. The amendment is identical to the National Association of Insurance Commissioners' model regulation except for stylistic and grammatical changes.

Agency Stated Authority: Iowa Code section 505.8.

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

LSA Response: The LSA concurs.

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Utilities Division

ARC 3118C

Rule Summary Establishes an optional verification process for all rate-regulated utilities that file an annual fuel report. Outlines procedures and information needed to receive a verification of a utility's retail load that was served using renewable generation processes.

Agency Stated Authority: Iowa Code chapter 476.

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

LSA Response: The LSA concurs.

ARC 3119C

Rule Summary Updates and streamlines the Iowa Utility Board's existing rules governing the Equipment Distribution Program, which distributes specialized telephone equipment to eligible Iowans who are deaf, hard of hearing, or have difficulty speaking.

Agency Stated Authority: Iowa Code section 477C.4.

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

LSA Response: The LSA concurs.

ARC 3120C

Rule Summary Clarifies existing rules regarding revenue limits for utilities operating in more than one regulated line of business, such as both natural gas and electricity. Clarifies that multiple corporate officers' time may be accounted for and allocated rather than a single officer's time. Eliminates a provision that allows parties who fail to file testimony and exhibits within the required time frame to still be allowed to present testimony and exhibits at a subsequent hearing. Requires water, sanitary sewage, and storm water drainage utilities to provide notice to the Board of any purchase, sale, lease, or other acquisition or disposition directly or indirectly of the whole or any substantial part of a public utility's assets. Such utilities would be required to maintain separate accounting books.

Agency Stated Authority: Iowa Code sections 474.5 and 476.2.

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

LSA Response: The LSA concurs.

Rule Summary

Removes outdated language related to telegraph utilities and language related to initial filing requirements.

ARC 3121C

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

Fiscal Impact

Agency Response: No fiscal impact.

LSA Response: The LSA concurs.

Rule Summary

Establishes a process for renewing certificates of franchise authority issued by the Utilities Board to cable and video service providers.

ARC 3122C

Agency Stated Authority: Iowa Code sections 476.2 and 477A.12.

Fiscal Impact

Agency Response: No fiscal impact.

LSA Response: The LSA concurs.

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Parole Board

Rule Summary

Eliminates outdated or redundant rules. Eliminates rules that are inconsistent or incompatible with statutes or other rules and reflects changes to conform to current, more efficient practices. The Board of Parole has conducted a review of all of the agency's rules as a part of a comprehensive five-year review required under Iowa Code section 17A.7.

ARC 3117C

Agency Stated Authority: Iowa Code chapters 904A, 906, and 908.

Fiscal Impact

Agency Response: There would be little to no fiscal impact.

LSA Response: The LSA concurs.

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Department of Education

Rule Summary

Replaces the term "technical specialty component" with "technical core" under several degree types. The rulemaking establishes a minimum technical core course requirement for diplomas.

ARC 3087C

Increases fees paid to the Department of Education and community colleges for drinking and driving instructional courses. Current and proposed fees are listed in the table below.

Fees for Drinking and Driving Instructional Course

<u>Fee</u>	<u>Recipient</u>	<u>Current</u>	<u>Proposed</u>
Course Fee	Community College	\$85.00	\$140.00
Admin Fee	Department of Education	10.00	15.00
Out-of-State Admin Fee	Department of Education	25.00	37.50

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

Fiscal Impact

Agency Response: Increased costs will be incurred by students taking the courses. The increase in fees will better cover the cost to the State to provide the course and administer the program. Currently, costs incurred by the community colleges are exceeding tuition revenue by approximately \$22 per student.

LSA Response: The LSA concurs. Course Fee: The estimated increase in revenue to the community colleges from the increased fee in FY 2018 is \$627,000. Administrative Fee: The estimated increase in revenue to the Department of Education from the increased administrative fees in FY 2018 is \$72,000.

Rule Summary

Revises 281 IAC chapter 41 to conform to Every Student Succeeds Act (ESSA) requirements and makes changes required by recent federal rulemaking. Also moves two provisions related to school health to the 281 IAC chapter 14, "School Health Service."

ARC 3088C

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

Fiscal Impact

Agency Response: No fiscal impact.

LSA Response: The LSA concurs.

Rule Summary

Amends 281 IAC chapter 33 rules regarding the education of children classified as homeless. Modifications reflect changes to the McKinney-Vento Homeless Assistance Act as reauthorized in December 2015 by the ESSA.

ARC 3089C

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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College Student Aid Commission

Rule Summary

Implements provisions in HF 642 (2017 Education Appropriations Act) that rescinded the All Iowa Opportunity Foster Care Grant Program and made students formerly in foster care priority recipients of the All Iowa Opportunity Scholarship Program. The Act also eliminated the Scholarship Program's requirement regarding grade point average and increased the number of awards an individual student may receive.

ARC 3125C

Agency Stated Authority: Iowa Code section 261.3.

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

LSA Response: The LSA concurs. Funding for the All Iowa Opportunity Scholarship Program is limited to an annual General Fund appropriation. The changes in HF 642 and the proposed administrative rules have no impact on the appropriation.

Rule Summary

Implements provisions in HF 642 (2017 Education Appropriations Act) that established a new statute related to the For-Profit Iowa Tuition Grant (ITG) Program. The For-Profit ITG Program had previously been addressed as part of the statute establishing the Nonprofit ITG Program. The only significant change to the For-Profit ITG Program in the new statute is the establishment of eligibility criteria for participation of barber and cosmetology schools. The former Barber and Cosmetology Arts and Sciences Tuition Grant Program was repealed in HF 642.

ARC 3126C

Agency Stated Authority: Iowa Code section 261.3.

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

LSA Response: The LSA concurs. Funding for the For-Profit ITG Program is limited to an annual General Fund appropriation. The changes in HF 642 and the proposed administrative rules have no impact on the appropriation.

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Department of Inspections and Appeals

Rule Summary

Updates existing interpretive guidelines regarding intermediate care facilities pursuant to Iowa Code section 135C.2(3)(d), which requires the Department to publish such guidelines in the Iowa Administrative Bulletin and the Iowa Administrative Code. The current interpretive guidelines were published in 2013. This rulemaking adopts the updated version of the guidelines.

ARC 3109C

Agency Stated Authority: Iowa Code sections 10A.104(5), 135C.2(3)(d), and 135C.14.

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

LSA Response: The LSA concurs.

Rule Summary

Defines “personal degradation” as a form of dependent adult abuse by caretakers in Department-regulated facilities and programs. A caretaker may be found to have committed dependent adult abuse if the individual knowingly and willfully takes, transmits, or displays a photographic image that degrades the personal dignity of a dependent adult.

ARC 3110C

Agency Stated Authority: Iowa Code sections 10A.104(5) and 135C.14.

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

LSA Response: The LSA concurs.

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Department of Homeland Security and Emergency Management

ARC 3090C

Rule Summary Implements 2017 Iowa Acts, SF 500, which amends Iowa Code chapter 34A. A majority of these amendments change the terms "Enhanced 911" and "E911" to "911" to reflect the merging of E911 with Next Generation 911 services. For policy implementation purposes, it is easier to simply refer to the phone system and the associated elements as 911.

Several definitions have been updated to reflect the current and future operating environment for 911 telephone systems and the public and private partners that are involved in their operation.

No amendments have been made to the flow of wireline 911 service surcharge moneys detailed in 605 IAC chapter 10.5. Several amendments have been made to the flow of the Emergency Communication Service Surcharge moneys as described in 605 IAC chapter 10.9. Changes include the following:

- Establishment of Geographic Information System (GIS) grants.
- Removal of the use of surcharge funds to pay for costs associated with the financing of the Statewide Interoperable Communications System.
- Carryover funds may be used for grants to Public Service Answering Points (PSAPs) to physically consolidate.
- The amount of funding available for use from the carryover funds has been increased from \$4.4 million in FY 2017 to \$7.0 million in FY 2018
- Any carryover funds not used for consolidation grants will pass equally to the PSAPs.

Agency Stated Authority: Iowa Code section 34A.22.

Fiscal Impact **Agency Response:** These amendments to implement SF 500 will have a fiscal impact to the local 911 service boards. The increase in the amount of funds available from the annual carryover may increase the amount of funds the service boards receive for the PSAPs they operate. In FY 2017, the amount of grant money available to the local PSAPs was \$4.4 million. In FY 2018, this is estimated to increase to \$7.0 million. This estimate is contingent on the amount used for consolidation grants and GIS functionality.

LSA Response: The LSA concurs. There is no impact to the General Fund, as all revenues are from the 911 wireless surcharge. Funding increases or decreases to individual PSAPs will vary.

ARC 3129C

Rule Summary Rescinded and reserves 605 IAC chapter 13, "Community Disaster Grants." The grant program created in this chapter operated for a set amount of time. All funds have been expended and all grant administration processes have been completed.

Agency Stated Authority: Iowa Code section 17A.3.

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

LSA Response: The LSA concurs.

Department of Public Health

Rule Summary **ARC 3103C**
Permits the use of handheld x-ray machines to be used without a waiver and adds requirements regarding their use.

Agency Stated Authority: Iowa Code chapter 136C.

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

LSA Response: The LSA concurs.

Rule Summary **ARC 3104C**
Amends 641 IAC chapter 70 (“Lead-Based Paint Activities”) to change the certification period to a three-year cycle, establishes rules regarding the AMANDA online database, and makes technical corrections.

Agency Stated Authority: Iowa Code section 135.105A.

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

LSA Response: The LSA concurs. Certification fees are being tripled to conform to the new three-year certification cycle.

Rule Summary **ARC 3105C**
Eliminates the four-year limit on grants awarded through the Board-Certified Behavior Analyst and Board-Certified Assistant Behavior Analyst (BCBA/BCaBA) Grants Program.

Agency Stated Authority: Iowa Code section 135.181.

Fiscal Impact **Agency Response:** The rule does not introduce additional costs for private entities. Funds are appropriated from the General Fund under the Department of Human Services Autism Support Program. The Department does anticipate incurring administrative costs relating to the Program, and is authorized by Iowa Code to draw 5.0% of appropriated funds for this purpose. The Department does not anticipate drawing down administrative costs in FY 2017, but will reevaluate costs incurred in the second and subsequent years.

LSA Response: The LSA concurs.

Rule Summary **ARC 3106C**
Updates references to the most recent Iowa Trauma Patient Data Dictionary. Requires trauma care facilities to submit trauma data electronically and sets timelines for data entry. Removes data reporting requirements for Emergency Medical Services providers.

Agency Stated Authority: Iowa Code section 147A.27.

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

LSA Response: The LSA concurs.

Nursing Board

ARC 3127C

Rule Summary Updates the chapter on nursing education programs by adding and revising definitions, amending board procedures, and revising education program requirements.

Agency Stated Authority: Iowa Code sections 17A.3 and 147.76.

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

LSA Response: The LSA concurs.

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Pharmacy Board

ARC 3099C

Rule Summary Decreases the waiting period for retaking the North American Pharmacist Licensure Examination (NAPLEX) from 91 days to 45 days, with a limit of three attempts to pass the NAPLEX within a 12-month period. With this decrease in the waiting period, no waivers or exceptions to the 45-day waiting period will be accepted or honored because reducing the waiting period to less than 45 days would pose a threat to the integrity of the NAPLEX. These changes are the result of program changes implemented by the National Association of Boards of Pharmacy, who maintains and administers the national pharmacist license examinations.

Agency Stated Authority: Iowa Code section 147.76.

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

LSA Response: The LSA concurs.

ARC 3100C

Rule Summary Permits a pharmacist technician or pharmacist intern to dispense a product containing ephedrine, pseudoephedrine, or phenylpropanolamine under the direct supervision of a pharmacist. Also makes technical corrections and general updates.

Agency Stated Authority: Iowa Code section 147.76.

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

LSA Response: The LSA concurs.

ARC 3101C

Rule Summary Updates and reorganizes language in reference to drugs in Emergency Medical Services programs to be consistent with Iowa Code.

Agency Stated Authority: Iowa Code section 147.76.

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

LSA Response: The LSA concurs.

ARC 3102C

Rule Summary Adds new terms and provisions regarding implementing integration of Prescription Monitoring Program (PMP) access into electronic health and pharmacy record

systems to provide easier access to information regarding patient controlled substances usage. Provides for the establishment of facilities as authorized users of the Iowa PMP to facilitate integration into electronic record systems, and contract requirements relating to the integration. Clarifies procedures for a pharmacy subject to PMP reporting requirements to request an exemption from the requirements. Clarifies confidentiality provisions. Sets requirements for law enforcement, regulatory agencies, boards, and researchers to request information from the Iowa PMP. Allows the Board to charge a reimbursement fee to law enforcement, regulators, and researchers for the provision of data or information from the Iowa PMP. Increases the number of agents that a practitioner may authorize to access the PMP on behalf of the supervising practitioner.

Agency Stated Authority: Iowa Code section 124.554.

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

LSA Response: The LSA concurs.

Rule Summary

Updates language to reflect current name and contact information for the Pharmacy Board and, in some items, corrects inaccurate citations to rules and laws. Also revises the definition of Board.

ARC 3133C

Agency Stated Authority: Iowa Code section 17A.7(2).

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

LSA Response: The LSA concurs.

Rule Summary

Eliminates duplicative information regarding filing deadlines and contested case procedures that are established in greater detail in 657 IAC chapter 35. The required contents of the petition for waiver have also been simplified to eliminate requirements for documentation that were deemed unnecessary or excessively burdensome.

ARC 3134C

Agency Stated Authority: Iowa Code section 17A.22.

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

LSA Response: The LSA concurs.

Rule Summary

Establishes a multitude of new procedures relating to contested cases, including disciplinary and nondisciplinary hearings. Establishes the standards of evidence in a contested case, provides for default judgment, and defines a final decision of the Board.

ARC 3135C

Identifies grounds for disciplinary action against a license, registration, or permit issued by the Board and specifies sanctions. Identifies minimum procedures for reinstatement of suspended, revoked, or surrendered licenses, registrations, or permits. Identifies procedures regarding administrative subpoenas. Establishes other requirements regarding licensee or registrant evaluation. Provides for the assessment of disciplinary hearing fees.

Agency Stated Authority: Iowa Code sections 17A.3, 17A.22, and 147.76.

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

LSA Response: The LSA concurs.

ARC 3136C

Rule Summary Establishes minimum standards, based in large part upon federal minimum standards, for the processes of designating and dispensing controlled substances and the registration of entities involved in the handling and prescribing of controlled substances.

Updates registrant requirements to provide consistency in the registration renewal process. Provides changes in documentation procedures for controlled substance prescriptions. Authorizes a pharmacist to fill a Schedule II controlled substance in partial quantities in accordance with federal law. Adds two new rules to provide clear direction on the responsibility of registrants to notify the Board of disciplinary sanctions or criminal convictions and summarize the Board's sanctioning authority.

Updates references.

Agency Stated Authority: Iowa Code sections 124.201 and 124.301.

Fiscal Impact **Agency Response:** Proposed changes, intended to simplify and consistently apply requirements and fees relating to the Controlled Substances Act registration and renewal processes, may have a minor impact on the Board's revenues, but the overall fiscal impact to Board revenues should be much less than \$100,000 annually.

LSA Response: The LSA concurs.

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Department of Revenue

ARC 3107C

Rule Summary Clarifies that for owner-occupied commercial property, the assessor may not consider data relating to the business operations of the owner.

Agency Stated Authority: Iowa Code section 421.14.

Fiscal Impact **Agency Response:** This rule clarifies existing law and makes no substantive changes.

LSA Response: This rule limits the information an assessor may use to determine the value of a subset of commercial property (owner-occupied). The LSA does not have sufficient information to evaluate the purpose or fiscal impact of this proposed rule change.

ARC 3146C

Rule Summary Amends tax rates for unblended gasoline effective July 1, 2017. The change in the tax rates on motor fuels reflects a change in the ethanol distribution percentage for calendar year 2016. The rate of excise tax on motor fuels for the fiscal year is based on the ethanol distribution percentage as measured in the previous calendar year.

Agency Stated Authority: Iowa Code sections 421.14 and 452A.59.

Fiscal Impact **Agency Response:** The proposed rulemaking is estimated to reduce revenue to the Road Use Tax Fund by \$400,000.

LSA Response: The LSA concurs. This change is estimated to reduce revenue to the Road Use Tax Fund by \$400,000 per year. Fuel tax rates on unblended and blended gasoline are determined in Iowa Code section 452A.3.

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Department of Transportation

ARC 3108C

Rule Summary Amends the timing of the payment for the salvage theft examination and updates the method of fee payment. States that an owner who surrenders a foreign salvage title and obtains a salvage theft examination within 30 days of the date the owner was assigned the foreign salvage title is not required to first obtain an Iowa salvage title. Corrects an implementation statute reference and adds language and an exception concerning the safety requirements for moving implements of husbandry. This is intended to comply with 2016 Iowa Acts, ch. 1098.

Agency Stated Authority: Iowa Code sections 307.12, 307A.2, and 321.383.

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

LSA Response: The LSA concurs. House File 2437 of the 2016 Legislative Session increased the salvage theft exam fees by \$20.00. The legislation will impact local authorities only. Approximately 14,400 motor vehicle theft examinations were performed in FY 2016. The LSA assumes future examinations will be conducted at the same rate. The fee will increase revenue to local authorities performing the examinations by an estimated \$289,000 per fiscal year. The Department performs less than 1.0% of these examinations. The revenue to the Department from the fee increase is not expected to be significant. The remaining apportions of fees to the Department and the General Fund will remain static.

Rule Summary **ARC 3128C**
Adopts technical changes to 761 IAC chapters 720 and 750 related to airports and aircraft, and implements legislative requirements passed in 2016 Iowa Acts, ch. 1131, section 3.

Agency Stated Authority: Iowa Code sections 307.12, 307A.2, 328.12, and 328.19.

Fiscal Impact **Agency Response:** Minimal fiscal impact.

LSA Response: The LSA concurs. 2016 Iowa Acts, ch. 1131, section 3, allows for loan forgiveness to small airports upon closure, should certain economic development conditions be met. The city of Onawa has closed its airport and has requested forgiveness of \$77,127 in grant obligations from the State Aviation Fund.

Rule Summary **ARC 3130C**
Adopts language and technical changes to the Iowa Byways Program, including removing the word “scenic.” Clarifies the responsibilities of the Department and local authorities and changes the application cycle from two to four years.

Agency Stated Authority: Iowa Code sections 307.12, 307A.2, and 306D.4.

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

LSA Response: The LSA concurs.

Rule Summary **ARC 3131C**
Clarifies language, technical requirements, and the purpose of the RISE Fund including the types of development activities that the program is intended to assist.

Agency Stated Authority: Iowa Code sections 307.12, 307A.2, and 315.10.

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

LSA Response: The LSA concurs.

Rule Summary **ARC 3132C**
Updates definitions, language, and contact information, and clarifies matching funds requirements and eligible activities concerning the recreational trails program.

Agency Stated Authority: Iowa Code sections 307.12, 307A.2 and 465B.2.

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

LSA Response: The LSA concurs.

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Department of Workforce Development

Rule Summary **ARC 3114C**
Provides Iowa Workforce Development (IWD) with technology and modern efficiencies related to unemployment insurance administration. This includes, among other things, the electronic transmission of contribution payments, filings, reports, eligibility claims, and submittals. Addresses the information to be submitted by a claimant. Specifies that interest for overpayment by reason of the claimant’s fault or fraud will accrue interest at a rate of 1/30 of 1.0% per day until the overpayment is

paid in full. Requires that an employer who fails to respond to a request for wage information pertaining to the benefit payments of a specific claimant be charged a fee of \$25 per claimant.

Agency Stated Authority: Iowa Code section 96.11.

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

LSA Response: Information is not available to estimate the fiscal impact of requiring electronic transmittals, the interest on overpayments, or the failure of an employer to provide required information.

Rule Summary Provides IWD with technology and modern efficiencies by changing the procedures for preparing for and participating in unemployment appeal hearings. **ARC 3116C**

Agency Stated Authority: Iowa Code section 96.11.

Fiscal Impact **Agency Response:** No fiscal impact. Iowa Workforce Development will be able to implement these changes and updates utilizing existing personnel and resources.

LSA Response: The LSA concurs.

Rule Summary Provides the IWD with technology and modern efficiencies related to administration of contested cases proceedings involving unemployment insurance. This includes: **ARC 3137C**

- Making technical changes and clarifications.
- Expanding the nonmonetary grounds that an unemployment insurance presiding officer may use when making rulings in discovery.
- Modifying the time frame for discovery.
- Requiring hearing exhibits to be sent to the other party before the hearing date.

Agency Stated Authority: Iowa Code section 96.11.

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

LSA Response: The LSA concurs.

Rule Summary Provides the IWD with technology and modern efficiencies related to the administration of IWD and the unemployment insurance program. **ARC 3138C**

Agency Stated Authority: Iowa Code section 96.11.

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

LSA Response: The LSA concurs.

Department of Public Safety

ARC 3123C and ARC 3124C

Rule Summary Implements Senate File 489 related to the purchase, use, and regulation of consumer and display fireworks. The legislation requires the State Fire Marshal to adopt administrative rules for the regulation of the storage, transportation, handling, and use of fireworks; for the sale of fireworks; and for the licensing of fireworks retailers and registration of wholesalers. Authorizes the licensing fees that are collected to fund the costs of administration and enforcement of the legislation. Establishes a local fire protection and emergency medical service providers grant program to provide fireworks safety education and to purchase equipment related to the sale and use of consumer fireworks.

Adopts new 661 IAC chapter 265, "Consumer Fireworks Sales Licensing and Safety Standards," which implements the licensing program and fees for the sale of consumer fireworks by retailers and community groups; establishes the registration program and fees for wholesalers of consumer fireworks; establishes procedures for revocation of a license for intentional violations of the rules; and creates a fire protection and emergency medical services grant program.

Agency Stated Authority: Iowa Code section 100.1(4)(b) and 2017 Iowa Acts, SF 489, section 11.

Fiscal Impact **Agency Response:** The fiscal impact for the licensing and inspections of consumer and display fireworks retailers and wholesalers is expected to be less than \$100,000. This includes the costs of administering the licensing program and the costs associated with inspections and enforcement of the laws and regulations.

LSA Response: The LSA does not agree with the agency response on estimated fiscal impact. The agency estimate was made with little consultation with the State Fire Marshal's Office on actual costs, as that office is currently overwhelmed with issuing licenses and inspections of fireworks sales sites. Final costs will not be available until after the initial sales period for fireworks is complete in July.

At this time, the estimate of costs provided by the DPS for the LSA's SF 489 Fiscal Note published March 10, 2017, is more accurate. The estimated cost to implement and enforce the Act was \$140,796 for FY 2017 and \$181,081 for FY 2018.

As of June 22, 2017, there have been 625 licenses issued with license revenue of \$199,400. This revenue is deposited into the Consumer Fireworks Fee Fund for administration and enforcement by the State Fire Marshal's Office. At this time it is not clear if license revenues will cover all of the costs incurred.

Department on Aging

ARC 3139C

Rule Summary Eliminates the six-month redetermination of eligibility for home-delivered meals. This requirement had a significant cost for the Area Agencies on Aging (AAAs), but provided little return on the investment. The home-delivered meal eligibility assessment was not connected to the data or the annual assessments that are required.

Agency Stated Authority: Iowa Code chapter 231 and Iowa Code section 17A.3.

Fiscal Impact **Agency Response:** No fiscal impact. This requirement had a significant cost for the AAAs, but provided little return on the investment. The elimination of this requirement will be a cost savings to the AAAs.

LSA Response: The LSA concurs.

ARC 3140C

Rule Summary Eliminates mandatory reporter training provided by the Iowa Department on Aging (IDA). The IDA created the mandatory reporter training when there was an identified gap in this service available in Iowa. There are now seven other providers listed on the Iowa Department of Public Health website. With a significant number of providers available, it is no longer necessary for the IDA to provide this training.

Agency Stated Authority: Iowa Code chapter 231 and Iowa Code section 17A.3.

Fiscal Impact **Agency Response:** Minimal fiscal impact. There will likely be a small cost savings because the Department will no longer provide this service.

LSA Response: The LSA concurs.

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Architectural Examining Board

ARC 3141C

Rule Summary Amends existing rules to clarify and update definitions as well as terminology regarding the Architectural Experience Program.

Agency Stated Authority: Iowa Code section 544A.29.

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

LSA Response: The LSA concurs.

ARC 3142C

Rule Summary Updates existing rules to conform to nonsubstantive changes to the Iowa Rules of Civil Procedure.

Agency Stated Authority: Iowa Code section 544A.29.

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

LSA Response: The LSA concurs.

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Landscape Architectural Examining Board

ARC 3097C

Rule Summary Updates current rules to reflect current examination and licensing practices, including updating the reinstatement and fee process. Replaces the word “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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Natural Resource Commission

ARC 3098C

Rule Summary Updates deer hunting regulations applicable to Iowa residents, including season dates, bag limits, possession limits, shooting hours, areas open to hunting, licensing procedures, and transportation and reporting requirements. Specific changes include:

- Updates antlerless deer quotas for 22 counties.
- Adds straight wall cartridge rifles as an approved method of take for the regular gun hunting seasons, and creates hunts for youth and severely disabled hunters.
- Clarifies the definition of “centerfire handgun” to reduce confusion regarding the type of handgun that is legal for use in hunting deer in Iowa.
- Allows persons with a valid permit to carry a handgun while hunting. However, only authorized handguns can be used to hunt deer and only when handguns are a lawful method of take.

A public hearing was held on May 2, 2017, and the following comments were received:

- 25 opposed the addition of straight wall cartridge rifles as legal firearms.
- Seven supported straight wall cartridge rifle use.
- Five were supportive if conditions were placed upon their use.
- Five remaining comments were related to other deer hunting activities.

Two changes were made to the Notice of Intended Action:

- The description of an approved handgun magazine’s functionality was incorrect. The adjusted language is “a magazine feeding a single chamber.”
- The term “bolt action” was added as a required mechanical feature of approved handguns. A handgun must have the action of a slide or bolt action to eject the casing, or the handgun must have a break action.

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

Fiscal Impact **Agency Response:** Minimal fiscal impact. The Department of Natural Resources estimates a small increase in resident antlerless deer license sales totaling approximately 1,800. The price of the license is \$28.50 (first license) or \$13.00 (additional licenses). It is unknown how many of each license will be sold, but the estimated increase in revenue to the Fish and Game Protection Fund ranges between \$23,000 and \$51,000 for FY 2018.

LSA Response: The LSA concurs.

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Dental Board

ARC 3143C

Rule Summary Allows outside training entities to develop and submit their own dental assisting radiography qualification examinations for Board approval. Sets the minimum number of questions for the examinations at 50, specifies that the examinations must be administered in a proctored setting, and sets a minimum pass rate of 75 percent or greater. The purpose of the proposed amendments is to increase the availability of examinations and testing locations for applicants seeking the dental assisting radiography qualification.

Agency Stated Authority: Iowa Code sections 147.34 and 153.39.

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

LSA Response: The LSA concurs.

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