



## Fiscal Services Division

February 9, 2018

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 3573C (NOIA)

**Rule Summary** Aligns existing rules with federal regulations regarding the use of civil money penalties (CMP) imposed by the Centers for Medicare and Medicaid Services (CMS). Updates the Department's process in how and when the Department requests applications for grant proposals. Removes the evaluation and scoring criteria, as this information will be incorporated in the formal request for application.

**State or Federal Law Implemented:** Iowa Code section 249A.57.

**Fiscal Impact** **Agency Response:** No fiscal impact. There are no costs associated with this rulemaking. A change in the criteria and process for awarding these grants could potentially change which entities qualify, but funding is already set aside in the Civil Money Penalty Fund, and at no time shall the grant set-aside cause the Civil Money Penalty Fund to drop below \$1.0 million.

**LSA Response:** The LSA concurs.

	<b><u>ARC 3594C (NOIA)</u></b>
<b>Rule Summary</b>	Adds the use of online course curricula to meet the required minimum of 30 hours of classroom instruction and adds a definition of “clock hours” for nurse aides. Adds a process to allow a veteran to be deemed to satisfy the nurse aide training requirements based upon the training and experience acquired through the veteran’s service.
	<b>State or Federal Law Implemented:</b> Iowa Code section <u>135C.14(2)</u> and 2017 Iowa Acts, <u>HF 306</u> (Certified Nursing Assistant Training Act).
<b>Fiscal Impact</b>	<b>Agency Response:</b> No fiscal impact.
	<b>LSA Response:</b> The LSA concurs.
	<b><u>ARC 3595C (NOIA)</u></b>
<b>Rule Summary</b>	Conforms existing rules to new federal regulations, effective January 19, 2017. The rulemaking makes the following changes: <ul style="list-style-type: none"> <li>• Conforms to new federal case closure criteria by updating language and adding more permissive closure reasons.</li> <li>• Removes references to voluntary reduction of income as a factor when the Child Support Recovery Unit (CSRU) modifies child support obligations.</li> <li>• Includes federal guidance on using the actual income of parties to determine support obligation amounts, which does not appear to align with the existing CSRU rules relating to voluntary reduction in income.</li> </ul>
	<b>State or Federal Law Implemented:</b> Iowa Code section <u>217.6</u> .
<b>Fiscal Impact</b>	<b>Agency Response:</b> No fiscal impact. These amendments will not substantially change the number of actions the CSRU completes. There are no system changes to implement the changes, and the CSRU will not need to increase or decrease staff to complete the actions.
	<b>LSA Response:</b> The LSA concurs.
	<b><u>ARC 3596C (NOIA) &amp; ARC 3599C (NOIA)</u></b>
<b>Rule Summary</b>	Implements the January 1, 2018, cost-of-living adjustments (COLA) to income limits and benefit amounts for several State supplementary assistance (SSA) categories. Also implements the changed personal needs allowances for Residential Care Facility (RCF) assistance and Family-Life Home (FLH) assistance. The net change to the personal needs allowances is a decrease due to the small COLA percentage increase being offset by a larger decrease in the average monthly Medicaid copayments used to calculate the amount of this deduction.
	<b>State or Federal Law Implemented:</b> Iowa Code section <u>249A.4</u> , and <u>HF 653</u> (FY 2018 Health and Human Services Appropriations Act), section 14.
<b>Fiscal Impact</b>	<b>Agency Response:</b> Minimal fiscal impact. The RCF and Family-Life Home personal needs allowances (PNAs) are decreasing by \$1 per month, from \$100 to \$99 per month. The base personal needs allowance is increased only slightly due to the 2.0% COLA this year. This increase was more than offset by the decrease in the average Medicaid copayment per client per month for RCF recipients. (The average Medicaid copayment per client per month is added to the base PNA to determine the final monthly PNA.) The average copayment per client per month for RCF recipients for August 2016 through July 2017 was \$0.90. This is a decrease of \$2.89 from last year’s average of \$3.79. For Family-Life Home recipients, the \$16 increase in the payment to the family-life home is offset by the \$1 decrease in the personal needs deduction and a \$15 increase in the Supplemental Security Income payment. The recipient will pay up to \$16 more due to the \$15 increase in income and the \$1 decrease in the personal needs allowance. For RCF assistance recipients, the maximum total payment to the facility will increase up to

\$15.19 per month per recipient ( $[\$30.60 - \$30.11] \times 31$  days). RCF costs are shared by the State and the RCF recipient. Any potential increase costs to the State are expected to be more than offset by declining RCF caseloads in SFY 2018 and SFY 2019. For Dependent Person assistance recipients, the maximum monthly payment is increasing by \$8, from \$379 to \$387. Each Dependent Person assistance recipient will receive an increase of up to \$8, resulting in an anticipated increase in State expenditures.

**LSA Response:** The LSA concurs.

**ARC 3597C (NOIA)**

**Rule Summary** Replaces the current Child Support Parental Obligation Pilot Projects rules by renaming the program and clarifying incentives. The purpose of this program is to assist parents in overcoming the barriers that prevent them from fulfilling their obligations to their children.

**State or Federal Law Implemented:** Iowa Code section 252B.3(5).

**Fiscal Impact** **Agency Response:** No fiscal impact. This is an existing program, and the rulemaking will not change the level of funding needed.

**LSA Response:** The LSA concurs.

**ARC 3598C (NOIA)**

**Rule Summary** Amends and clarifies standards for crisis response services. Iowa Medicaid currently covers crisis response services; however, these amendments clarify that the daily upper limit for hourly crisis response and hourly crisis stabilization services is limited to the daily per diem for crisis stabilization services. These amendments also make a technical correction to the record requirements in a previously adopted rule.

**State or Federal Law Implemented:** Iowa Code section 249A.4.

**Fiscal Impact** **Agency Response:** Fiscal impact cannot be determined. Iowa Medicaid currently reimburses for crisis response services. These amendments are intended to provide a daily upper limit for hourly crisis response services and hourly crisis stabilization services to ensure that the cost of hourly services does not exceed the cost of daily crisis stabilization services. There will be new Medicaid expenditures for crisis response services resulting from the clarification of Medicaid participation and reimbursement. However, these services are expected to reduce the utilization of more costly inpatient services. Neither the cost of the crisis services nor the offsetting hospital savings are known with certainty. Any potential impact will be limited by the availability and capacity of accredited providers. For subacute facilities, any potential impact will be limited by the availability of beds. There is currently one licensed subacute facility in the State, and only one application has been sent to the Department for review. If approved, that facility will provide up to nine subacute beds.

**LSA Response:** The LSA concurs.

**ARC 3602C (ANOIA)**

**Rule Summary** Changes the rate-setting methodology used to develop Supported Community Living (SCL), Day Habilitation, and Adult Day Care service rates in the Intellectual Disability Waiver. The SCL methodology will change from the current retrospectively limited prospective rate-setting process to a fee schedule using a tiered-rate methodology. Day Habilitation and Adult Day Care service rates are currently established through a fee schedule but will be changed to use tiered rates. The tiered-rate methodology establishes a tiered system of reimbursement based on the identified acuity level from the results of the Supports Intensity Scale (SIS) core standardized assessment.

**State or Federal Law Implemented:** Iowa Code section 249A.4 and HF 653 (FY 2018 Health and Human Services Appropriations Act), section 93.

**Fiscal Impact**     **Agency Response:** No fiscal impact. The move to tiered rates as a funding methodology will be cost-neutral to the Department. The tiered-rate funding methodology will assign a standardized service rate based on member need, rather than using the current methodology of services reimbursement based on provider costs. With this rule change, some providers will see increased revenues compared to current service reimbursement, and other providers will see decreased revenues.

**LSA Response:** The LSA concurs.

LSA Staff Contact: Jess R. Benson (515.689.0598) [jess.benson@legis.iowa.gov](mailto:jess.benson@legis.iowa.gov)

## Department of Administrative Services

### ARC 3574C (NOIA)

**Rule Summary**     Amends existing rules pursuant to the 2017 enactment of HF 293 (State Agency Purchasing of In-State Manufactured Products Act), which provides that an agency is not required to comply with Iowa Code section 904.808 for the purchase of a product if the agency can verify the product is manufactured in the State. The rulemaking also allows Iowa Prison Industries, as defined in Iowa Code section 904.802, to submit bids to provide the product being purchased.

**State or Federal Law Implemented:** Iowa Code sections 8A.311, 904.807, and 904.808, and 2017 Iowa Acts, ch. 4.

**Fiscal Impact**     **Agency Response:** Fiscal impact cannot be determined. The Department is unable to determine the future demand for products such as those provided by Iowa Prison Industries, as well as their correlating market prices.

**LSA Response:** The LSA concurs.

LSA Staff Contact: Christin Mechler (515.250.0458) [christin.mechler@legis.iowa.gov](mailto:christin.mechler@legis.iowa.gov)

## Department of Agriculture and Land Stewardship

### ARC 3567C (NOIA)

**Rule Summary**     Permits farmstands that sell produce and that do not have a permanent structure to continue to operate, as long as the farmstand has been in business for at least five continuous years, has been in operation for the majority of the farmer's market season, and has a letter of support from a municipality, county, or governmental agency. A farmstand meeting these requirements can continue to participate in the federal Women, Infants, and Children/Farmers' Market Nutrition Program and the Senior Farmers' Market Nutrition Program and can accept checks from these programs.

**State or Federal Law Implemented:** Iowa Code chapters 159 and 175B.

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

**LSA Response:** The LSA concurs.

### ARC 3611C (AF)

**Rule Summary**     Updates provisions related to organic certification and removes provisions made redundant by national requirements already adopted by reference. Rescinds a number of items that were only recommendations.

**State or Federal Law Implemented:** Iowa Code chapter 190C.

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

**LSA Response:** The LSA concurs.

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LSA Staff Contact: Deb Kozel (515.281.6767) [deb.kozel@legis.iowa.gov](mailto:deb.kozel@legis.iowa.gov)

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### Board of Veterinary Medicine

#### ARC 3563C (NOIA)

**Rule Summary** Allows veterinary technician exams to be offered more frequently than once annually. The fee for the exam would be changed from \$25 plus \$10 administrative fee to a maximum fee of \$50 as set by the Board of Veterinary Medicine, plus an administrative charge set by the Board. Applicants would have five attempts to obtain a passing score.

**State or Federal Law Implemented:** Iowa Code section 169.9.

**Fiscal Impact** **Agency Response:** Minimal fiscal impact. The average annual number of applicants taking the test is 70. The Board of Veterinary Medicine does not have immediate plans to increase the fee.

**LSA Response:** The LSA concurs.

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LSA Staff Contact: Deb Kozel (515.281.6767) [deb.kozel@legis.iowa.gov](mailto:deb.kozel@legis.iowa.gov)

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### Department of Commerce/Credit Union Division

#### ARC 3600C (NOIA)

**Rule Summary** Reflects modifications to the nomination process by allowing for nomination notification by newsletter, to allow for more time for ballots to be submitted prior to the annual meeting. Also reflects recent changes made to permissible investments for federal credit unions and State-chartered credit unions with respect to charitable donation accounts for bank notes.

**State or Federal Law Implemented:** Iowa Code sections 533.203, 533.205, and 533.301.

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

**LSA Response:** The LSA concurs.

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LSA Staff Contact: Angel A. Banks-Adams (515.281.6301) [angel.banks-adams@legis.iowa.gov](mailto:angel.banks-adams@legis.iowa.gov)

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### Department of Commerce/Insurance Division

#### ARC 3570C (NOIA)

**Rule Summary** Rescinds the consumer filing fee for an insured individual's request for an independent review of a benefit trigger determination related to long-term care insurance.

**State or Federal Law Implemented:** Iowa Code chapter 514G and 2017 Iowa Acts, House File 626 (Independent Review of Long-Term Care Insurance Benefit Determinations Act).

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

**LSA Response:** The LSA concurs.

#### ARC 3571C (NOIA)

**Rule Summary** Deletes references to "organized delivery systems" pertaining to authorized methods of delivery for notices of cancellation, nonrenewal, or termination. Implements policyholder protections.

**State or Federal Law Implemented:** 2017 Iowa Acts, HF 393 (Organized Delivery Systems).

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

**LSA Response:** The LSA concurs.

**ARC 3586C (AF)**

**Rule Summary**     Rescinds the chapter that allows for implementation of the Iowa Stopgap Measure. The Insurance Division withdrew its waiver application for the Program on October 23, 2017.

**State or Federal Law Implemented:** Iowa Code chapters 505, 513C, and 514E.

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

**LSA Response:** The LSA concurs.

LSA Staff Contact: Angel A. Banks-Adams (515.281.6301) [angel.banks-adams@legis.iowa.gov](mailto:angel.banks-adams@legis.iowa.gov)

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**Real Estate Commission**

**ARC 3564C (NOIA)**

**Rule Summary**     Clarifies when a licensed real estate broker will be required to maintain a trust account at a federally insured depository institution. Implements the requirement that the Commission is to adopt rules that define acknowledgment of receipt when a seller disclosure statement form is delivered electronically.

**State or Federal Law Implemented:** 2017 Iowa Acts, House File 541 (Real Estate Sales Act), section 4.

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

**LSA Response:** The LSA concurs.

LSA Staff Contact: Angel A. Banks-Adams (515.281.6301) [angel.banks-adams@legis.iowa.gov](mailto:angel.banks-adams@legis.iowa.gov)

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**Department of Inspections and Appeals/Racing and Gaming Commission**

**ARC 3608C**

**Rule Summary**     Clarifies a variety of procedures, including those regarding confidential records, advanced deposit wagering licenses, jockey weight limits, and prescription medications for race horses.

**State or Federal Law Implemented:** Iowa Code chapters 99D and 99F.

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

**LSA Response:** The LSA concurs.

LSA Staff Contact: Christin Mechler (515.250.0458) [christin.mechler@legis.iowa.gov](mailto:christin.mechler@legis.iowa.gov)

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**Environmental Protection Commission**

**ARC 3568C (NOIA)**

**Rule Summary**     Revises State drinking water rules to adopt federal rules changes. The federal Environmental Protection Agency (EPA) rules include:

- The Groundwater Rule, which provides increased protection against microbial pathogens such as E. coli in public water systems that use groundwater sources.
- The Lead and Copper Rule with Short-Term Revisions, which includes two significant changes. The first is to notify the homeowner of the lead level when a home is used

- for compliance testing, and the second changes the mandatory public education language required when a public system exceeds the action level.
- The Revised Total Coliform Rule, which provides for increased public health protection in all systems through the reduction of potential entry pathways for fecal contamination into the distribution systems.
  - Additions to the Stage 2 Disinfectants and Disinfection Byproducts Rule.
  - Additions to the Long Term 2 Enhanced Surface Water Treatment Rule.
  - Updates to analytical methods and constructions standards.

Also amends State rules to include:

- Conforming the water supply construction standards to the 2012 edition of the 10 States Standards and the 2016 edition of the American Water Works Association standards.
- Updating the emergency response phone number at the Department of Natural Resources (DNR).
- Changing the American National Standards Institute (ANSI)/National Sanitation Foundation (NSF) standards.
- Clarifying chlorination requirements.
- Providing a separation distance for ground heat exchange (GHEX) loop boreholes to public wells.
- Ensuring adequate treatment of surface water, including daily calculation of contact time ratio, turbidimeter calibration, and verification criteria; and providing clarification of the turbidity combined filter effluent compliance treatment technique.
- Changing the replacement of a lead service line to an allowable cost under the Drinking Water State Revolving Fund Clean Water Loan Program.
- Defining operating shift and shift operator.
- Correcting the reference to rural water districts in the Iowa Code.
- Including transient noncommunity systems in Grade A operator criteria.
- Rescinding outdated oral examination criteria for operator certification.
- Rescinding outdated temporary certification for operators.
- Allowing an operator to retake a failed exam after 30 days instead of 180 days.
- Updating lab certification manual references to current editions.
- Rescinding outdated laboratory certification rules for solid waste.
- Including recordkeeping requirements for laboratory certification appraisal auditors.
- Correcting rules for typographical errors.

**State or Federal Law Implemented:** Iowa Code Chapter 272C; Iowa Code sections 17A.3(1)b, 455B.113 - 455B.115, 455B.171 - 455B.192, 455B.211 - 455B.224 and 455B.299.

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

**LSA Response:** The LSA concurs.

**ARC 3569C (NOIA)**

**Rule Summary**      Updates rules to conform to the Iowa Code. Changes include:

- Eliminating the advisory council for the Solid Waste Environmental Management Systems Program and moving the responsibilities to the Department of Natural Resources (DNR).
- Amending definitions related to the Solid Waste Environmental Management Systems Program.
- Clarifying the annual report submitting process.
- Changing the annual report review date from October 1 to January 1.

**State or Federal Law Implemented:** Iowa Code chapter 455J.

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

**LSA Response:** The LSA concurs.

**Rule Summary**     **ARC 3584C (AF)**  
Renews the five-year National Pollutant Discharge Elimination System (NPDES) General Permits for Numbers 1, 2, and 3. The last issuance date was 2012, and the permits are valid for five years. The permits make the following changes:

- General Permit Number 1 changes the issuance date.
- General Permit Number 2 changes the issuance date and makes changes to the federal effluent limits from the Environmental Protection Agency (EPA). This includes a change to the State soil stabilization requirements for idle sites.
- General Permit Number 3 changes the issuance date and deauthorizes the discharge of water resulting from dewatering activities at rock quarries.

**State or Federal Law Implemented:** Iowa Code sections 455B.103A, 455B.105(3), 455B.173, and 455B.186.

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

**LSA Response:** The LSA concurs.

**Rule Summary**     **ARC 3583C (AF)**  
Revises the rules for the Iowa Water Quality Management Plans. This rulemaking establishes the technical methodologies the Department of Natural Resources uses to develop permit limits based on water quality criteria. The proposed revision will provide more flexibility for facilities seeking to use alternative permitting options. Also changes the title of the document to the Iowa Wasteload Allocation (WLA) Procedure.

**State or Federal Law Implemented:** Iowa Code sections 455B.105(11)(a), 455B.173(2), and 455B.173(3).

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

**LSA Response:** The LSA concurs.

**Rule Summary**     **ARC 3585C (AF)**  
Renews the five-year National Pollutant Discharge Elimination System (NPDES) General Permit Number 4 for onsite wastewater system discharge by changing the issuance date.

**State or Federal Law Implemented:** Iowa Code section 455B.173(11).

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

**LSA Response:** The LSA concurs.

LSA Staff Contact: Deb Kozel (515.281.6767) [deb.kozel@legis.iowa.gov](mailto:deb.kozel@legis.iowa.gov)

## Board of Medicine

**Rule Summary**     **ARC 3587C (AF)**  
Amends the chapter on Permanent Physician Licensure to update the expedited licensure process through the new Interstate Medical Licensure Compact, add the Administrative Medicine License, and make technical corrections.

**State or Federal Law Implemented:** Iowa Code chapters 147B, 148, and 272C, and Iowa Code section 147.76.



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

**LSA Response:** The LSA concurs.

**Rule Summary**     Amends Standards of Practice and Principles of Medical Ethics to conform to changes made in SF 404 (Right to Try Act). **ARC 3588C (AF)**

**State or Federal Law Implemented:** Iowa Code chapters 148 and 272C and Iowa Code section 147.76.

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

**LSA Response:** The LSA concurs.

**Rule Summary**     Amends the “Standards of Practice and Principles of Medical Ethics” to conform to changes made in HF 577 (Lyme Disease Treatment Exemption from Discipline Act). **ARC 3589C (AF)**

**State or Federal Law Implemented:** Iowa Code chapters 148 and 272C and Iowa Code section 147.76.

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

**LSA Response:** The LSA concurs.

LSA Staff Contact: Kent Ohms (515.971.7053) [kenneth.ohms@legis.iowa.gov](mailto:kenneth.ohms@legis.iowa.gov)

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## Department of Revenue

**Rule Summary**     Implements changes related to the local hotel and motel tax imposed by a land use district, as authorized in HF 609 (Land Use District Hotel and Motel Tax Act), enacted in 2017. **ARC 3566C (NOIA)**

**State or Federal Law Implemented:** Iowa Code chapter 423A.

**Fiscal Impact**     **Agency Response:** The proposed amendments will have no fiscal impact if no land use district implements a hotel and motel tax. Implementation of a hotel and motel tax by a land use district will reduce county revenue by whatever portion of the current county hotel and motel tax revenue is derived from lodging within the land use district.

**LSA Response:** The LSA concurs in part. HF 609 allows Iowa’s only land use district (the Amana Colonies in Iowa County) to put in place its own hotel and motel tax at a rate of up to 7.0% and utilize the revenue derived for any lawful purpose. Voters in the Amana Colonies voted this past fall to implement a local option hotel and motel tax. As a result of the legislation and the vote, some portion of \$122,000 will be raised by the tax each year. Implementation of a hotel and motel tax by the Amana Colonies will reduce Iowa County revenue by whatever portion of the current county hotel and motel tax revenue (\$122,000 in FY 2017) is derived from lodging within the Amana Colonies. The exact portion of revenue impacted by these changes cannot be determined at this time.

**Rule Summary**     Amends existing rules to implement changes to the adoption expense deduction and the adoption tax credit contained in 2016 Iowa Acts HF 2468 (Administration of Tax and Related Laws Act) and 2017 Iowa Acts SF 433 (Termination of Parental Rights and Adoption Proceedings Act). **ARC 3579C (NOIA)**

As enacted in HF 2468, the proposed amendments provide for an increase in the adoption tax credit for tax years beginning on or after January 1, 2017.

As enacted in SF 433, the proposed amendments change the entities that can permanently place an adopted child for purposes of the tax deduction and the tax credit.

**State or Federal Law Implemented:** 2016 Iowa Acts, HF 2468 and 2017 Iowa Acts, SF 433.

**Fiscal Impact** **Agency Response:** Beginning FY 2018, the adoption tax credit changes in HF 2468 will decrease State income tax revenues by an estimated \$347,000 per fiscal year. Senate File 433 is not expected to have a fiscal impact.

**LSA Response:** The LSA concurs.

LSA Staff Contact: Jeff W. Robinson (515.281.4614) [jeff.robinson@legis.iowa.gov](mailto:jeff.robinson@legis.iowa.gov)

## Department of Transportation

### ARC 3572C (NOIA)

**Rule Summary** Strikes a reference regarding insurers of transportation network companies.

**State or Federal Law Implemented:** Iowa Code chapter 321N, and Senate File 516 (FY 2018 Standing Appropriations Act).

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

**LSA Response:** The LSA concurs.

### ARC 3601C (NOIA)

**Rule Summary** Updates the existing rules affecting driver's license sanctions; implements existing legal authority and Department practices; eliminates outdated or irrelevant requirements; and changes the language to reflect that the Department "shall" take an action, rather than "may" take an action.

**State or Federal Law Implemented:** Iowa Code sections 321.177, 321.178, 321.180B, 321.184, 321.185, 321.189, 321.191, 321.193, 321.194, 321.201, 321.205, 321.208, 321.210, 321.210A, 321.210C, 321.210D, 321.212, 321.213B, 321.216, 321.216A, 321.216B, 321.216C, 321.218, 321.218A, 321.323A, 321.372, 321.513, 321.555, 321.556, 321.560, 321A.2, 321J.21, and 714.7D.

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

**LSA Response:** Fiscal impact cannot be determined at this time. Changes to the suspension periods for excessive speeding may reduce the number of convictions for driving on a suspended license under Iowa Code section 321.218. In FY 2017, 73 individuals received a subsequent driving-while-suspended sanction during the time an excessive speed suspension was active. It is unknown if any of these individuals would not have been convicted under the proposed rulemaking. Individuals convicted of driving under an active suspended license are found guilty of a simple misdemeanor punishable by a fine of \$200 to \$1,500, as well as other penalties.

### ARC 3609C (AF)

**Rule Summary** Amends the planting and harvesting periods as they relate to hours-of-service limits on drivers of commercial motor vehicles transporting agricultural commodities.

**State or Federal Law Implemented:** Iowa Code sections 321.449 and 321.450, and 49 C.F.R. §395.1.

**Fiscal Impact**     **Agency Response:** Fiscal impact cannot be determined. This rulemaking may result in fewer citations being issued for log book violations since the rulemaking extends the planting and harvesting period to last the calendar year.

**LSA Response:** The LSA concurs. Between March 15, 2016, and March 15, 2017, the Department's Motor Vehicle Enforcement Office issued 1,494 citations and the Iowa State Patrol issued 474 citations for log book violations during the current nonplanting and harvesting periods. The scheduled fine for an hours-of-service violation is \$50. The total fine amount including criminal surcharge and court costs is \$128. It is not known how many of these violations would be exempt under the proposed rulemaking. Any reduction in convictions under Iowa Code section 321.449 may reduce revenue to the General Fund; however, the potential fiscal impact cannot be determined at this time.

LSA Staff Contact: Michael Guanci (515.729.7755) [michael.guanci@legis.iowa.gov](mailto:michael.guanci@legis.iowa.gov)

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## Labor Division

**Rule Summary**     **ARC 3565C (NOIA)**  
 Modifies the definition of "construction," reducing the number of individuals who are considered contractors, and conforms surety bond requirements to Iowa Code chapter 91C as amended by the 2017 enactment of SF 411 (Contractor License Fees Act).

**State or Federal Law Implemented:** Iowa Code chapter 91C.

**Fiscal Impact**     **Agency Response:** Minimal fiscal impact. This rulemaking will reduce the funds received by the Contractor Registration Fund by a small amount. Information is not available to determine the exact number of individuals who will no longer be considered contractors.

**LSA Response:** The LSA concurs.

**Rule Summary**     **ARC 3593C (NOIA)**  
 Adopts federal standards related to beryllium exposure.

**State or Federal Law Implemented:** Iowa Code chapter 88.

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

**LSA Response:** The LSA concurs.

LSA Staff Contact: Ron Robinson (515.281.6256) [ron.robinson@legis.iowa.gov](mailto:ron.robinson@legis.iowa.gov)

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## Iowa Workforce Development Board

**Rule Summary**     **ARC 3610C**  
 Provides the Iowa Workforce Development Board (Board) with a framework from which to operate in regard to technology and modern efficiencies related to the administration of the Board and the Regional Advisory Boards. Includes changes related to the enactment of HF 572 (Workforce Development Board Membership and Eligibility Act) and the federal Workforce Innovation and Opportunity Act (WIOA).

**State or Federal Law Implemented:** Iowa Code section 96.11.

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

**LSA Response:** The LSA concurs.

LSA Staff Contact: Ron Robinson (515.281.6256) [ron.robinson@legis.iowa.gov](mailto:ron.robinson@legis.iowa.gov)

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**Department of Public Safety**
**ARC 3580C (NOIA)**

**Rule Summary** Repeals provisions authorizing the inspections of electrical installations on farm buildings. Amends rules to conform to SF 357 (Electricians Licensing, Farm Exception). Eliminates the requirement of a license for a person performing an electrical installation on a farm or farm building if the building is not regularly open to the public as a retail place of business, if the electrical installation is done by a person who has a legal or equitable interest in the farm, if the person is a relative or employee of a person who has a legal or equitable interest in the farm, or if the person is an operator or manager of the farm. Inspections and permits are also not required for these installations. A licensed person must do the work on a residence, unless the work is done by the owner on the owner's principal residence.

**State or Federal Law Implemented:** 2017 Iowa Acts, SF 357 (Electricians Licensing, Farm Exception).

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

**LSA Response:** The LSA concurs.

**ARC 3592C (AF)**

**Rule Summary** Implements a licensing program and fees for the sale of consumer fireworks by retailers and community groups, establishes a 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 Local Fire Protection and Emergency Medical Service Providers grant program.

**State or Federal Law Implemented:** 2017 Iowa Acts, SF 489 (Fireworks Legalization Act).

**Fiscal Impact** **Agency Response:** The fiscal impact of the program is expected to be between \$100,000 and \$500,000. At present, it is anticipated that annual costs to administer the program will be around \$100,000. Annual costs include administration of the licensing program, and enforcement of laws and regulations by the State Fire Marshal Division. Revenues from fees that are not retained for program costs will be distributed to local fire and emergency response entities through the grant program authorized by statute. Based on the number of licenses issued during the first two sales periods, it appears that the fireworks program will be self-sustaining, and that a grant program can be established that can benefit local communities in Iowa.

**LSA Response:** The LSA concurs.

LSA Staff Contact: Alice Fulk Wisner (515.281.6764) [alice.wisner@legis.iowa.gov](mailto:alice.wisner@legis.iowa.gov)

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**Department of Public Health****ARC 3575C (NOIA)**

**Rule Summary** Designates "Get with the Guidelines" as the statewide stroke database and provides clarity for Comprehensive and Primary Stroke Centers on the reporting requirements pursuant to 2017 Iowa Acts, ch. 26 (Stroke Care Reporting Act).

**State or Federal Law Implemented:** 2017 Iowa Acts, ch. 26.

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

**LSA Response:** The LSA concurs.

**ARC 3577C (NOIA)**

**Rule Summary** Updates definitions, adds “evidence of staff supervision” to contractor assurance, updates educational requirements, and aligns grant formulas to conform to appropriation changes.

Prior to FY 2018, funding for the local public health services contracts came from two General Fund appropriations. House File 653 (FY 2018 Health and Human Services Appropriations Act), Essential Public Health Services Appropriation, merged the two funding streams into one. Instead of two formulas for distribution of funds, there will be one formula to accommodate both funding streams.

**State or Federal Law Implemented:** Iowa Code section 135.11 and 2017 Iowa Acts, HF 653.

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

**LSA Response:** The LSA concurs in part. There is no impact to the General Fund. County Boards of Health will see a minimal fiscal impact through the revised formula weighting. The following table presents the allocations for the two separate formulas found in Administrative Rules, the weighted amount of these formulas based on the amounts of the allocations, and amounts proposed by ARC 3577C.

<b>Essential Public Health Services Funding Allocations</b>			
	<u>FY 2017 (Current Law)</u>	<u>FY 2017 "Weighted Value"</u>	<u>ARC 3577C</u>
<b><u>Community Capacity (Former Appropriation Location)</u></b>			
Divided Equally by County	40.0%	18.2%	18.0%
Divided by County Population	60.0%	7.8%	8.0%
<b><u>Healthy Aging (Former Appropriation Name)</u></b>			
Divided Equally by County	15.0%	Included Above	
Proportion of Elderly Persons in County	51.0%	44.4%	44.0%
Proportion of Low-Income Persons in County	34.0%	29.6%	30.0%

**ARC 3578C (NOIA)**

**Rule Summary** Updates existing rules on radioactive materials to conform to federal regulations, updates citations, and removes reference to a fee.

**State or Federal Law Implemented:** Iowa Code section 136C.3.

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

**LSA Response:** The LSA concurs. The fee language removal pertains to a fee that the Department has not charged.

**ARC 3603C (AF)**

**Rule Summary** Rescinds the chapter on the Statewide Obstetrical and Newborn Indigent Patient Care Program, pursuant to HF 393 (FY 2018 Public Health Omnibus Act).

**State or Federal Law Implemented:** Iowa Code section 135.152.

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

**LSA Response:** The LSA concurs.

	<b><u>ARC 3604C (AF)</u></b>
<b>Rule Summary</b>	Rescinds the chapter on the Office of Minority and Multicultural Health pursuant to <u>House File 653</u> (FY 2018 Health and Human Services Appropriations Act), which repealed the underlying statutory authority.
	<b>State or Federal Law Implemented:</b> Iowa Code Section <u>135.12</u> .
<b>Fiscal Impact</b>	<b>Agency Response:</b> No fiscal impact.
	<b>LSA Response:</b> The LSA does not concur. While the rulemaking itself does not have a fiscal impact, the underlying legislation does have a minimal fiscal impact. The Office was funded at \$74,000 from the General Fund and 0.5 full-time equivalent (FTE) position in FY 2017, but funding was not appropriated in FY 2018.
	<b><u>ARC 3605C (AF)</u></b>
<b>Rule Summary</b>	Rescinds the chapter on local substitute medical decision-making boards pursuant to <u>House File 393</u> (FY 2018 Public Health Omnibus Act).
	<b>State or Federal Law Implemented:</b> 2017 Iowa Acts, <u>HF 393</u> .
<b>Fiscal Impact</b>	<b>Agency Response:</b> No fiscal impact.
	<b>LSA Response:</b> The LSA concurs.
	<b><u>ARC 3607C (AF)</u></b>
<b>Rule Summary</b>	Rescinds the Iowa Health Information Network chapter pursuant to <u>HF 393</u> (FY 2018 Public Health Omnibus Act).
	<b>State or Federal Law Implemented:</b> Iowa Code chapter <u>135</u> .
<b>Fiscal Impact</b>	<b>Agency Response:</b> No fiscal impact.
	<b>LSA Response:</b> The LSA concurs.
	<b><u>ARC 3606C (AF)</u></b>
<b>Rule Summary</b>	Establishes operational requirements for medical cannabidiol manufacturers and dispensaries, including operating procedures for the newly created Medical Cannabidiol Board. Implements the duties of the Department as related to manufacturing and dispensing; and establishes annual licensing procedures, manufacturer and dispensary operational requirements and prohibited activities, facility security requirements, and advertising and marketing restrictions. Establishes requirements for packaging and labeling, medical cannabidiol transportation and disposal, recordkeeping, medical cannabidiol production, quality assurance and control, supply and inventory tracking, inspections, penalty assessment, license suspension or revocation proceedings, and closure of operations.
	<b>State or Federal Law Implemented:</b> 2017 Iowa Acts, <u>HF 524</u> (Medical Cannabidiol Act).
<b>Fiscal Impact</b>	<b>Agency Response:</b> The Department anticipates implementation of HF 524 will cause the expenditure of State funds in excess of \$100,000 per year. Anticipated costs include personnel to oversee the startup and administration of the program, technology solutions that are required by the statute, and administrative costs for equipment and office supplies.
	<b>LSA Response:</b> The LSA concurs. The DPH transferred \$300,000 from the Essential Public Services General Fund appropriation to the Chronic Conditions General Fund appropriation to implement these changes. This brings the total budget for the Medical

Cannabidiol Office to \$322,100 for estimated FY 2018. The LSA fiscal estimate for the Department of Public Health share of program implementation was \$1.2 million.

LSA Staff Contact: Kent Ohms (515.971.7053) [kenneth.ohms@legis.iowa.gov](mailto:kenneth.ohms@legis.iowa.gov)

### Economic Development Authority

**Rule Summary** **ARC 3581C**  
Amends definitions, project requirements, and tax incentives, and makes other statutory changes to the Workforce Housing Tax Incentives Program. The Program was amended by SF 488 (Workforce Housing Act) to include a set-aside for small cities.

Permits the Authority to stop accepting applications if the total amount of registered projects exceeds the available fiscal year allocation to prevent excessive buildup on the Program's wait list.

**State or Federal Law Implemented:** Iowa Code section 15.356 and 2017 Iowa Acts, SF 488.

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

**LSA Response:** The LSA concurs. The proposed rulemaking allows the Economic Development Authority to stop accepting applications for the tax incentive should applications exceed the available fiscal year allocation. Iowa Code section 15.354(c) specifically requires the Authority to maintain a wait list should this situation occur.

**Rule Summary** **ARC 3582C**  
Adopts rulemakings related to the 2017 enactment of HF 621 (Economic Development Authority Policies Act). The Act codified the already existing arrangement between the Iowa Economic Development Authority (IEDA) and the Department of Inspections and Appeals (DIA) that allowed the IEDA to administer the Targeted Small Business (TSB) Certification Program.

**State or Federal Law Implemented:** Iowa Code section 15.108(7).

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

**LSA Response:** The LSA concurs.

LSA Staff Contact: Ron Robinson (515.281.6256) [ron.robinson@legis.iowa.gov](mailto:ron.robinson@legis.iowa.gov)

### Professional Licensure Division

**Rule Summary** **ARC 3590C (AF)**  
Creates requirements for telehealth for the Board of Physical and Occupational Therapists.

**State or Federal Law Implemented:** Iowa Code chapters 148A and 148B.

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

**LSA Response:** The LSA concurs.

**Rule Summary** **ARC 3591C (AF)**  
Updates Board of Speech Pathology and Audiology definitions, removes the requirement for notarized copies of a diploma, caps the number of continuing education hours that may be earned per year, and makes technical corrections.

**State or Federal Law Implemented:** Iowa Code chapters 147, 154F, and 272C.

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

**LSA Response:** The LSA concurs.

LSA Staff Contact: Kent Ohms (515.971.7053) [kenneth.ohms@legis.iowa.gov](mailto:kenneth.ohms@legis.iowa.gov)

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