



Fiscal Services Division

March 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 <https://www.legis.iowa.gov/publications/fiscal/adminRulesFiscalImpact>.

With each rule summary, the rulemaking type is indicated in parentheses following the ARC number. The acronyms have the following meanings: Notice of Intended Action (NOIA), Amended Notice of Intended Action (ANOIA), Adopted and Filed Emergency (AFE), and Adopted and Filed (AF).

| Table of Contents | |
|--|-----------|
| Agency | Page |
| Department of Human Services | 1 |
| Architectural Examining Board | 3 |
| Department of Commerce/Insurance Division | 3 |
| Landscape Architectural Examining Board | 3 |
| Department of Commerce/Utilities Division | 4 |
| Department of Education | 4 |
| Department of Inspections and Appeals | 6 |
| Environmental Protection Commission | 6 |
| Natural Resource Commission | 8 |
| Professional Licensure Division | 9 |
| Board of Nursing | 10 |
| Board of Pharmacy | 10 |
| Department of Revenue | 11 |
| Department of Workforce Development | 13 |
| Department of Public Safety | 14 |
| Attorney General | 15 |
| Board of Educational Examiners | 15 |
| Department of Homeland Security and Emergency Management | 16 |
| Secretary of State | 16 |
| Labor Division | 16 |

Department of Human Services

ARC 3619C (NOIA)

Rule Summary Aligns the Autism Support Program (ASP) with changes made by the General Assembly to Iowa Code chapter 225D. House File 215 (Autism Insurance Coverage Act) requires certain health insurance policies, contracts, or plans to provide coverage of applied behavior analysis (ABA) treatment for certain individuals with autism spectrum disorder. Individuals who gain private insurance as a result of this legislation will no longer be eligible for participation in the ASP.

State or Federal Law Implemented: Iowa Code section 225C.6, and 2017 Iowa Acts, HF 215.

Fiscal Impact **Agency Response:** Minimal fiscal impact. This change may result in a cost reduction due to fewer individuals covered by the Autism Support Program, which is funded solely with State dollars, but savings are expected to be less than \$100,000 annually.

LSA Response: The LSA concurs.

Rule Summary **ARC 3651C (NOIA)**
Updates the Child Care Assistance (CCA) Program in accordance with the federal Child Care and Development Block Grant (CCDBG). Changes include:

- Updating the co-pay chart based on the new federal poverty levels for FY 2019. This happens annually.
- Exempting homeless families from being put on the wait list. Iowa does not currently have a wait list for this Program.
- Updating rules regarding the temporary lapse policy to conform to the CCDBG by removing the three month limit for any reductions in employment or education/training hours that fall below the minimum requirement as long as the parent continues to work or attend education/training.

State or Federal Law Implemented: Iowa Code section 234.6 and the federal Child Care and Development Block Grant.

Fiscal Impact **Agency Response:** Updating the fee chart and exempting homeless families from the wait list have no fiscal impact. The temporary lapse expansion is estimated to increase program expenditures from the General Fund by \$210,000 in FY 2019 and \$266,000 in FY 2020.

LSA Response: The LSA concurs.

Rule Summary **ARC 3652C (NOIA)**
Updates the time individuals have to file a state fair hearing request regarding a managed care organization (MCO) decision. Federal regulations recently changed the time frame in which individuals would be allowed to file a request for a state fair hearing regarding MCO appeals. The time frame has been extended from 90 days to 120 days. Federal regulations also changed the effective date of a reversed appeal resolution for MCO appeals, specifying that if a state fair hearing officer reverses a MCO decision to deny or limit services that were not furnished while the appeal was pending, the MCO must authorize or provide the disputed services as promptly and expeditiously as the enrollee's health condition requires, but no later than 72 hours from the date the MCO receives notice reversing the determination. The federal regulation did not previously include the 72 hour requirement. In a previous rulemaking package, the Department adopted rulemakings removing the requirement that notices of hearing for an intentional program violation be mailed both by certified mail and by first-class mail. However, after those rulemakings were adopted, the Department realized a second reference to the certified mail requirement had erroneously been missed. The remaining reference to the certified mail requirement is removed within the proposed rulemakings to eliminate confusion.

State or Federal Law Implemented: Iowa Code section 217.6 and 42 CFR 438.424.

Fiscal Impact **Agency Response:** No fiscal impact. The proposed rulemaking changes bring the Department's existing rules in alignment with the federal regulations.

LSA Response: The LSA concurs.

Rule Summary **ARC 3659C (NOIA)**
Requires hospitals providing inpatient psychiatric services, including the State mental health institutes (MHIs), to update the inpatient psychiatric bed tracking system at least

two times per day with the number of available, staffed beds divided by gender and by age group (child, adult, and geriatric).

State or Federal Law Implemented: Iowa Code section 249A.4 and 2017 Iowa Acts, House File 653 (FY 2018 Health and Human Services Appropriations Act).

Fiscal Impact **Agency Response:** No fiscal impact. The rulemaking requires that hospitals update the bed tracking software twice daily. The Department of Human Services has already spent the funds to develop the tracking software to be used by institutions.

LSA Response: The LSA concurs.

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

Architectural Examining Board

ARC 3661C (NOIA)

Rule Summary Provides definitions of structures and describes when professional architectural services are needed.

State or Federal Law Implemented: Iowa Code section 544A.18.

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

Department of Commerce/Insurance Division

ARC 3615C (NOIA)

Rule Summary Amends the filing procedures for an investment adviser's business continuity and succession plan from license applications to an examination procedure. Adopts provisions regarding intrastate crowdfunding offerings. Mandates use of North American Securities Administrators Association Electronic Filing Depository system for unit investment trust notice filings by a person who is the issuer of a federal covered security under 18(b)(2) of the federal Securities Act of 1933.

State or Federal Law Implemented: Iowa Code sections 502.202, 502.302, 502.401, 502.406, and 502.411.

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

LSA Response: The LSA concurs.

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Landscape Architectural Examining Board

ARC 3653C (NOIA)

Rule Summary Updates outdated or redundant references, removes inconsistencies with State statutes, and clarifies methods of enhancing efficiency.

State or Federal Law Implemented: Iowa Code sections 272C.2 and 544B.5.

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

LSA Response: The LSA concurs.

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Department of Commerce/Utilities Division

Rule Summary **ARC 3644C (AF)**
 Updates and streamlines guidelines regarding documents routinely filed with the Board, and indicates the availability of such forms on the Board's website.

State or Federal Law Implemented: Iowa Code sections 476.2, 476.3, and 476.7.

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

LSA Response: The LSA concurs.

Rule Summary **ARC 3645C (AF)**
 Streamlines rules regarding procedures for petitions of declaratory orders and requires the Board to schedule an informal meeting to discuss petition questions, if requested by petitioner. Enables the Board to refuse to issue a declaratory order under specified conditions.

State or Federal Law Implemented: Iowa Code sections 476.1 and 546.7.

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

LSA Response: The LSA concurs.

Rule Summary **ARC 3646C (AF)**
 Updates, streamlines, and clarifies rules pertaining to recordkeeping and cost allocation for nonutility services performed by rate-regulated gas and electric utilities. Adds a scale criterion and requires a utility to explain the calculation of allocation factors used. Requires the identification of time-reporting methods used by each reporting unit.

State or Federal Law Implemented: Iowa Code sections 476.2, 476.73, and 546.7.

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

LSA Response: The LSA concurs.

Rule Summary **ARC 3665C (AF)**
 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 or hard of hearing or have difficulty speaking.

State or Federal Law Implemented: Iowa Code section 477C.4.

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

LSA Response: The LSA concurs.

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Department of Education

Rule Summary **ARC 3612C (NOIA)**
 Makes nonsubstantive changes and implements revisions required by 2015 Iowa Acts, House File 658 (FY 2016 Education Appropriations Act).

State or Federal Law Implemented: 2015 Iowa Acts, House File 658.

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

LSA Response: The LSA concurs.

Rule Summary **ARC 3613C (NOIA)**
Creates a new division to implement Senate File 274 (Computer Science Act), which requires the Board of Education to adopt computer science standards and to create a Computer Science Professional Development Incentive Fund.

State or Federal Law Implemented: 2017 Iowa Acts, Senate File 274 (Computer Science Act).

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

LSA Response: The LSA concurs.

Rule Summary **ARC 3614C (NOIA)**
Amends existing rules to comply with changes made to the Individuals with Disabilities Education Act (IDEA) by the Every Student Succeeds Act of 2015 (ESSA).

State or Federal Law Implemented: Federal Every Student Succeeds Act, 2015.

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

LSA Response: The LSA concurs.

Rule Summary **ARC 3630C (AF)**
Amends existing rules to reflect changes made to high school equivalency diplomas by 2017 Iowa Acts, House File 473 (High School Equivalency Diplomas Act).

State or Federal Law Implemented: Iowa Code chapter 259A.

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

LSA Response: The LSA concurs.

Rule Summary **ARC 3631C (AF)**
Implements changes made to the Beginning Teacher Mentoring and Induction Program in House File 642 (FY 2018 Education Appropriations Act).

State or Federal Law Implemented: 2017 Iowa Acts, House File 642.

Fiscal Impact **Agency Response:** The State of Iowa no longer appropriates funds specifically for beginning teacher mentoring and induction pursuant to Iowa Code chapter 284. There will therefore be a savings to the State of Iowa.

LSA Response: The LSA concurs in part. The funding for beginning teacher mentoring programs was rescinded in HF 642, so no program savings can be expected. The rulemaking does not have a fiscal impact.

Rule Summary **ARC 3632C (AF)**
Implements changes in the allowable uses of school district categorical funds.

State or Federal Law Implemented: 2017 Iowa Acts, House File 564 (School District Funds Flexibility Act).

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

LSA Response: The LSA concurs.

Department of Inspections and Appeals
ARC 3649C (NOIA)

Rule Summary Amends existing rules to reflect the current structure of the Department's Investigations Division. The amendment is the result of a review of all administrative rules related to the Investigations Division.

State or Federal Law Implemented: Iowa Code sections 10A.401, 10A.402, and 10A.403.

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

LSA Response: The LSA concurs.

ARC 3650C (NOIA)

Rule Summary Transfers responsibility for the certification of targeted small businesses from the Department of Inspections and Appeals to the Iowa Economic Development Authority. Eliminates other references to the Targeted Small Business Certification Program. Changes references to "home food establishments" to "home bakeries," and removes an outdated reference to the inspection of egg handlers, as this function was transferred to the Iowa Department of Agriculture and Land Stewardship by the Iowa General Assembly during the 2011 session.

State or Federal Law Implemented: Iowa Code sections 10A.104(5) and 22.11.

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

LSA Response: The LSA concurs.

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Environmental Protection Commission**ARC 3622C (NOIA)**

Rule Summary Amends air quality rules by doing the following:

- Increasing the fee for asbestos removal notification from \$100 to \$200.
- Rescinding an exemption to the fee to address confusion about when a fee is required; the scope of the program will not be increased by this change.
- Creating a process for the Department of Natural Resources (DNR) to request that the Environmental Protection Commission adjust air quality fees during a fiscal year if the Department determines that projected fees are insufficient to maintain all or part of any air quality programs.

The Commission intends to file these rules as Adopted and Filed Emergency After Notice, with an effective date of March 20, 2018, pursuant to Iowa Code section 17A.5. The fee change would not become effective until April 23, 2018.

State or Federal Law Implemented: Iowa Code sections 455B.133 and 455B.133C.

Fiscal Impact **Agency Response:** Minimal fiscal impact. The DNR has determined the fee increase will have a neutral fiscal impact on private sector jobs and no fiscal impact to the State. The fiscal impact will depend on the quantity of notifications an industry submits. Below is the estimate provided for revenue and expenditures for the asbestos removal notification fee. In FY 2017, the DNR collected \$197,000 in fees, which were deposited into the Asbestos Account. The fee was originally set in 2016 with the intent of increasing the number of staff members in the asbestos removal program based on stakeholder recommendations. Due to an antiquated database, it was unclear how many initial notifications and revised notifications were received annually. The fee only applies to initial notifications. The DNR assumed 4,000 initial notifications; however,

more accurate tracking shows that the number of initial notifications averages 2,000 per year. The increased asbestos fee will allow the Department to maintain sufficient staffing to provide proper oversight of asbestos removal and disposal for demolition and renovation projects conducted by cities, counties, schools, contractors, and others. State agencies, counties, and other local governments will also be required to submit notification fees for asbestos removal if the project is subject to the federal asbestos standard.

| Fiscal Impact | Actual FY 2017 | DNR Estimate | |
|---------------------------|----------------------|---------------------|---------------------|
| | | FY 2018 | FY 2019 |
| Revenue | | | |
| Asbestos Account | \$ 197,000.00 | \$ 284,000 | \$ 400,000 |
| Total Revenue | \$ 197,000.00 | \$ 284,000 | \$ 400,000 |
| Expenditures | | | |
| Asbestos Account | \$ (197,000) | \$ (284,000) | \$ (400,000) |
| Total Expenditures | \$ (197,000) | \$ (284,000) | \$ (400,000) |
| Total Impact | \$ - | \$ - | \$ - |

LSA Response: The LSA concurs.

ARC 3625C (NOIA)

Rule Summary

Allows use of two new National Pollutant Discharge Elimination System (NPDES) general permits, known as General Permit #8 (GP8) and General Permit #9 (GP9). Discharges authorized under these two new permits currently require separate authorization under an individual permit.

General Permit #8 authorizes the discharge of:

- Hydrostatic testing water used to verify the integrity of pipes, pipelines, tanks, containers, and other vessels designed to hold liquids or gases.
- Water used as ballast during the installation of new underground storage tanks prior to adding any other liquid or gas to the tank.
- Water used to disinfect, flush, or test potable water lines and associated equipment.

General Permit #9 authorizes discharges from:

- Excavation dewatering associated with construction activity where pumps, sumps, or similar tools are used within or near excavation areas to remove accumulated groundwater, surface water, and storm water.
- Groundwater dewatering through the installation of temporary dewatering wells, vacuum well points, or similar tools to cause localized lowering of the water table to facilitate construction activity.
- Residential open-loop geothermal heating and cooling systems that use water as a heat transfer medium.

There are no fees associated with either permit.

State or Federal Law Implemented: Iowa Code section 455B.173.

Fiscal Impact

Agency Response: No fiscal impact.

LSA Response: The LSA concurs.

Natural Resource Commission**ARC 3621C (NOIA)****Rule Summary** Changes falconry regulations:

- Adds five new peregrine falconry permits that will be available via lottery drawing of eligible falconers. These permits are authorized by federal regulations. An eligible lottery participant must be an Iowa Master Falconer or an Iowa General Falconer with at least five consecutive years of field experience. If the Iowa permits are not distributed, these will be given to another state.
- Creates a season between September 20 and October 20.
- Establishes special releasing and reporting requirements for banded falcons. This includes the immediate release and reporting to the Department of Natural Resources (DNR) within 48 hours of any captured banded raptor, including peregrine falcons or other eligible species.

State or Federal Law Implemented: Iowa Code Section 481A.48.**Fiscal Impact** **Agency Response:** No fiscal impact.**LSA Response:** The LSA concurs.**ARC 3623C (NOIA)****Rule Summary** Makes the following changes to regulations for hunting waterfowl and coot:

- Amends season dates, bag limits, possession limits, shooting hours, and areas open to hunting.
- Adjusts season dates to comply with federal regulations.
- Ensures that the regular seasons open on different weekends, and implements a special September teal duck season. At this time there are no dates listed for the special teal season, but they will be available in the future.
- Restructures season dates for ducks and geese.

State or Federal Law Implemented: Iowa Code section 481A.48.**Fiscal Impact** **Agency Response:** No fiscal impact.**LSA Response:** The LSA concurs.**ARC 3624C (NOIA)****Rule Summary** Adds the following 12 counties for harvesting bobcats beginning in 2018: Cedar, Cherokee, Clinton, Jackson, Jasper, Johnson, Lyon, Plymouth, Polk, Scott, Shelby, and Sioux counties. Population data from the past 10 years reveals that the bobcat population continues to grow and has expanded into more counties.**State or Federal Law Implemented:** Iowa Code section 481A.87.**Fiscal Impact** **Agency Response:** Minimal fiscal impact. The estimated increase resulting from the sale of fur harvester licenses is \$1,890, which will be deposited into the Fish and Game Protection Fund.**LSA Response:** The LSA concurs.**ARC 3626C (NOIA)****Rule Summary** Changes the definition of "boat hoist" or "lift" to exclude certain storage of stand-up paddleboards. Currently, the storage of any object meeting the rule's broad definition of watercraft counts as a boat hoist or lift. Stand-up paddleboards are often stored on docks and the rule change provides more flexibility.

State or Federal Law Implemented: Iowa Code chapter 461A.

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

LSA Response: The LSA concurs.

ARC 3627C (NOIA)

Rule Summary Includes several rule changes:

- Specifies the type, size, and horsepower of water vessels permitted to access natural and artificial lakes and marshes under the jurisdiction of the Commission. The change is for the Shimon Marsh Wetland Complex that was donated to the State, where no motorized vehicles are allowed.
- Regulates the use of hunting blinds and decoys in Fish and Game Wildlife Management Areas and specifies that decoy regulations apply to all decoys, not just waterfowl decoys.
- Reclassifies two State waterfowl refuges as game refuges. This includes portions of Ventura Marsh in Cerro Gordo County and portions of Crystal Hills in Hancock County.

State or Federal Law Implemented: Iowa Code sections 462A.26(2)(b), 481A.5, 481A.6, and 481A.38(1)(a).

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

LSA Response: The LSA concurs.

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Professional Licensure Division

ARC 3617C (NOIA)

Rule Summary Clarifies the required documentation for a background check, adds options for respiratory care students seeking to meet the requirements for polysomnography licensure, changes the number of continuing education hours a dual licensee must earn from in-person courses, allows licensees to earn continuing education credit for trainings that may not be related to a clinical process but are still related to an area of education utilized by the practitioner in regular practice, and makes technical corrections.

State or Federal Law Implemented: Iowa Code sections 148G.5 and 152B.6.

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

LSA Response: The LSA concurs.

ARC 3642C (AF)

Rule Summary Establishes procedures for sharing information with the Board of Medicine regarding complaints involving inadequate supervision of a physician assistant by a physician.

State or Federal Law Implemented: Iowa Code section 148C.5.

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

LSA Response: The LSA concurs.

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Board of Nursing

Rule Summary Rescinds and reserves the chapter on the nurse licensure compact. **ARC 3618C (NOIA)**
State or Federal Law Implemented: Iowa Code chapter 152E.

Fiscal Impact **Agency Response:** No fiscal impact.
LSA Response: The LSA concurs.

Rule Summary Revises the supervision expectations and training requirements for licensed practical nurses and makes a technical update. **ARC 3660C (NOIA)**
State or Federal Law Implemented: Iowa Code Chapter 152E.

Fiscal Impact **Agency Response:** No fiscal impact.
LSA Response: The LSA concurs.

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Board of Pharmacy

Rule Summary Permits an applicant who is not eligible for a Social Security number but who has an individual tax identification number (ITIN) to provide that ITIN on the application for licensure by examination. Such applicant shall also be required to provide proof of presence, such as a permanent resident card, an employment authorization document issued by the federal government, or certain types of visas. **ARC 3636C (AF)**
State or Federal Law Implemented: Iowa Code sections 147.2, 147.36, and 155A.7 through 155A.9.

Fiscal Impact **Agency Response:** No fiscal impact.
LSA Response: The LSA concurs.

Rule Summary Provides clarification for registration of service programs that are owned by and based at the same physical address of a hospital that is already registered with the Board for controlled substances. **ARC 3637C (AF)**
State or Federal Law Implemented: Iowa Code sections 124.301, 124.302, 147A.1, and 147A.5.

Fiscal Impact **Agency Response:** No fiscal impact. This exception is expected to impact emergency medical services (EMS) programs that are owned by and co-located with a hospital. This rulemaking would exempt those EMS programs that are owned by a hospital and are located at the same physical location as the hospital from obtaining and maintaining an Iowa Controlled Substances Act registration. These programs are not currently registered; therefore, the rulemaking will not increase or decrease any Board revenues.
LSA Response: The LSA concurs.

Rule Summary Clarifies rules pertaining to the temporary absence of a pharmacist and prescription processing documentation by incorporating language from HF 305 (Biological **ARC 3638C (AF)**

Interchangeable Products, Pharmacists Act), and provides for the remote storage of records in specific circumstances.

State or Federal Law Implemented: Iowa Code sections 124.301, 124.303, 124.306, 126.10, 126.11, and 155A.6, and 2017 Iowa Acts, HF 305.

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

LSA Response: The LSA concurs.

ARC 3639C (AF)

Rule Summary Clarifies requirements for dispensing remaining refills of prescriptions after the prescriber has ended a relationship with a patient.

State or Federal Law Implemented: Iowa Code section 147.76.

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

LSA Response: The LSA concurs.

ARC 3640C (AF)

Rule Summary Updates rules for telepharmacy practice related to automated medication distribution systems and electronic data. Establishes core minimum standards for pharmacies utilizing such systems.

State or Federal Law Implemented: Iowa Code sections 124.301, 124.306, 124.308, 147.107, 155A.33, and 155A.35.

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

LSA Response: The LSA concurs.

ARC 3641C (AF)

Rule Summary Rescinds and replaces procedures for rulemaking and related practices. Addresses recent changes regarding:

- Emergency adoption of rules.
- Regulatory analyses.
- Fiscal impact statements.
- Jobs impact statements.
- Five-year review.
- Electronic filing, recording, and tracking of agency rulemaking actions.

State or Federal Law Implemented: Iowa Code sections 17A.3 and 17A.22.

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

LSA Response: The LSA concurs.

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Department of Revenue

ARC 3620C (NOIA)

Rule Summary Updates the grounds for protests of property tax assessments as enacted in HF 478 (Property Assessment Appeal Board Sunset Act). Removes requirements for various grounds for protest, requires that the Director of Revenue proliferate forms for the filing of a protest, and adds assessor misconduct as grounds for taxpayer protest.

State or Federal Law Implemented: 2017 Iowa Acts, HF 478.

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

LSA Response: The LSA concurs.

ARC 3654C (NOIA)

Rule Summary Amends existing rules to change an incorrect cross reference.

State or Federal Law Implemented: Iowa Code section 427B.1.

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

LSA Response: The LSA concurs.

ARC 3655C (NOIA)

Rule Summary Adjusts the deadline for assessors to notify taxpayers to comply with Iowa Code.

State or Federal Law Implemented: Iowa Code Chapter 427C and Iowa Code sections 441.22 and 441.28.

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

LSA Response: The LSA concurs.

ARC 3657C (NOIA)

Rule Summary Implements and administers the Iowa First-Time Homebuyer Savings Account Act, as enacted in 2017 Iowa Acts, SF 505 (First-Time Homebuyers Savings Act). Provides clarity and guidance to both participants in the program and entities involved in its processes.

State or Federal Law Implemented: Iowa Code chapter 541B and Iowa Code section 422.7.

Fiscal Impact **Agency Response:** The Fiscal Note for the legislation enacting this program estimates the following revenue reductions:

- Fiscal Year (FY) 2019, \$0.2 million.
- FY 2020, \$0.7 million.
- FY 2021, \$1.3 million.
- FY 2022, \$1.9 million.
- FY 2023 and FY 2024, \$2.0 million.

LSA Response: The LSA concurs.

ARC 3664C (NOIA)

Rule Summary Amends existing rules to reflect changes made to Iowa Education Savings Plan accounts as implemented by 2015 Iowa Acts, SF 510 (FY 2016 Appropriations Act), and 2016 Iowa Acts, SF 2301 (College Savings Accounts by Nonprofit and Community Foundations Act), including:

- Allowing participants to deduct contributions made after the end of the tax year for which the deduction was claimed, but before the Iowa filing deadline for that year on individual Iowa tax returns.
- Allowing non-qualified nonprofit organizations to establish Iowa Education Savings Plan accounts as plan participants and provide restrictions for charitable deductions individuals and corporations are allowed to itemize on their returns.

Also strikes outdated language that is no longer in effect.

State or Federal Law Implemented: Iowa Code sections 422.7, 422.9, and 422.35.

Fiscal Impact **Agency Response:** Although the rulemaking itself has no fiscal impact, both pieces of legislation referenced in the rulemaking do.

Senate File 510 became effective upon enactment and applied retroactively to tax year 2017. The changes in the Act related to the Iowa Education Savings Plan accounts were estimated to reduce General Fund revenue by \$0.5 million for FY 2016, and \$0.1 million annually in subsequent years.

Senate File 2301 also became effective on enactment and applied retroactively to tax year 2016. The Act was estimated to reduce General Fund revenue by \$38,000 in FY 2019 and \$77,000 in FY 2019 and subsequent fiscal years.

LSA Response: The LSA concurs.

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Department of Workforce Development

ARC 3647C

Rule Summary Provides the Iowa Department of Workforce Development (IWD) with a framework from which to operate in regard to technology, modern efficiencies, and other changes related to unemployment insurance. The changes related to unemployment insurance include the following:

- Modifying the wages that may be considered when determining an employee's taxable wage.
- Adding a penalty of \$20 per employee for employers who fail to submit quarterly wage details electronically, with a minimum penalty of \$50.
- Adding a penalty of \$100 for employers who fail to pay electronically.
- Specifying that an unemployment insurance claim cannot be processed without a Social Security number.
- Specifying that a claim will be voided if the claimant has not provided information required by the IWD to verify the identity of the claimant within seven calendar days of filing the claim. The effective date of a claim is the Sunday of the week the claimant's identity is verified by the IWD.
- Specifying that the IWD must utilize the Treasury Offset Program for collections.

The rules have been modified since they were first noticed to eliminate the penalties provided in the second and third bullets above.

State or Federal Law Implemented: Iowa Code section 96.11.

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

LSA Response: The LSA concurs.

ARC 3648C

Rule Summary Provides the Iowa Department of Workforce Development (IWD) with a framework from which to operate with regard to technology and modern efficiencies related to the administration of the IWD and the unemployment insurance program. This includes specifying that the claimant is to have benefits deposited on a debit card and not in the claimant's selected financial account.

State or Federal Law Implemented: Iowa Code chapter 96.

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

LSA Response: The LSA concurs.

Rule Summary Provides the Iowa Department of Workforce Development (IWD) with a framework from which to operate with regard to technology and modern efficiencies related to employer records and reports and the requirements for employing units to file reports to determine unemployment insurance liability. Rescinds the establishment of a \$500 penalty for businesses that fail to timely register as an employer and an additional fee of \$200 if the registration is not submitted electronically.

ARC 3658C (NOIA)

State or Federal Law Implemented: Iowa Code section 96.11.

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

LSA Response: According to information provided by the agency, an estimated \$1.6 million would have been collected in penalties annually from an estimated 3,200 businesses and \$25,000 would have been collected in fines annually from an estimated 125 businesses. The collections would be deposited in the Penalty and Interest Fund. However, the Administrative Rules Review Committee, on January 5, 2018, delayed the effective date of the rulemaking that established the penalty and fine until the adjournment of the 2018 General Assembly. Additionally, rescinding the rulemaking does not have a fiscal impact on current revenues.

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Department of Public Safety

Rule Summary Incorporates statutory corrections made by 2015 Iowa Acts, HF 536 (Substantive Code Corrections Act) to adjust language to update ongoing provisions and resolve inconsistencies and conflicts specifically relating to the license requirements for persons who work on air conditioning and refrigeration systems. Clarifies that a person who holds either a master or journeyman mechanical license, or a master or journeyman HVAC/refrigeration license, is exempted from having to obtain a special electrician's license in order to perform the disconnection and reconnection of existing air conditioning and refrigeration systems.

ARC 3656C (NOIA)

State or Federal Law Implemented: Iowa Code section 105.18(3)(d) and 2015 Iowa Acts, HF 536.

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

LSA Response: The LSA concurs.

Rule Summary Implements 2016 Iowa Acts, SF 2219 (Carbon Monoxide Alarms Act), which requires the installation of carbon monoxide (CO) alarms in all residential buildings served by a fuel-burning appliance, furnace, heater, fireplace, or attached garage. There are exceptions provided in the rulemaking. The rulemaking places responsibility on the owner and tenant respectively for the installation and maintenance of the CO alarms. The State Fire Marshal is also authorized to implement an inspection program.

ARC 3662C (FEAN)

State or Federal Law Implemented: Iowa Code section 100.35 and 2016 Iowa Acts, SF 2219.

Fiscal Impact **Agency Response:** Minimal fiscal impact. The inspection program will be implemented in the regular course of inspections or upon complaint. There will be an impact to the building owners and landlords, who will pay the costs of installing carbon

monoxide alarms and detection systems. The cost of an individual CO alarm is between \$20 and \$50.

LSA Response: The LSA concurs.

ARC 3628C (NOIA)

Rule Summary Establishes the Statewide Sobriety and Drug Monitoring Program to reduce the number of people operating a motor vehicle under the influence of alcohol or a controlled substance, and reduce the number of repeat offenders committing crimes in which the use of alcohol or a controlled substance is a contributing factor. Pursuant to 2017 Iowa Acts, SF 444 (Safer Roads Act), the Department is required to establish a statewide sobriety and drug monitoring program that is available 24 hours per day, seven days per week. The program provides that a court or authorized government entity, such as a sheriff's office or a parole or probation office, may require a person who has been charged with, pled guilty to, or been convicted of certain eligible offenses involving the abuse of drugs or alcohol be subject to testing to determine whether alcohol or a controlled substance is present in the person's body.

State or Federal Law Implemented: 2017 Iowa Acts, SF 444.

Fiscal Impact **Agency Response:** No fiscal impact. The legislation provides that the program fees, including the costs of testing, are paid by the participants.

LSA Response: The LSA concurs.

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

Attorney General

ARC 3629C (AF)

Rule Summary Increases the late charge collected from Iowa Consumer Credit Code (ICCC) creditors and debt collectors from \$25 to \$75 to conform to changes made to the ICC Code section 537.6203(4) by SF 502 (Consumer Credit Code Changes).

State or Federal Law Implemented: Iowa Code section 537.6203(4).

Fiscal Impact **Agency Response:** Minimal fiscal impact. The average annual number of late charges assessed for the past three years is 112.3. At the proposed rate of \$75, the estimated total fee revenue is \$8,422 per year, or \$42,100 over a five-year period. Based on the average amount of late charges assessed per year, Consumer Credit Administration Fund revenue is estimated to increase by \$5,615 annually, or \$28,075 over a five-year period.

LSA Response: The LSA concurs.

LSA Staff Contact: Laura Book (515.205.9275) laura.book@legis.iowa.gov

Board of Educational Examiners

ARC 3633C

Rule Summary Addresses inconsistencies and unnecessary language identified during a review of the Board's rules. Clarifies language regarding temporary permits and conditional licensure, eliminates redundant language regarding endorsements, and makes other minor corrections.

State or Federal Law Implemented: Iowa Code section 272.2.

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

LSA Response: The LSA concurs.

ARC 3634C

Rule Summary Aligns existing administrative rules with House File 642 (FY 2018 Education Appropriation Act) by including the Teacher Leadership and Compensation Model as an option for new teacher mentoring. Also aligns existing administrative rules with Senate File 274 (Computer Science Act) by establishing a computer science endorsement.

State or Federal Law Implemented: Iowa Code sections 272.2 and 272.28, and 2017 Iowa Acts, HF 642 and 2017 Iowa Acts, SF 274.

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

LSA Response: The LSA concurs in part. There is potential for an increase in revenue due to the new endorsement. Actual potential fiscal impact cannot be determined at this time, but a significant increase is unlikely.

LSA Staff Contact: Robin Madison (515.281.5270) robin.madison@legis.iowa.gov

Department of Homeland Security and Emergency Management

ARC 3663C (AF)

Rule Summary Rescinds existing rules to accommodate the elimination of the Iowa Emergency Response.

State or Federal Law Implemented: Iowa Code chapters 29C and 30.

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

LSA Response: The LSA concurs.

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

Secretary of State

ARC 3643C

Rule Summary Adds language to accommodate the sunset date and fee limitations to match the other fees that were adopted in ARC 3467C.

State or Federal Law Implemented: 2017 Iowa Acts, SF 516 (FY 2018 Standing Appropriations Act), section 23.

Fiscal Impact **Agency Response:** No fiscal impact. The language does not add any new fees but instead limits the usage and term of those fees already included in adopted rule ARC 3467C.

LSA Response: The LSA concurs.

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

Labor Division

ARC 3635C

Rule Summary Clarifies the safety standards applicable to miniature power boilers installed prior to September 20, 2006, and updates contact information for the Boiler and Pressure Vessel Board, including web information.

State or Federal Law Implemented: Iowa Code chapter 89.

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
