



Fiscal Services Division

April 6, 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
Department of Administrative Services	5
Department of Commerce/Utilities Division	5
Board of Educational Examiners	6
College Student Aid Commission	6
Department of Inspections and Appeals	7
Iowa Public Employees' Retirement System	7
Environmental Protection Commission	8
Department of Public Health	9
Board of Medicine	10
Dental Board	10
Board of Pharmacy	11
Board of Regents	11
Department of Transportation	11
Department of Workforce Development	13
Labor Division	14
Board of Veterinary Medicine	15
Public Employment Relations Board	15
Department on Aging	16
Department of Agriculture and Land Stewardship	16
Department of Commerce/Insurance Division	16
Real Estate Commission	17

Department of Human Services

Rule Summary **ARC 3667C (FEAN)**

Updates existing rules to reflect revised federal standards for the resolution of appeals to managed care organizations (MCOs). The revised federal regulations require nonexpedited appeals to be resolved within 30 calendar days of the MCO's receipt of the request (unless an extension is requested), whereas the current Iowa Administrative Code (IAC) language requires resolution within 45 calendar days. The revised federal regulations also require that expedited appeals be resolved within 72 hours, whereas the current language requires resolution in up to three business days.

	State or Federal Law Implemented: Iowa Code section <u>249A.4</u> .
Fiscal Impact	Agency Response: No fiscal impact. There is no additional cost for the change in the time frames the MCOs have in which to resolve appeals. LSA Response: The LSA concurs.
Rule Summary	ARC 3680C (AF) Adds a new element to the definition of “requesting entity.” The change is required pursuant to federal legislation requiring checks on any employee with access to federal tax information used for purposes of the Department. The Department may conduct background checks and subsequently conduct evaluations on employees with access to federal tax information pursuant to Iowa Code section <u>217.45</u> . The record check evaluation unit will complete the evaluations upon hire and again every 10 years. State or Federal Law Implemented: Iowa Code section <u>217.6</u> and 2017 Iowa Acts, <u>House File 547</u> (Human Services Department, Employee Background Checks Act).
Fiscal Impact	Agency Response: Minimal fiscal impact. The Department estimates State costs of \$60,077 in FY 2018 and \$22,806 in FY 2019. Costs would be higher in the first year due to the initial checks for all current employees. These costs would include FBI checks, in-state and out-of-state background checks, and fingerprinting for approximately 1,500 employees. Employees would undergo a background investigation at least once every 10 years thereafter. The projections do not include administrative needs associated with background investigations, as current staff will fulfill needs. LSA Response: The LSA concurs.
Rule Summary	ARC 3681C (AF) Updates procedures, references to forms, and report filing dates for juvenile detention homes to follow when seeking annual cost reimbursement. State or Federal Law Implemented: Iowa Code section <u>234.6</u> .
Fiscal Impact	Agency Response: No fiscal impact. The rulemaking updates the time period for departmental annual review and makes minor clarifications. LSA Response: The LSA concurs.
Rule Summary	ARC 3704C (NOIA) Adjusts the federal poverty level (FPL) increments used to assess premiums under the Medicaid for Employed People with Disabilities (MEPD) Program for applicants and recipients with income over 150.0% of the FPL. State or Federal Law Implemented: Iowa Code section <u>249A.4</u> .
Fiscal Impact	Agency Response: No fiscal impact. With the exception of premium amounts at the very high end of the income scale, MEPD premiums are not changing. Currently, there are no MEPD members with gross individual income higher than 550.0% of the FPL. LSA Response: The LSA concurs.
Rule Summary	ARC 3715C (AF) 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.

State or Federal Law Implemented: Iowa Code section 249A.4 and HF 653 (FY 2018 Health and Human Services Appropriations Act), section 14.

Fiscal Impact

Agency Response: Minimal fiscal impact. The RCF and FLH 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 FLH 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.

Rule Summary

ARC 3716C (AF)

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.

Rule Summary

ARC 3717C (AF)

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.

Rule Summary **ARC 3718C (AF)**
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.

State or Federal Law Implemented: Iowa Code section 135C.14(2) and 2017 Iowa Acts, HF 306 (Certified Nursing Assistant Training Act).

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

LSA Response: The LSA concurs.

Rule Summary **ARC 3719C (AF)**
Conforms existing rules to new federal regulations, effective January 19, 2017. The rulemaking makes the following changes:

- Conforms existing rules to new federal case closure criteria by updating language and adding more permissive closure reasons.
- Removes references to voluntary reduction of income as a factor when the Child Support Recovery Unit (CSRU) modifies child support obligations.
- 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.

State or Federal Law Implemented: Iowa Code section 217.6.

Fiscal Impact **Agency Response:** No fiscal impact. These amendments will not substantially change the number of actions the CSRU completes. There are no system changes needed to implement the changes, and the CSRU will not need to increase or decrease staff to complete the actions.

LSA Response: The LSA concurs.

Rule Summary **ARC 3720C (AF)**
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.

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

Department of Administrative Services

ARC 3676C (AF)

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

Department of Commerce/Utilities Division

ARC 3674C (NOIA)

Rule Summary Implements rate caps on charges that may be assessed to inmates and the families of inmates in Iowa correctional facilities for local and intrastate telephone calls.

State or Federal Law Implemented: Iowa Code section 476.91.

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

LSA Response: The LSA concurs.

ARC 3694C (NOIA)

Rule Summary Updates the Board's rules on cogeneration and small power production to be consistent with recent amendments. Adopts new definitions for disconnection devices, distributed generation facilities, and electric meters.

State or Federal Law Implemented: Iowa Code chapter 476 and Iowa Code section 17A.4.

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

LSA Response: The LSA concurs.

ARC 3695C

Rule Summary Amends the definition of persons eligible for use of certain sales-related utility functions to fix the eligibility criterion at a threshold of 60.0% of gross business revenues derived from the provision of similar nonutility services and products.

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.

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

Board of Educational Examiners

ARC 3710C (NOIA)

Rule Summary Establishes an exemption from coursework requirements for teacher and administrator applicants under certain circumstances. Creates a new dance endorsement to align with fine arts standards. Reduces license renewal requirements for applicants who hold a specialist's or doctor's degree.

State or Federal Law Implemented: Iowa Code section 272.2.

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

LSA Response: The LSA concurs.

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

College Student Aid Commission

ARC 3678C (NOIA)

Rule Summary Incorporates a State Authorization Reciprocity Agreement (SARA) requirement that Iowa SARA-approved for-profit schools extend the tuition refund policy to out-of-state residents enrolled in distance education programs.

State or Federal Law Implemented: Iowa Code chapters 261, 261B, and 261G.

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

LSA Response: The LSA concurs.

ARC 3699C (AF)

Rule Summary Specifies that the Commission is limited to no more than eight regular meetings annually. Clarifies that additional meetings of the Commission may be held as deemed necessary and with proper notice. Specifies that commissioners present when action is taken at a meeting are presumed to have voted in the affirmative unless a dissent or abstention is recorded in the minutes, or the Commissioner files a written dissent before adjournment of the meeting.

State or Federal Law Implemented: Iowa Code chapter 261.

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

LSA Response: The LSA concurs.

ARC 3711C (NOIA)

Rule Summary Revises the membership of the Commission to reflect changes to statute enacted in 2017 Iowa Acts, HF 642 (FY 2018 Education Appropriations Act). Rescinds rules pertaining to the Barber and Cosmetology Arts and Sciences Tuition Grant Program, which was eliminated in HF 642.

State or Federal Law Implemented: Iowa Code chapter 261 and HF 642.

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

LSA Response: The LSA concurs.

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

Department of Inspections and Appeals
ARC 3668C (NOIA)

Rule Summary Revises the Department's Medicaid Fraud Control Unit rules to conform with current practices, laws, regulations, and rules.

State or Federal Law Implemented: Iowa Code sections 10A.104(5), 10A.104(6), 10A.105, 10A.402(5), and 10A.403.

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

LSA Response: The LSA concurs.

ARC 3669C (NOIA)

Rule Summary Rescinds existing rules and adopts new rulemakings to define the Bureau's duties, involved parties, investigation types, and procedures regarding findings.

State or Federal Law Implemented: Iowa Code sections 10A.104, 10A.105, 10A.401, 10A.402, and 10A.403.

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

Iowa Public Employees' Retirement System**ARC 3684C (NOIA)**

Rule Summary Revises existing rules by implementing the following changes:

- Rescinds outdated, redundant, or inconsistent rules to meet the requirements of the statutory five-year rules review for chapters 1-5.
- Implements contribution rates for regular and special service members beginning July 1, 2018.
- Amends language to comply with open meeting laws.
- Requires employers to obtain an Internal Revenue Service (IRS) determination if they disagree with Iowa Public Employees' Retirement System (IPERS) employee coverage determination.
- Provides consistency with Social Security determinations of employee vs. independent contractor coverage.
- Adds a definition of an emergency medical care provider consistent with the coverage afforded in Iowa Code chapter 97B.
- Matches language in the bona fide refund rules with the bona fide retirement rules.
- Clarifies that effective July 1, 2018, a member will not have a bona fide retirement if the member enters into an agreement to return to work with the member's former employer, prior to or during the member's first month of entitlement and before receiving four months of payments from IPERS.
- Updates the interest rate for fraud to match IPERS' lowered investment return assumption to 7.0%.
- States that there are only 60 days to make an alternative election.
- Clarifies dual coverage is not allowed for the same position.

State or Federal Law Implemented: Iowa Code chapter 97B.

Fiscal Impact **Agency Response:** The following reflects the increased contribution rates for FY 2019 for all three membership groups in IPERS:

Regular Membership. The contribution rates are increasing by 0.85% from 14.88% for FY 2018 to 15.73% for FY 2019. The impact to covered employers and members is an estimated cost of \$67.6 million. For regular class members, contribution amounts are split 60/40 between employers and members.

Estimated IPERS Contributions For Regular Membership										
Employer Type	Projected Wages	FY 2018			FY 2019			Member Difference	Employer Difference	Total Difference
		Member Contribution 5.95%	Employer Contribution 8.93%	Combined Rate 14.88%	Member Contribution 6.29%	Employer Contribution 9.44%	Combined Rate 15.73%			
Education	\$4,325,844,055	\$257,387,721	\$386,297,874	\$643,685,595	\$272,095,591	\$408,359,679	\$680,455,270	\$14,707,870	\$22,061,805	\$36,769,675
State	\$1,200,739,802	\$71,444,018	\$107,226,064	\$178,670,083	\$75,526,534	\$113,349,837	\$188,876,371	\$4,082,516	\$6,123,773	\$10,206,289
County	\$1,192,787,883	\$70,970,879	\$106,515,958	\$177,486,837	\$75,026,358	\$112,599,176	\$187,625,534	\$4,055,479	\$6,083,218	\$10,138,697
City	\$970,134,145	\$57,722,982	\$86,632,979	\$144,355,961	\$61,021,438	\$91,580,663	\$152,602,101	\$3,298,456	\$4,947,684	\$8,246,140
Other	\$143,134,546	\$8,516,505	\$12,781,915	\$21,298,420	\$9,003,163	\$13,511,901	\$22,515,064	\$486,658	\$729,986	\$1,216,644
Utilities	\$119,278,788	\$7,097,088	\$10,651,596	\$17,748,684	\$7,502,636	\$11,259,918	\$18,762,553	\$405,548	\$608,322	\$1,013,870

Sheriffs and Deputies. The contribution rates are increasing by 0.76% from 18.76% for FY 2018 to 19.52% for FY 2019. The impact to covered employers and members is an estimated cost of \$893,740. For sheriffs and deputies, contribution amounts are split 50/50 between employers and members.

Estimated IPERS Contributions For Sheriffs and Deputies										
Employer Type	Projected Wages	FY 2018			FY 2019			Member Difference	Employer Difference	Total Difference
		Member Contribution 9.38%	Employer Contribution 9.38%	Combined Rate 18.76%	Member Contribution 9.76%	Employer Contribution 9.76%	Combined Rate 19.52%			
County	\$117,597,338	\$11,030,630	\$11,030,630	\$22,061,261	\$11,477,500	\$11,477,500	\$22,955,000	\$446,870	\$446,870	\$893,740

Protection Occupation. The contribution rates are increasing by 0.62% from 16.40% for FY 2018 to 17.02% for FY 2019. The impact to covered employers and members is an estimated cost of \$2.3 million. For protection occupation members, contribution amounts are split 60/40 between employers and members.

Estimated IPERS Contributions For Protection Occupation										
Employer Type	Projected Wages	FY 2018			FY 2019			Member Difference	Employer Difference	Total Difference
		Member Contribution 6.56%	Employer Contribution 9.84%	Combined Rate 16.40%	Member Contribution 6.81%	Employer Contribution 10.21%	Combined Rate 17.02%			
State	\$190,625,627	\$12,505,041	\$18,757,562	\$31,262,603	\$12,981,605	\$19,462,877	\$32,444,482	\$476,564	\$705,315	\$1,181,879
County	\$87,518,061	\$5,741,185	\$8,611,777	\$14,352,962	\$5,959,980	\$8,935,594	\$14,895,574	\$218,795	\$323,817	\$542,612
City	\$77,386,752	\$5,076,571	\$7,614,856	\$12,691,427	\$5,270,038	\$7,901,187	\$13,171,225	\$193,467	\$286,331	\$479,798
Hospitals	\$18,206,448	\$1,194,343	\$1,791,515	\$2,985,858	\$1,239,859	\$1,858,878	\$3,098,738	\$45,516	\$67,363	\$112,879
Townships	\$112,155	\$7,357	\$11,036	\$18,393	\$7,638	\$11,451	\$19,089	\$281	\$415	\$696

LSA Response: The LSA concurs.

LSA Staff Contact: Jennifer D. Acton (515.669.9007) jennifer.acton@legis.iowa.gov

Environmental Protection Commission

ARC 3679C (AF)

Rule Summary

Updates air quality rules as part of the Department of Natural Resources (DNR) five-year review plan. Changes include:

- Rescinding unnecessary rules and updating other rules to provide regulatory certainty and flexibility.

- Eliminating inconsistency between federal and State rules and ensuring that Iowa’s air quality rules are no more stringent than federal regulations.
- Allowing the DNR, rather than the Environmental Protection Agency (EPA), to be the primary agency to implement the air quality requirements in Iowa.
- Adopting revisions to federal air toxicity standards (also known as National Emission Standards for Hazardous Air Pollutants, or NESHAP) and New Source Performance Standards (NSPS). The revisions include changes to federal standards that the EPA has amended.
- Ensuring the federal and State rules are consistent, and providing certainty to affected businesses and other interested stakeholders.
- After the Notice of Intended Action was published, the Department became aware of planned changes to federal regulations by the EPA. Changes to the noticed rules were made to reflect the EPA changes.

State or Federal Law Implemented: Iowa Code section 455B.133.

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

LSA Response: The LSA concurs.

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Department of Public Health

ARC 3706C (NOIA)

Rule Summary Updates definitions, website, and quality assurance procedures for the Trauma Registry.

State or Federal Law Implemented: Iowa Code section 147A.26.

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

LSA Response: The LSA concurs.

ARC 3708C (NOIA)

Rule Summary Updates sections and definitions and rescinds and replaces other sections related to the Iowa Regionalized System of Perinatal Health Care in order to move from a three-levels-of-care system to an updated four-levels-of-care system.

State or Federal Law Implemented: Iowa Code section 135.11.

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

LSA Response: The LSA concurs.

ARC 3709C (NOIA)

Rule Summary Revises the Childhood Lead Poisoning Program application process to delete definitions, remove the funding formula, and revise funding reallocation requirements for local boards of health.

State or Federal Law Implemented: Iowa Code sections 135.101, 135.102, 135.103, 135.104, and 135.105.

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

LSA Response: The LSA concurs.

ARC 3707C (NOIA)

Rule Summary Amends the Medical Cannabidiol Program to add definitions, establish procedures for laboratory testing, revise form and quantity requirements, and make technical corrections.

State or Federal Law Implemented: Iowa Code chapter 124E.

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

Board of Medicine**ARC 3675C (NOIA)**

Rule Summary Establishes a process for the Board of Medicine to receive recommendations from the Medical Cannabidiol Board concerning amendments to the list of debilitating medical conditions that may be treated with medical cannabidiol and the form and quantity of the medical cannabidiol. Provides for discipline of physicians who violate this rulemaking.

State or Federal Law Implemented: Iowa Code chapter 124E.

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

Dental Board**ARC 3698C (NOT)**

Rule Summary Clarifies process of licensure application and additional review of the application for license and registration.

State or Federal Law Implemented: Iowa Code sections 147.2, 153.15A, 153.21, 153.33B, and 153.39.

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

LSA Response: The LSA concurs.

ARC 3703C (NOIA)

Rule Summary Updates the definition of "overpayment" to conform to the practice and definition of "fee" in existing rules.

State or Federal Law Implemented: Iowa Code section 147.80.

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

LSA Response: The LSA concurs.

ARC 3705C (NOIA)

Rule Summary Revises the requirements for foreign-trained dentists to obtain licensure.

State or Federal Law Implemented: Iowa Code sections 147.2, 147.33, and 153.21.

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

Board of Pharmacy

ARC 3701C (NOIA)

Rule Summary Temporarily schedules 13 synthetic opioids and one opioid analgesic in Schedule I of the Iowa Uniform Controlled Substances Act. Also adds one precursor substance to the list of precursor substances subject to the controls, requirements, and penalties of Iowa Code chapter 124B.

State or Federal Law Implemented: Iowa Code sections 124.201, 124.301, 124.302, 124.303, 124.304, 124.305, 124.306, 124.307, 124.308, and 124B.2.

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

Board of Regents

ARC 3670C (NOIA)

Rule Summary Amends the definition of “bicycle” to include electric/battery-powered bicycles with a motor of less than 750 watts as eligible to park at bicycle racks. Clarifies requirements to obtain a permit to park in facilities designated for use by persons with disabilities. Increases the monetary penalty for certain parking violations.

State or Federal Law Implemented: Iowa Code section 262.9.

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

LSA Response: The LSA concurs.

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

Department of Transportation

ARC 3687C (AF)

Rule Summary Amends and updates the chapter to align with Iowa Code changes and departmental practices, and eliminates outdated requirements.

State or Federal Law Implemented: Iowa Code sections 321.57, 321.60, 322.2, 322.4, and 322.5.

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

LSA Response: The LSA does not concur. While the rulemaking itself does not create a fiscal impact, the legislation it implements does. 2014 Iowa Acts, ch. 1123 created a new license plate specifically issued to dealers for hauling and towing. The cost of this two-year plate is \$750. In FY 2017, 218 of these specialty plates were issued, generating \$163,500 in revenue for the Road Use Tax Fund. There are currently 228 active license plates of this type, all of which are set to expire on December 31, 2018. At this time, it is unknown how many registrations will be renewed, when they will be renewed, and how many new plates will be issued prior to CY 2018. Should all 228 registrations be renewed, a biannual fiscal impact of \$171,000 is expected for FY 2018 and 2019.

ARC 3688C (AF)

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

	State or Federal Law Implemented: Iowa Code chapter <u>321N</u> , and <u>Senate File 516</u> (FY 2018 Standing Appropriations Act).
Fiscal Impact	Agency Response: No fiscal impact. LSA Response: The LSA concurs.
Rule Summary	Updates the validity period of a commercial learner's permit (CLP) from 180 days to one year, and makes corrections to the contact information. ARC 3689C (AF)
	State or Federal Law Implemented: Iowa Code section <u>321.180</u> , 2017 Iowa Acts, ch. <u>149</u> .
Fiscal Impact	Agency Response: No fiscal impact. LSA Response: The LSA concurs in part. In FY 2016, there were 950 CLP renewals at a cost of \$12 per license renewal. The fiscal impact to the Road Use Tax Fund from the revenue reduction of CLP renewals is expected to be minimal.
Rule Summary	Amends existing rules by updating definitions, removing outdated Iowa Code references, and changing how often the Iowa Transportation Coordination Council must meet. ARC 3690C (AF)
	State or Federal Law Implemented: Iowa Code sections <u>324A.4</u> and <u>324A.5</u> .
Fiscal Impact	Agency Response: No fiscal impact. LSA Response: The LSA concurs.
Rule Summary	Updates existing rules to include Department contact information, references to the Iowa Code and the Code of Federal Regulations, licensing requirements, and safety procedures. ARC 3691C (AF)
	State or Federal Law Implemented: Iowa Code sections <u>321.1</u> , <u>321.189</u> , <u>321.343</u> , <u>321.375</u> , <u>321.377</u> , and <u>324A.1</u> , and <u>49 C.F.R. §38</u> , <u>49 C.F.R. §571</u> , and <u>49 C.F.R. Part 655</u> .
Fiscal Impact	Agency Response: No fiscal impact. LSA Response: The LSA concurs.
Rule Summary	Updates sources of federal transit funding that the Department receives for distribution, amends the State management plan, and updates the Department's contact information. ARC 3692C (AF)
	State or Federal Law Implemented: Iowa Code sections <u>324A.4</u> and <u>324A.6</u> .
Fiscal Impact	Agency Response: No fiscal impact. LSA Response: The LSA concurs.
Rule Summary	Updates definitions and existing language to include State-funded capital projects in addition to federally funded capital projects, removes language concerning utilization of ARC 3693C (AF)

a centralized accounting system, and changes the responsibility for approval decisions from the Transportation Commission to the Department.

State or Federal Law Implemented: Iowa Code sections 307.12, 307A.2, and 1985 Iowa Acts, ch. 265.

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

LSA Response: The LSA concurs.

Rule Summary **ARC 3697C (NOT)**
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 an active excessive speed suspension. It is unknown if any of these individuals would not have been convicted under the proposed rulemaking. An individual convicted of driving under an active suspended license is found guilty of a simple misdemeanor punishable by a fine of \$200 to \$1,500, as well as other penalties.

Rule Summary **ARC 3700C (NOIA)**
Adopts the most recent updates to federal regulations published by the Federal Motor Carrier Safety Administration and the Pipeline and Hazardous Materials Safety Administration.

State or Federal Law Implemented: Iowa Code sections 321.188, 321.449, 321.450, and 327B.1.

Fiscal Impact **Agency Response:** Fiscal impact cannot be determined. The federal regulations to be adopted by this action were subject to fiscal impact review by either the Federal Motor Carrier Safety Administration or the Pipeline and Hazardous Materials Safety Administration when enacted, and were determined not to be cost-prohibitive.

LSA Response: The LSA concurs.

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

Department of Workforce Development

Rule Summary **ARC 3666C (NOIA)**
Provides the Iowa Department of Workforce Development (IWD) with a framework from which to operate with regard to technology and modern efficiencies related to how an individual is allowed to claim unemployment benefits and the IWD's related responsibilities. The minimum monthly repayment amount that will be accepted by the IWD is increased for individuals making repayments for overpayments received because of individual fault or fraud.

State or Federal Law Implemented: Iowa Code section 96.11.

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 unemployment benefits, reemployment services, eligibility assessments, technical changes, and sources of information used to determine unemployment benefit eligibility. **ARC 3672C (NOIA)**

State or Federal Law Implemented: Iowa Code section 96.11.

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 how an individual is allowed to claim unemployment benefits and the IWD responsibilities. Requires individuals to provide the IWD contact information for the employers they have contacted and the results of those contacts. An individual who does not file a claim each week will be required to submit a new claim application to reactivate a claim. **ARC 3712C (NOIA)**

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

Labor Division

Rule Summary Requires a fatality related to an amusement ride or device to be reported to the Labor Commissioner. Changes the rules that allow selected owners of air-supported structures to perform inspections of their own equipment as a designee of the Labor Commissioner by adding generators to the list of devices that designated owners may inspect, and ends the inspection designation on December 31 of the year issued. Specifies the Labor Commissioner's policy on payments of permit and inspection fees, and rescinds language that prevents electronic payments in preparation for a new electronic permitting system. **ARC 3685C (NOIA)**

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

Fiscal Impact Agency Response: No fiscal impact.

LSA Response: The LSA concurs.

Rule Summary 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). **ARC 3686C (NOIA)**

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 Increases Iowa's penalties for occupational safety and health violations by 3.7% to match the federal penalties. **ARC 3702C (NOIA)**

State or Federal Law Implemented: Iowa Code chapter 88.

Fiscal Impact **Agency Response:** Minimal fiscal impact. The Division estimates an annual increase of \$67,000 in General Fund revenue.

LSA Response: The LSA concurs.

Rule Summary Adopts federal standards related to beryllium exposure. The proposed rulemaking has been modified since they were first noticed to change the effective date from May 2, 2018, to May 11, 2018, to coincide with the federal effective date. **ARC 3721C (AF)**

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

Board of Veterinary Medicine

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. **ARC 3696C (AF)**

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.

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

Public Employment Relations Board

Rule Summary Makes changes related to the enactment of 2017 Iowa Acts, HF 291 (Public Employment Reform Act), including informal disposition, unit determination, and bargaining representative determination. **ARC 3671C (NOIA)**

State or Federal Law Implemented: Iowa Code chapter 20.

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

Department on Aging

ARC 3713C (AF)

Rule Summary Changes the divisions of the Department on Aging to comply with new federal legislation related to the Office of the State Long-Term Care Ombudsman. On a monitoring visit, the federal Administration for Community Living noted that the organization of the Iowa Department on Aging was inconsistent with 45 CFR §1324.11 (c). The proposed amendment will put the Department in compliance with federal law. The Department also combined two divisions to reflect a clear division of responsibilities.

State or Federal Law Implemented: Iowa Code section 231.22.

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

LSA Response: The LSA concurs.

ARC 3714C (AF)

Rule Summary Changes the rules related to the Volunteer Long-Term Care Ombudsman Program to comply with changes in federal law.

State or Federal Law Implemented: Iowa Code section 231.45.

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

LSA Response: The LSA concurs.

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

Department of Agriculture and Land Stewardship

ARC 3677C (AF)

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.

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

Department of Commerce/Insurance Division

ARC 3682C (AF)

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 Act).

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

LSA Response: The LSA concurs.

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. **ARC 3683C (AF)**

State or Federal Law Implemented: Iowa Code section 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.

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

Real Estate Commission

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. **ARC 3722C (AF)**

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.

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