



Fiscal Services Division

ADMINISTRATIVE RULES — FISCAL IMPACT SUMMARIES

May 8, 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), Notice of Termination (NOT), Adopted and Filed Emergency (AFE), Filed Emergency After Notice (FEAN), and Adopted and Filed (AF).

Table of Contents	
Agency	Page
Department of Human Services	1
Soil Conservation and Water Quality Division	2
Office of the Chief Information Officer	3
Department of Commerce/Credit Union Division	3
Department of Commerce/Insurance Division	3
Department of Commerce/Utilities Division	4
Department of Education	5
College Student Aid Commission	5
Department of Inspections and Appeals	5
Environmental Protection Commission	7
Natural Resource Commission	8
Department of Public Health	10
Professional Licensure Division	11
Board of Pharmacy	12
Department of Public Safety	13
Department of Revenue	13
Iowa Telecommunications and Technology Commission	15
Department of Workforce Development	15
Department of Transportation	16
Labor Division	16

Department of Human Services

ARC 3732C (NOIA)

Rule Summary Removes narrative-format write-up requirements for documentation of the provision of mental health services in the areas of social history, assessment, service provision, supported community living service-functional assessment, and emergency services in a narrative format, allowing documentation to be made using a check-box or other format.

State or Federal Law Implemented: Iowa Code section 225C.6 and HF 653 (FY 2018 Health and Human Services Appropriations Act).

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

LSA Response: The LSA concurs.

ADMINISTRATIVE RULES — FISCAL IMPACT SUMMARIES

May 8, 2018

2

ARC 3760C (NOIA)

Rule Summary Amends Administrative Rules to increase the statewide average cost of nursing facility services to a private-pay person. The figure is being revised to reflect the increase in the cost of private pay rates for nursing facility care in Iowa. The change is not related to rates paid by Medicaid for nursing facility care. The figure is used to determine the period of ineligibility when an applicant or recipient transfers assets for less than fair market value. The average monthly private-pay cost of nursing facility services increased from \$6,269.63 to \$6,447.54.

These amendments also adjust the average charges for nursing facilities and Psychiatric Medical Institutions for Children (PMICs), and update the maximum Medicaid rate for Intermediate Care Facilities for persons with Intellectual Disabilities (ICF/IDs) which are used to determine the disposition of the income of a medical assistance income trust (MAIT).

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

Fiscal Impact **Agency Response:** Minimal fiscal impact. An increase in the statewide average cost used to determine the period of ineligibility for long-term care services due to a transfer of assets may increase Medicaid expenditures because the period of ineligibility for transfers will be shorter. The change in the average statewide charges and maximum Medicaid rate, used for disposition of medical assistance income trusts, may increase Medicaid expenditures by allowing more individuals to become eligible by establishing a MAIT. Given the marginal nature of both changes, coupled with the level of income required in order to be impacted, any fiscal impact would be minimal.

LSA Response: The LSA concurs.

ARC 3761C (NOIA)

Rule Summary Adjusts the average charge for care in mental health institutes (MHIs), which is used to determine the disposition of the income of a medical assistance income trust (MAIT). The average charge for MHIs is based on Medicaid rates as Medicaid is the primary payer of these services which result in charges.

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

Fiscal Impact **Agency Response:** Minimal fiscal impact. The decrease in the charged amount may result in fewer individuals qualifying for Medicaid with MAITs who reside in a MHI because it decreases the income limit at which all income assigned to a MAIT is considered to be available for Medicaid eligibility purposes. The decrease in the average charge is minimal, though, and will impact a very small number of people.

LSA Response: The LSA concurs.

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

Soil Conservation and Water Quality Division

ARC 3730C (NOIA)

Rule Summary Changes rules in the Soil Conservation Division by doing the following:

- Allowing for the closure of the last remaining registered agricultural drainage wells using the method of constructing wetlands with permanent easements, as authorized by Iowa Code section 460.304. This option could be used if the wetland project would be more cost-effective than an alternative drainage method, and if all project land owners are in agreement. The 75.0% cost share requirement authorized by rule would not apply to the project.
- Rescinding the rules for the Watershed Improvement Review Board, which was repealed effective January 1, 2018.

ADMINISTRATIVE RULES — FISCAL IMPACT SUMMARIES

May 8, 2018

3

State or Federal Law Implemented: Iowa Code section 460.304(a)(1)(b), repealed by 2017 Iowa Acts, ch 168, §24, 25.

Fiscal Impact **Agency Response:** No fiscal impact. This rulemaking simply provides an alternative to closing a registered agricultural drainage well.

LSA Response: The LSA concurs.

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

Office of the Chief Information Officer

ARC 3728C (NOIA)

Rule Summary Updates existing definitions related to the Broadband Grant Program, which is designed to reduce or eliminate underserved areas (statutorily referred to as targeted service areas) in the State by incentivizing the installation of broadband infrastructure by communications service providers. Also clarifies program process, management, and measurement rules designed to ensure the administration and oversight of the Program.

State or Federal Law Implemented: Iowa Code section 8B.11.

Fiscal Impact **Agency Response:** No fiscal impact. The Office will use existing budget and resources to implement this rulemaking, including any specific appropriations made during the 2018 legislative cycle for such purpose.

LSA Response: The LSA concurs.

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

Department of Commerce/Credit Union Division

ARC 3734C (AF)

Rule Summary Reflects modifications to the board-of-directors nomination process by allowing for nomination notification by newsletter, to allow 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.

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

Department of Commerce/Insurance Division

ARC 3741C (AF)

Rule Summary Amends the filing procedures for an investment advisor's business continuity and succession plan from license application to an examination procedure. Adopts provisions regarding intrastate crowdfunding offerings. Mandates use of the 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 section 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.

ADMINISTRATIVE RULES — FISCAL IMPACT SUMMARIES

May 8, 2018

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

Department of Commerce/Utilities Division

ARC 3726C (NOIA)

Rule Summary Adds provisions regarding meter testing to eliminate the need for future waivers, update customer service rules, and address issues regarding master metering.

State or Federal Law Implemented: Iowa Code sections [476.2](#), [476.6](#), [476.8](#), [476.20](#), [476.54](#), [476.66](#), [478.18](#), and [546.7](#).

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

LSA Response: The LSA concurs.

ARC 3751C (AF)

Rule Summary Updates filing rules for generating certificate dockets by updating statutory references, including details pertinent to electronic filing, and removing outdated language. Adds notice requirements relating to any potential request for the power of eminent domain.

State or Federal Law Implemented: Iowa Code sections [474.5](#), [476.2](#), [476.12](#), and [476A.3](#).

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

LSA Response: The LSA concurs.

ARC 3752C (NOIA)

Rule Summary Clarifies tariff filing obligations, cost standards, and cost support for competitive local exchange service providers.

State or Federal Law Implemented: Iowa Code sections [476.2](#), [476.11](#), [476.15](#), [476.100](#), and [476.101](#).

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

LSA Response: The LSA concurs.

ARC 3753C (NOIA)

Rule Summary Identifies, updates, and eliminates rules that are outdated or inconsistent with statutes and other administrative rules.

State or Federal Law Implemented: Iowa Code sections [17A.4](#), [474.5](#), [476.2](#), [476.15](#), and [476.102](#); and [47 U.S.C. §214\(e\)](#).

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

ADMINISTRATIVE RULES — FISCAL IMPACT SUMMARIES

May 8, 2018

5

Department of Education

Rule Summary **ARC 3765C (AF)**
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.

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

LSA Response: The LSA concurs.

Rule Summary **ARC 3767C (AF)**
Makes nonsubstantive changes and implements revisions required by House File 658 (FY 2016 Education Appropriations Act).

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

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

LSA Response: The LSA concurs.

Rule Summary **ARC 3766C (AF)**
Amends existing rules to comply with changes made to the federal Individuals with Disabilities Education Act (IDEA) by the federal 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.

LSA Staff Contact: Josie Gerrietts (515.238.2833) josie.gerrietts@legis.iowa.gov

College Student Aid Commission

Rule Summary **ARC 3699C (AF)**
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.

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

Department of Inspections and Appeals

Rule Summary **ARC 3737C (AF)**
Adds classification requirements for licensure of residential care facilities for the intellectually disabled.

ADMINISTRATIVE RULES — FISCAL IMPACT SUMMARIES

May 8, 2018

6

	State or Federal Law Implemented: Iowa Code section <u>135C.14</u> .
Fiscal Impact	Agency Response: No fiscal impact. LSA Response: The LSA concurs.
Rule Summary	<u>ARC 3738C (AF)</u> Defines “mechanical restraint” and prohibits the use of such restraint in residential care facilities. Also defines “physical restraint” and “prone restraint” and adds a requirement to provide staff with proper training on the use of restraints.
	State or Federal Law Implemented: Iowa Code section <u>135C.14</u> .
Fiscal Impact	Agency Response: No fiscal impact. LSA Response: The LSA concurs.
Rule Summary	<u>ARC 3739C (AF)</u> Establishes streamlined provisions unique to residential care facilities for persons with mental illness.
	State or Federal Law Implemented: Iowa Code section <u>135C.14</u> .
Fiscal Impact	Agency Response: No fiscal impact. LSA Response: The LSA concurs.
Rule Summary	<u>ARC 3740C (AF)</u> Strikes current rules and replaces them with new rulemakings governing residential care facilities with three to five beds. After a review of the Department’s rules governing all residential care facilities, it was determined there was a need for a chapter detailing the licensing requirements for these residential care facilities.
	State or Federal Law Implemented: Iowa Code sections <u>135C.2</u> and <u>135C.14</u> .
Fiscal Impact	Agency Response: No fiscal impact. LSA Response: The LSA concurs.
Rule Summary	<u>ARC 3768C (AF)</u> Transfers responsibilities for the certification of targeted small businesses from the Department of Inspections and Appeals to the Economic Development Authority. Eliminates other references to the Targeted Small Business 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 Department of Agriculture and Land Stewardship by the General Assembly during the 2011 session.
	State or Federal Law Implemented: Iowa Code sections <u>10A.104(5)</u> and <u>22.11</u> .
Fiscal Impact	Agency Response: No fiscal impact. LSA Response: The LSA concurs.
Rule Summary	<u>ARC 3769C (AF)</u> Amends chapter 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.

ADMINISTRATIVE RULES — FISCAL IMPACT SUMMARIES

May 8, 2018

7

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.

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

Environmental Protection Commission

ARC 3735C (AF)

Rule Summary Revises State drinking water rules to adopt federal rule changes. Updated 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 revises 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 construction standards.

Also amends existing State rules in the following ways:

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

A public hearing was held on February 8, 2018, and there were no public comments. Two technical changes were made to the proposed rulemakings. One was a change to

ADMINISTRATIVE RULES — FISCAL IMPACT SUMMARIES

May 8, 2018

8

the citation for the Revised Total Coliform Rule and the other added a paragraph that references compliance documentation and recordkeeping requirements for membrane filtration.

State or Federal Law Implemented: Iowa Code chapter 272C and 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 3736C (AF)

Rule Summary Updates rules to conform to the Iowa Code:

- Eliminates the advisory council for the Solid Waste Environmental Management Systems Program and moves the responsibilities to the Department of Natural Resources (DNR).
- Amends definitions related to the Solid Waste Environmental Management Systems Program.
- Clarifies the annual report submitting process.
- Changes 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. A public hearing was held on February 13, 2018, and no additional comments were received.

LSA Response: The LSA concurs.

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

Natural Resource Commission

ARC 3729C (NOIA)

Rule Summary Updates resident and nonresident rules for the wild turkey spring hunting season, including:

- Specifying season dates, bag limits, possession limits, shooting hours, areas open to hunting licensing procedures, means and methods of take, and transportation tag requirements.
- Updating approved ammunition lists.
- Changing date for the first shotgun-and-archery season.
- Changing the youth-only season from nine days to three days as youth are now able to hunt with an unfilled youth license and tag during any other established wild turkey season.
- Updating Code and rule references.

Updates resident rules for the wild turkey fall hunting season, including:

- Updating season dates, bag limits, possession limits, shooting hours, areas open to hunting, licensing procedures, means and methods of take, and transportation tag requirements.
- Updating approved ammunition lists.
- Updating Code and rule references.

ADMINISTRATIVE RULES — FISCAL IMPACT SUMMARIES

May 8, 2018

9

(Note: There is no fall wild turkey season for nonresidents in Iowa, except for nonresidents who are under 21 years old and have a severe physical disability or have been diagnosed with a terminal illness).

State or Federal Law Implemented: Iowa Code sections 481A.38, 481A.39, and 481A.48(1).

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

LSA Response: The LSA concurs.

Rule Summary Updates the existing rules for deer hunting for residents and nonresidents and includes: **ARC 3731C (NOIA)**

- Updating season dates, bag limits, possession limits, shooting hours, areas open to hunting, licensing procedures, means and methods of take, and transportation and reporting requirements.
- Reestablishing the January antlerless deer hunting season and adjusting the county hunting quotas. A total of 1,550 tags will be available.
- Making technical changes.

Changes to resident rules include:

- Updating the methods of taking a deer for nonresidents for consistency with the methods for residents.
- Reestablishing the January antlerless deer hunting season in Allamakee, Appanoose, Clayton, and Wayne counties.
- Adjusting the hunting quotas for antlerless deer hunting licenses in nine other counties.
- Limiting shotguns, straight wall cartridge rifles, and handguns to a maximum of six cartridges while hunting deer.
- Amending the definitions of legal handguns and straight wall cartridge rifle calibers that are used for deer hunting.
- Limiting the method of take in the late muzzleloader season to muzzleloading firearms, bows, and crossbows.

Changes to nonresident rules include:

- Updating the methods of taking a deer for nonresidents for consistency with the methods for residents.
- Reestablishing the January antlerless deer hunting season in four counties.
- Adjusting nonresident license quotas for any-deer and mandatory antlerless-only deer licenses.
- Requiring that bow licenses not account for more than 35.0% of nonresident any-sex deer licenses available each year.

State or Federal Law Implemented: Iowa Code sections 481A.38(1)(a), 481A.39, 481A.48(1), 481A.48(5), and 481A.48(6).

Fiscal Impact **Agency Response:** Minimal fiscal impact. The cost for an antlerless deer hunting tag for the January season is \$10, and there will be an additional 1,550 tags available. If all of the tags were sold, there would be an increase of \$15,500 to the Fish and Game Trust Fund. However, it is unlikely that all tags will be sold.

LSA Response: The LSA concurs.

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

ADMINISTRATIVE RULES — FISCAL IMPACT SUMMARIES

May 8, 2018

10

Department of Public Health

Rule Summary **ARC 3745C (AF)**
Adds definitions of “congenital cytomegalovirus” and “cytomegalovirus or CMV” to the chapter that outlines the Early Hearing Detection and Intervention Program, including procedures for newborns that fail to pass and guidelines to accommodate and document parental objection to and refusal of newborn testing for CMV.

State or Federal Law Implemented: 2017 Iowa Acts, Senate File 51 (Cytomegalovirus Public Health Initiative and Newborn Testing Act).

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

LSA Response: The LSA concurs.

Rule Summary **ARC 3746C (AF)**
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.

Rule Summary **ARC 3747C (AF)**
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 3747C.

Essential Public Health Services Funding Allocations			
	FY 2017 (Current Law)	FY 2017 "Weighted Value"	ARC 3747C
<u>Community Capacity (Former Appropriation Location)</u>			
Divided Equally by County	40.0%	18.2%	18.0%
Divided by County Population	60.0%	7.8%	8.0%
<u>Healthy Aging (Former Appropriation Name)</u>			
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%

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, chapter 26 (Stroke Care Reporting Act). **ARC 3748C (AF)**

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

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

Professional Licensure Division

Rule Summary Removes the definition of private practice, revises the requirements for supervision, permits continuing education credits for practicum supervisors, adds language regarding electronic communication, and makes technical corrections for the Board of Social Work. **ARC 3744C (AF)**

State or Federal Law Implemented: Iowa Code section 154C.4.

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

LSA Response: The LSA concurs.

Rule Summary Revises grounds for imposing discipline under the Board of Chiropractic regarding sexual misconduct, patient record maintenance, and improper direct solicitation. Modifies the definition of an electronic record and the process for transfer of records, and makes technical changes. **ARC 3754C (NOIA)**

State or Federal Law Implemented: Iowa Code chapter 151.

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

LSA Response: The LSA concurs.

ADMINISTRATIVE RULES — FISCAL IMPACT SUMMARIES

May 8, 2018

12

ARC 3762C (NOIA)

Rule Summary Updates requirements for supervision of physical and occupational therapy assistants by physical and occupational therapists under the Board of Physical and Occupational Therapy.

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

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 3743C (AF)

Rule Summary Implements the following changes:

- Reschedules a cannabidiol product upon being approved by the Food and Drug Administration and rescheduled by the Drug Enforcement Administration, pursuant to 2017 Iowa Acts, chapter 162 (HF 524, Medical Cannabidiol Act).
- Allows the Board to provide information from the drug prescribing and dispensing information program (Iowa Prescription Monitoring Program) to a medical examiner investigator recognized by the State Medical Examiner's office when the information relates to an investigation being conducted by the State Medical Examiner or an investigator, pursuant to 2017 Iowa Acts, chapter 152 (HF 523, Drug Prescribing and Dispensing Program Medical Examiner Access Act).
- Increases the frequency of a dispenser's reporting of controlled substance dispensing to the Iowa Prescription Monitoring Program (PMP) from every seven days to the next business day following dispensing.

State or Federal Law Implemented: Iowa Code section 124.552 and Iowa Code chapters 152 and 162.

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

LSA Response: The LSA concurs.

ARC 3758C (NOIA)

Rule Summary Temporarily schedules fentanyl-related products that are not already listed in another schedule as Schedule I controlled substances.

State or Federal Law Implemented: Iowa Code sections 124.201 and 124.301.

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

LSA Response: The LSA concurs.

ARC 3764C (NOIA)

Rule Summary Establishes procedures and labeling requirements for the substitution of interchangeable biological products.

State or Federal Law Implemented: 2017 Iowa Acts, ch. 5.

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

ADMINISTRATIVE RULES — FISCAL IMPACT SUMMARIES

May 8, 2018

13

Department of Public Safety

ARC 3733C (FEAN)

Rule Summary Repeals provisions authorizing the inspections of electrical installations on farm buildings pursuant to SF 357 (Electricians Licensing, Farm Exception Act). Currently, a license is not required 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 and if the electrical installation is done by a person who has a legal or equitable interest in the farm, is a relative or employee of that person, or is an operator or manager. Residences are excluded from the rulemaking, meaning that a licensed person must do the work and that a permit and inspection is required, unless the work is done by the owner on the owner's principal residence.

State or Federal Law Implemented: Iowa Code sections 103.1A and 103.22 and 2017 Iowa Acts, SF 357.

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

Department of Revenue

ARC 3724C (NOIA)

Rule Summary Makes changes to four existing rules: Item 1 corrects a typographical error and makes other definition changes. The current version of the rule lists "furniture and fixtures" as ineligible for the sales and use tax refund provided by Iowa Code section 15.331A. However, the relevant statute uses the terms "furniture and furnishings." The amendment also establishes a definition of "furnishings" to clarify what types of items are ineligible for the sales and use tax refund. The amendment also adopts the definition of "project completion" contained in Iowa Code section 15.355.

Items 2 and 3 amend rules that implement the Workforce Housing Tax Incentive Program for individual and corporate income tax, to comply with a law change enacted in SF 488 (Workforce Housing Act of 2017). The amendments remove language that is duplicative of language contained in rules administered by the Iowa Economic Development Authority and clarify that there is no limit to the number of times a tax credit may be transferred, that the tax credit is transferable in variable denominations, and that the same carryforward rules apply to transferees.

Item 4 removes language that is duplicative of language elsewhere in the rules.

State or Federal Law Implemented: Iowa Code sections 15.119, 15.352, 15.353, 15.354, and 15.355.

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

LSA Response: The LSA concurs.

ARC 3725C (NOIA)

Rule Summary Defines the preliminary education requirements that must be completed prior to sitting for the assessor or deputy assessor exam.

State or Federal Law Implemented: Iowa Code section 441.5.

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

LSA Response: The LSA concurs.

ADMINISTRATIVE RULES — FISCAL IMPACT SUMMARIES

May 8, 2018

14

ARC 3749C (AF)

Rule Summary Amends existing rules to implement changes to the adoption expense tax 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).

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.

ARC 3750C (AF)

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.

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. House File 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 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.

ARC 3771C (AF)

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 prescribe 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 3770C (AF)

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 participants in the program and entities involved in its processes.

ADMINISTRATIVE RULES — FISCAL IMPACT SUMMARIES

May 8, 2018

15

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.

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

Iowa Telecommunications and Technology Commission

Rule Summary **ARC 3723C (NOIA)**
Implements statutory changes pursuant to 2017 Iowa Acts, HF 467 (Iowa Communications Network — Law Enforcement Systems Included Act). Authorizes the Iowa Communications Network to provide law enforcement with communications systems should an appropriate authorized user of the Network request such services.

State or Federal Law Implemented: Iowa Code section 8D.3 and 2017 Iowa Acts, HF 467.

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

Department of Workforce Development

Rule Summary **ARC 3772C (AF)**
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.

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.

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

ADMINISTRATIVE RULES — FISCAL IMPACT SUMMARIES

May 8, 2018

16

Department of Transportation

Rule Summary **ARC 3755C (NOIA)**
Corrects minor spelling errors, and vertical infrastructure-related citations affected by Iowa Code amendments and renumbering.
State or Federal Law Implemented: Iowa Code sections 8.57(5), 17A.3, and 328.12.

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

Rule Summary **ARC 3756C (NOIA)**
Corrects a due date for annual reports, updates the adoption date of federal regulations, provides a source for federal citations, and clarifies how violations of the transportation of railway workers are investigated.
State or Federal Law Implemented: Iowa Code sections 307.26, 321.449A, 327C.2, 327C.4, 327C.38, 327C.41, 327F.13, 327F.39, and 327G.24.

Fiscal Impact **Agency Response:** The fiscal impact cannot be determined. The federal regulations to be adopted by this action were subject to fiscal impact review by either the Federal Railroad Administration (FRA) or the Surface Transportation Board when enacted, and were determined not to be cost-prohibitive.
LSA Response: The LSA concurs.

Rule Summary **ARC 3757C (NOIA)**
Clarifies and expands the notification to the Department for certain railroad accidents and incidents.
State or Federal Law Implemented: Iowa Code sections 327C.37 and 327C.41.

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

Rule Summary **ARC 3759C (NOIA)**
Updates the guidelines under which funds in the Railroad Revolving Loan and Grant Fund are awarded and administered.
State or Federal Law Implemented: Iowa Code section 327H.20A.

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

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

Labor Division

Rule Summary **ARC 3727C (NOIA)**
Makes a variety of rulemaking changes in relation to elevators and conveyances, including requiring certain existing control panels to be locked, requiring hoist way lighting for new and altered elevators, and requiring most wiring for new conveyances to be installed in conduit.
State or Federal Law Implemented: Iowa Code chapter 89A.

ADMINISTRATIVE RULES — FISCAL IMPACT SUMMARIES

May 8, 2018

17

Fiscal Impact **Agency Response:** Minimal fiscal impact. The requirement for installation of hoist way lighting for new and altered elevators will have a minimal impact when an elevator is installed or altered. The requirement that certain existing control panels be locked represents a nominal expense. The requirement to enclose most wiring related to new conveyances will cost about \$100 for a new installation. There are about 250 new installations in a year and the majority of installers use conduit even though it is not required.

LSA Response: The LSA concurs.

Rule Summary Updates safety standards to accommodate current American Society of Mechanical Engineers (ASME) requirements, eases wind tower industry regulations, and eliminates obsolete language. Technical changes have been made since the rulemaking was first noticed. **ARC 3742C (AF)**

State or Federal Law Implemented: Iowa Code chapter 89A.

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
