



Fiscal Services Division

ADMINISTRATIVE RULES — FISCAL IMPACT SUMMARIES

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

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Department of Commerce/Professional Licensing and Regulation Bureau

ARC 4007C (NOIA)

Rule Summary Implements legislative changes to the Professional Licensing and Regulation Bureau and its boards by changing terminology related to architects from “registered” to “licensed”; changing the title related to landscape architecture from “registered” to “professional”; removing the Real Estate Appraiser Board; and allowing staff to remove abandoned applications from the licensing database.

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State or Federal Law Implemented: Iowa Code chapters 542, 542B, 543B, 544A, 544B, and 544C, and Iowa Code section 546.10.

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

Accountancy Examining Board

ARC 3988C (NOIA)

Rule Summary Reflects changes in the Professional Licensing Bureau's administrative processes due to the installation of a new online licensing and renewal system. Recognizes a broader scope of accountant designations, as these designations are used internationally.

State or Federal Law Implemented: Iowa Code chapter 542.

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

Interior Design Examining Board

ARC 4011C (AF)

Rule Summary Clarifies the continuing education requirements as a condition for reinstatement of registration and lists the fee for a formal certificate. Rescinds the definition of self-directed activity. Corrects the number of continuing education hours required.

State or Federal Law Implemented: Iowa Code chapter 544C.

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 Appraiser Examining Board

ARC 4006C (NOIA)

Rule Summary Amends requirements under the educational portion of the Real Property Appraiser Qualification Criteria for real property appraisers to obtain a state certification.

State or Federal Law Implemented: Iowa Code chapter 543D.

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 Human Services

ARC 4031C (NOIA)

Rule Summary Allows behavior analysts and assistant behavior analysts who are licensed pursuant to chapter 154D payment for behavioral health services provided to recipients of Medicaid. The amendments also allow provisionally licensed psychologists, temporarily licensed

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marital and family therapists, and temporarily licensed mental health counselors who are licensed pursuant to section 154D.7 payment for behavioral health services provided to recipients of Medicaid.

State or Federal Law Implemented: Iowa Code section 249A.4 and 2018 Iowa Acts, SF 2418, sections 135 and 136 (FY 2019 Health and Human Services Appropriations Act.)

Fiscal Impact **Agency Response:** Minimal fiscal impact. The changes may allow Medicaid members additional access to behavioral health services; however, any fiscal impact is expected to be minimal. Medicaid currently allows behavioral analysts and assistant behavioral analysts to provide services, but the supervising authority must do the billing. The rule changes will allow for these two professional types to bill Medicaid directly. Since the Medicaid program is already incurring these costs, minimal impact is expected. The changes adding provisionally licensed psychologists, temporarily licensed marital and family therapists, and temporarily licensed mental health counselors as eligible providers under Medicaid is expected to have minimal impact since it is consistent with current policy.

LSA Response: The LSA concurs.

ARC 4032C (NOIA)

Rule Summary Amends the subsidized guardianship program by removing a reference to a waiver and adds language to implement the federal Fostering Connections to Success Act. Adds a definition of "relative," revises eligibility, and ties maintenance payment maximums to the foster family care maintenance rates.

State or Federal Law Implemented: Iowa Code section 234.6; 45 C.F.R. 1356.21; and the Social Security Act, sections 472 and 473(d)(3).

Fiscal Impact **Agency Response:** The total estimated program cost in FY 2019 is \$198,000 (\$133,000 General Fund, \$65,000 federal), and the estimate for FY 2020 and beyond is \$592,000 annually (\$397,000 General Fund; \$195,000 federal).

LSA Response: The LSA concurs. The FY 2019 Health and Human Services Appropriation Act (SF 2418) includes a projected \$1.4 million in adoption subsidy projected savings, with \$133,000 for the subsidized guardianship program and the remainder for the Treatment Outcome Package (TOP) Screening Tool used by the Department.

With the 2008 federal Fostering Connections to Success & Increasing Adoptions Act, the federal government began phasing out the income-eligibility requirements for Title IV-E Adoption Assistance, allowing more children to qualify for the federally funded portion of the program. States are required to spend any savings derived from this federal expansion on child welfare services. This unfunded adoption reinvestment obligation exists with or without this rule change. There are no federal deadlines yet for spending the savings dollars, but delay in finding a qualifying way to fulfill the State's required reinvestment spending will create a larger unfunded obligation in the future.

ARC 4033C (NOIA)

Rule Summary Updates the adoption subsidy program to revise outdated language, revises eligibility criteria for special needs children, clarifies allowable expenses under special services, and adds a provision to suspend an adoption subsidy under defined circumstances.

State or Federal Law Implemented: Iowa Code section 234.6, Social Security Act sections 473(a)(4)(A) and (B), and 45 C.F.R. 205.10.

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

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LSA Response: The LSA concurs.

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

Department of Administrative Services

Rule Summary **ARC 4019C (NOIA)**
Establishes an Iowa National Service Corps Program administered by the Iowa Commission on Volunteer Service pursuant to 2018 Iowa Acts, HF 2420 (Iowa National Service Corps Program Act). State agencies or political subdivisions of the State may establish hiring preferences for any Iowa National Service Corps or AmeriCorps participant who has successfully completed a year of full-time service or 1,700 hours over a period extending beyond a year.

State or Federal Law Implemented: 2018 Iowa Acts, ch. 1086.

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

LSA Response: The LSA concurs.

Rule Summary **ARC 4018C (NOIA)**
Amends existing rules by eliminating the calculation of life cycle cost determination in purchasing vehicles for the State of Iowa fleet pursuant to 2018 Iowa Acts, SF 2416 (FY 2019 Administration and Regulation Appropriations Act). Provides that the purchase of passenger vehicles; light, medium-duty, and heavy-duty trucks; passenger and cargo vans; and sport utility vehicles; shall be awarded to the lowest responsive and responsible bidder based solely on bid price.

State or Federal Law Implemented: Iowa Code section 8A.311(20), and 2018 Iowa Acts, SF 2416.

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

LSA Response: The LSA concurs.

Rule Summary **ARC 4020C (NOIA)**
Amends existing rules to address continuing coverage of health care benefits for the surviving spouse and each surviving child of an eligible peace officer or fire fighter killed in the line of duty pursuant to 2018 Iowa Acts, HF 2502, Division XVII (FY 2019 Standing Appropriations Act). Adds language clarifying that if a governing body, a county board of supervisors, or a city council has procured accident or health care coverage for its employees, such coverage shall permit continuation of existing coverage or reenrollment in previously existing coverage for the surviving spouse and each surviving child of an eligible peace officer or fire fighter killed in the line of duty.

State or Federal Law Implemented: Iowa Code section 8A.402(1)(c) and 2018 Iowa Acts, ch. 1172.

Fiscal Impact **Agency Response:** Fiscal impact cannot be determined. While there is an eligible population, there is not enough evidence of participation available to estimate a fiscal impact.

LSA Response: The LSA concurs.

Rule Summary **ARC 4021C (NOIA)**
Corrects outdated processes, procedures, and references as part of the Department's five-year review of rules.

State or Federal Law Implemented: Iowa Code section 8A.104.

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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 Agriculture and Land Stewardship

ARC 3993C (AF)

Rule Summary Modifies the preentry poultry import permitting process required for businesses due to avian influenza or Newcastle disease outbreaks in the state where the businesses are located. Under the modified process, the requirement of a permit is based on a producer's location in the 10-kilometer radius of an infected site, instead of by the state where there is an outbreak. Also reduces the permitting time frame from 90 to 30 days, but allows the Department of Agriculture and Land Stewardship to change the permitting time frame based on epidemiological reasons. Modifies the type of test required and reflects the updated name of Newcastle disease.

State or Federal Law Implemented: Iowa Code chapter 163.

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

LSA Response: The LSA concurs.

ARC 4004C (NOIA)

Rule Summary Increases the testing fee for an individual sample of agricultural lime from \$25 to \$60. The testing fee has not been increased since 1988. The amendment also reduces the number of samples that have to be taken.

State or Federal Law Implemented: Iowa Code section 201A.5.

Fiscal Impact **Agency Response:** Minimal fiscal impact. There are 181 samples tested per year for a total increase in fee revenue of \$6,335. The fees are deposited into the General Fund.

LSA Response: The LSA concurs.

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

Department of Commerce/Alcoholic Beverages Division

ARC 3994C (AF)

Rule Summary Establishes a procedure for the issuance of a waiver for an individual of legal age desiring to import alcoholic liquor, wine, or beer in excess of the amount permitted by the Iowa Code.

State or Federal Law Implemented: Senate File 2347 (Alcohol Importation Reform Act) and Iowa Code sections 123.10, 123.22, 123.46, 123.59, and 123.171.

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

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Department of Commerce/Utilities Division

ARC 3990C (NOIA)

Rule Summary Rescinds the Board's rules regarding the energy efficiency of nonregulated utilities. Removes nonregulated utilities from the list of utilities required to provide energy efficiency plans.

State or Federal Law Implemented: Iowa Code sections 476.1A(g), 476.1B(1)(l), and 476.6(15)(d),

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 Finance Authority

ARC 4028C (NOIA)

Rule Summary Modifies the Military Service Member Home Ownership Assistance Program to add the definition for “manufactured home” as specified in Iowa Code section 435.1 and to amend the definition of “qualified home” to exclude requirements of a permanent foundation and that the manufactured home is taxed as real estate.

State or Federal Law Implemented: Iowa Code section 16.54 and 2018 Iowa Acts, HF 2480 (Manufactured Housing, Revolving Loan Fund Act).

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

LSA Response: The LSA concurs.

ARC 4037C (AF)

Rule Summary Amends existing rules regarding the federal Low-Income Housing Tax Credit (LIHTC) Programs by conforming to the language and procedures in the 2019 Qualified Allocation Plans (QAPs). The 2019 QAPs address the following:

- Identifying the purposes of the plans.
- Providing administrative information required for participation.
- Establishing threshold and selection criteria.
- Instituting postreservation requirements.
- Detailing the appeal process.
- Establishing a compliance monitoring component.

The following fee increases have been proposed:

- Application fees increase from \$2,500 to \$2,750.
- Construction monitoring fees increase from \$2,500 to \$3,000.
- Compliance monitoring fees increase from \$28 per unit to \$30 per unit.

Additionally, the following new fees have been proposed:

- A \$1,000 fee is proposed for when the owner of a project amends Form 8609 with the Internal Revenue Service (IRS).
- A new option for tax credit property owners under the federal tax code allows owners to rent to tenants based on the average income levels of the tenants rather than requiring all tenants to be below certain percentages of the area median income. The Iowa Finance Authority (IFA) is proposing a \$20 per unit fee when the owner elects to use income averaging.

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The proposed rules have been modified since they were first noticed to change the deadline for incorporating any changes to the QAP and Internal Revenue Code from July 11, 2018, to September 5, 2018.

State or Federal Law Implemented: Iowa Code section 16.35 and 26 U.S.C. Section 42.

Fiscal Impact **Agency Response:** Minimal fiscal impact. The fees that have been proposed to be increased will result in an estimated additional \$18,500 in revenue for the IFA.

LSA Response: The LSA concurs.

Rule Summary Provides clarifying rules, removes a definition, and strikes the prohibition against subsidy recipients residing in rental units owned by immediate family members. The Board has waived the prohibition restriction in the past.

ARC 4038C (AF)

State or Federal Law Implemented: Iowa Code section 16.55.

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 of Inspections and Appeals

Rule Summary Provides definitions and procedures for social and charitable gaming, clarifies licensing types and application procedures for qualified organizations, and specifies prize limits for various gambling types. Additionally, provides requirements for products sold within the State to gambling license holders.

ARC 4013C (AF)

State or Federal Law Implemented: Iowa Code section 99B.2.

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

LSA Response: The LSA concurs.

Rule Summary Clarifies definitions and specifies licensing requirements, costs, and prizes as they pertain to bingo games.

ARC 4014C (AF)

State or Federal Law Implemented: Iowa Code section 99B.2.

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

LSA Response: The LSA concurs.

Rule Summary Amends definitions for the following terms: “amusement device,” “gambling device,” and “progressive games.” Provides for restrictions on amusement devices, specifies requirements for registration, and clarifies procedures for declaratory orders.

ARC 4015C (AF)

State or Federal Law Implemented: Iowa Code sections 99B.1, 99B.2, 99B.51, 99B.52, 99B.53, 99B.54, 99B.55, 99B.56, 99B.57, 99B.58, 99B.59, and 99B.60.

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

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LSA Response: The LSA concurs.

ARC 4016C (AF)

Rule Summary Defines terms and specifies licensing and recordkeeping requirements pertaining to card game tournaments.

State or Federal Law Implemented: 2015 Iowa Acts, ch. 99, and Iowa Code sections 99B.2 and 99B.27.

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

LSA Response: The LSA concurs.

ARC 4026C (NOIA)

Rule Summary Amends definitions to be consistent with the current Food Code issued by the federal Food and Drug Administration (FDA) and modifies fees and penalties.

State or Federal Law Implemented: Iowa Code section 10A.104; Iowa Code chapters 137C, 137D, and 137E; 2018 Iowa Acts, Senate File 2390 (Licensure of Food Establishment Act).

Fiscal Impact **Agency Response:** The Legislative Services Agency estimated an increase in revenue to the General Fund of approximately \$1.2 million annually due to the fee increases approved in 2018 Iowa Acts, Senate File 2390 (Fiscal Note, May 2, 2018).

LSA Response: The LSA concurs. Estimated new fee revenue to the State General Fund under 2018 Iowa Acts, Senate File 2390 is as follows:

Estimated New Fee Revenue Under SF 2390

Food Establishment	Fee Type	New Fee Revenue
Hotel Food Sites	License	\$ 15,000
Home Bakeries	License	25,000
Food Service Establishments	License	454,050
Temporary Foods	Application	30,000
Vending Machines	License	3,000
Mobile Food Vendors	License	134,800
Retail Food Establishments	License	276,500
Food Processing Plants	License	57,300
Farmers Market Vendors	License	6,700
Large Events	Application	1,000
All Non-Exempt Entities	Application	190,000
Total Revenue		\$ 1,193,350

The Department of Inspections and Appeals (DIA) is required to annually deposit \$800,000 collected from license and inspection fees (with the exception of license fees collected on behalf of a municipal corporation) into the State General Fund. The DIA is permitted to use the remainder of the collected fee revenue to cover the costs of local food inspections.

ARC 4027C (NOIA)

Rule Summary Reflects 2018 Code of Federal Regulation updates and removes the expired transition compliance dates within the 2013 Food and Drug Administration Model Food Code, which required the employment of a certified food protection manager.

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State or Federal Law Implemented: Iowa Code sections 10A.104 and 137F.2.

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 3995C (AF)

Rule Summary Rescinds and replaces rules relating to permitting procedures for regional collection centers (RCCs), and amends rules relating to financial assistance to RCCs for waste collection, waste management, and establishment and expansion of facilities. Amends other rules relating to household hazardous materials.

State or Federal Law Implemented: Iowa Code chapters 455E and 455F.

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 Revenue

ARC 4003C (ANOIA)

Rule Summary Clarifies rules and updates a cross-reference used to implement the exemption of commercial fertilizer and agricultural limestone from the sales and use tax.

State or Federal Law Implemented: Iowa Code section 423.3.

Fiscal Impact Agency Response: No fiscal impact.

LSA Response: The LSA concurs.

ARC 4009C (NOIA)

Rule Summary Updates process for seeking a rebate of Iowa sales tax made available to the owner or operator of a baseball and softball complex.

State or Federal Law Implemented: Iowa Code section 423.4 and 2018 Iowa Acts, ch. 1161.

Fiscal Impact Agency Response: No fiscal impact.

LSA Response: The LSA concurs in part. Changes from 2016 Iowa Acts, ch. 1117, established this rebate program under the Iowa Economic Development Authority (IEDA) through the Enhance Iowa Board. That Fiscal Note utilized two hypothetical projects to arrive at a possible fiscal impact of transfers beginning in FY 2018. To date, the Enhance Iowa Board has approved \$3.8 million for three projects, although the exact timing of revenue transfers is still unknown subject to the actual completion date of the projects, and, to date, no transfers have occurred.

ARC 4023C (NOIA)

Rule Summary Establishes guidelines for the rebates of Iowa sales and use tax that are available to the owner or operator of a raceway facility that meets certain criteria set forth in Iowa Code section 423.4, subsection 11. Prescribes the process by which a qualifying owner or operator may seek rebates and provides additional information about how sales qualify for the rebate.

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State or Federal Law Implemented: Iowa Code section 423.2 and 423.4 and 2018 Iowa Acts, ch. 1146.

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

LSA Response: The LSA concurs in part. While the rules themselves have no fiscal impact, the legislation they implement does. The Fiscal Note from 2018 Iowa Acts, SF 2407 (Raceway Sales Tax Rebate Modification Act), estimates that \$744,000 of sales tax revenue will be transferred to the Raceway Facility Tax Rebate Fund in FY 2019, followed by approximately \$200,000 annually from FY 2020 to FY 2024.

ARC 4024C (NOIA)

Rule Summary Consolidates hotel and motel tax rules into a single chapter (chapter 103), and implements changes to the tax made by Division XIII of 2018 Iowa Acts, SF 2417 (2018 Tax System Modifications Act). As a result of the consolidation, chapters 104 and 105 are eliminated.

State or Federal Law Implemented: Iowa Code chapter 423A, and 2018 Iowa Acts, SF 2417.

Fiscal Impact **Agency Response:** No fiscal impact beyond the impact estimated in Table 9 of the Fiscal Note for 2018 Iowa Acts, SF 2417.

LSA Response: The LSA concurs. Please note that the Fiscal Note for 2018 Iowa Acts, SF 2417 did not identify any specific impact on hotel and motel tax revenue.

ARC 4025C (NOIA)

Rule Summary Reflects recent legislative changes to the Research Activities Tax Credit for both individual and corporate income tax, and removes unnecessary or outdated language from existing rules.

State or Federal Law Implemented: 2018 Iowa Acts, Senate File 2417 (2018 Tax System Modifications Act).

Fiscal Impact **Agency Response:** No fiscal impact to the State of Iowa beyond that identified in Table 8 of the Fiscal Note for 2018 Iowa Acts, SF 2417. The statutory change underlying this rulemaking was estimated to increase State General Fund revenue by \$0.6 million in FY 2018, \$4.5 million in FY 2019, \$7.2 million in FY 2020, \$7.5 million in FY 2021, \$7.8 million in FY 2022, \$8.1 million in FY 2023, and \$8.4 million in FY 2024.

LSA Response: The LSA concurs.

ARC 4022C (NOIA)

Rule Summary Conforms Iowa income tax law to recent changes to the federal deduction for expensing certain depreciable business assets (section 179 deduction) and imposes Iowa-specific limitations on the deduction for certain years. Implements a new special election available to taxpayers receiving section 179 deductions from pass-through business entities under certain circumstances.

State or Federal Law Implemented: 2018 Iowa Acts, SF 2417 (2018 Tax System Modifications Act).

Fiscal Impact **Agency Response:** No known fiscal impact beyond that of the legislation the rulemaking is intended to implement.

LSA Response: The LSA concurs. The Fiscal Note for 2018 Iowa Acts, SF 2417 provided the estimated fiscal impact of all provisions of the Act (see Table 9 of the Fiscal Note). As part of the response to this rules filing, the Department of Revenue provided a

separate analysis of just the section 179 provisions of 2018 Iowa Acts, SF 2417. The following table summarizes both the individual and corporate income tax impact of the full Act and just the section 179 provisions.

Estimated SF 2417 General Fund Fiscal Impact				
Dollars in Millions				
	Individual and Corporate Income Tax Impact of SF 2417	Section 179 Expensing Provisions Only	% of Total Estimated Impact	
FY 2019	\$ -160.4	\$ -50.8	31.7%	
FY 2020	-388.1	-53.1	13.7%	
FY 2021	-466.3	-92.9	19.9%	
FY 2022	-536.2	-84.3	15.7%	
FY 2023	-589.0	-75.6	12.8%	
FY 2024	-798.2	-64.0	8.0%	

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

Department of Public Health

ARC 4034C (NOIA)

Rule Summary Establishes a return-to-play protocol for returning a student to participation in any extracurricular interscholastic activity after the student shows signs, symptoms, or behaviors consistent with a concussion or brain injury.

State or Federal Law Implemented: 2018 Iowa Acts, ch. 1131.

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

ARC 4035C (NOIA)

Rule Summary Permits applicants for licensure by endorsement to satisfy the requirement for proof of passing the Board-designated exam by providing evidence of a current clinical competence certification through the American Speech-Language-Hearing Association (ASHA), which confirms the completion of clinical hours and passing of the Praxis exam. Also makes technical corrections.

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

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

LSA Response: The LSA concurs.

ARC 4036C (NOIA)

Rule Summary Incorporates language used in the American Academy of Audiology (AAA) and American Speech-Language Hearing Association (ASHA) codes of ethics.

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

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 4005C (NOIA)

Rule Summary Revises the process for review of license, permit, and registration applications by the License and Registration Committee to allow the Executive Director to administratively issue a license, permit, or registration pursuant to Committee action.

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.

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

Board of Medicine

ARC 3992C (NOIA)

Rule Summary Revises the minimum requirements for a physician who supervises a physician assistant at a remote medical site.

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

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 4029C (NOIA)

Rule Summary Makes the following updates:

- Updates the requirement for references to be consistent with recent Board action for other practice settings.
- Provides technical changes for clarity and reorganization.
- Moves the requirement that the hospital's approved drug formulary be included in the pharmacy's policies and procedures.
- Moves the documentation requirement related to the pharmacy's accountability of stock supplies of controlled substances.
- Updates language relating to outpatient automated dispensing systems to use a general term rather than a specific industry brand product.
- Clarifies that outpatient automated dispensing systems do not qualify for a unique pharmacy license.
- Updates storage requirements for records to be consistent with recent Board action for other practice settings.

State or Federal Law Implemented: Iowa Code sections 124.301, 124.303, 124.306, 124.308, 126.10, 126.11, 155A.6A, 155A.6B, 155A.7, 155A.13, 155A.15, 155A.27,

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155A.28, 155A.31, 155A.32, 155A.33, 155A.34, 155A.35, 155A.36, 155A.38, 155A.41, 155A.43, and 155A.44.

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

LSA Response: The LSA concurs.

Rule Summary

Permits a certified pharmacy technician to transfer a prescription for a noncontrolled substance to another pharmacy or receive a prescription transfer for a noncontrolled substance from another pharmacy. Allows a certified pharmacy technician to dispense a verified prescription which has been deemed to not require counseling to a patient while the pharmacist is on a break. Revises rule language relating to the electronic transfer of prescriptions in anticipation of enhanced technologies in pharmacy software system capabilities.

ARC 4030C (NOIA)

State or Federal Law Implemented: Iowa Code sections 155A.6A, 155A.33, and 155A.34.

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

Secretary of State

Rule Summary

Amends existing rules regarding local sales and services tax elections by creating a definition of “qualified counties” that complies with changes enacted in 2018 Iowa Acts, Senate File 2417 (Income and Sales Tax Modification Act). For the purpose of this rulemaking, “qualified counties” are defined as counties with a population in excess of 400,000, counties with a population of at least 130,000 but not more than 150,000, or counties with a population of at least 60,000 but not more than 70,000, according to the 2010 federal decennial census. Establishes a new method for initiating a local sales tax election by adding a new category of counties that are able to do so.

ARC 3989C (NOIA)

State or Federal Law Implemented: Iowa Code chapter 423B and 2018 Iowa Acts, SF 2417.

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

LSA Response: The LSA concurs. The rulemaking is not expected to have any fiscal impact on the State General Fund. Any fiscal impact incurred by local authorities cannot be determined at this time, as it is uncertain whether and how often local entities will initiate local sales tax elections.

Rule Summary

Updates existing rules relating to 2017 Iowa Acts, House File 516 (Election Integrity, Secretary of State Act). Amendments include updating postelection audit procedures, commissioner notification procedures, postelection audit time frames, and audit procedures regarding absentee and special voter precincts.

ARC 4017C (AF)

State or Federal Law Implemented: 2017 Iowa Acts, House File 516, Section 43.

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

LSA Response: The LSA concurs in part. Although the rulemaking itself has no fiscal impact, the legislation it implements, HF 516, does. Please note that the specific change

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referenced in the rulemaking regarding audit procedures does not have a fiscal impact; however, other requirements of HF 516 do have a fiscal impact, as noted in the associated Fiscal Note.

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

Department of Transportation

Rule Summary ARC 3998C (AF)
Rescinds rulemaking for automated traffic enforcement (ATE) devices on primary highways.

State or Federal Law Implemented: City of Des Moines, Iowa, City of Muscatine, Iowa, and City of Cedar Rapids, Iowa v. Iowa Department of Transportation and Iowa Transportation Commission, 911 N.W.2d 431 (Iowa 2018).

Fiscal Impact **Agency Response:** Fiscal impact cannot be determined. Individual cities and counties will determine whether and to what extent they maintain existing ATE systems and locations or add new systems or locations.

LSA Response: The LSA concurs. In May 2017, the cities involved in the lawsuit ceased issuing violations from ATE devices on the primary road system following an initial court ruling, but did not remove the devices. In June 2018, the City of Des Moines resumed issuing violations from its ATE devices located on I-235. It is not known if or when other cities impacted by the court ruling will resume issuing violations from their ATE devices on the primary road system. ATE devices located on secondary or city roads were not impacted by the court ruling and are still operating per the local authorities' discretion.

Rule Summary ARC 3999C (AF)
Updates rules involving vehicle registration and certificate of title, including making technical changes replacing the term “proportional” with “apportioned.” Amends the electronic registration and titling (ERT) process, updates salvage certificate registration for an insurer obtaining a salvage certificate of title, clarifies registration and title procedures concerning legal name changes of a vehicle’s owner, and eliminates outdated requirements to utilize paper forms when authorizing a record change.

State or Federal Law Implemented: Iowa Code chapter 326 and Iowa Code sections 17A.3, 321.1, 321.13, 321.20, 321.31, 321.46A, 321.52, 321.126, and 423.26.

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

LSA Response: The LSA concurs.

Rule Summary ARC 4000C (AF)
Eliminates outdated requirements and options to accommodate current procedures, updates the physical description categories related to eye color, strikes outdated language related to the fee for a replacement license issued when a person no longer needs an intermediate license, clarifies language concerning address changes, and expands who can take advantage of the online license renewal option.

State or Federal Law Implemented: Iowa Code sections 321.182, 321.189, and 321.196.

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

LSA Response: The LSA concurs.

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ARC 4001C (AF)

Rule Summary Incorporates requirements for the new statewide Sobriety and Drug Monitoring Program established by 2017 Iowa Acts, chapter 76 (Vehicular Homicide and Use of Electronic Communication Devices — Statewide Sobriety and Drug Monitoring Program).

State or Federal Law Implemented: Iowa Code chapter 901D and Iowa Code sections 321.201 and 321J.20.

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

LSA Response: The LSA concurs.

ARC 4002C (AF)

Rule Summary Updates and clarifies the requirements for the issuance of driver's licenses to undercover law enforcement officers.

State or Federal Law Implemented: Iowa Code sections 80G.3 and 321.189A; 6 C.F.R. 37.

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

Department of Management

ARC 4008C (NOIA)

Rule Summary Establishes procedures and guidelines to deny State funds to a local entity intentionally violating the provisions of Iowa Code chapter 825 and to reinstate eligibility to receive State funds when a local entity comes into compliance with statutory requirements. Establishes the process by which the Department of Management receives a final judicial determination that the local entity is out of compliance and is ineligible to receive State funds. Also establishes the process where the Department of Management receives the declaratory judgment that the local entity is in full compliance with Iowa Code chapter 825 and is eligible to receive State funds.

State or Federal Law Implemented: Iowa Code chapter 825 and 2018 Iowa Acts, ch. 1089.

Fiscal Impact **Agency Response:** Fiscal impact cannot be determined. Please see the Fiscal Note for 2018 Iowa Acts, SF 481 (Immigration Laws Enforcement Act).

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 4039C (FEAN)

Rule Summary Sets forth certificate of registration and membership requirements for entities wishing to establish a self-insured Multiple Employer Welfare Arrangement (MEWA). Describes financial requirements for self-insured MEWAs. Requires language indicating that MEWAs are not subject to all State insurance laws and regulations to be placed on the front page of notices distributed to purchasers of plans.

State or Federal Law Implemented: Iowa Code section 507A.4 and 2018 Iowa Acts, ch. 1063.

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

LSA Response: The LSA does not concur. The Fiscal Note prepared for 2018 Iowa Acts, SF 2349 estimates there could be a negative fiscal impact to the State General Fund if there is an increase in the number of self-insured plans being sold, as insurance companies providing coverage to self-insured MEWAs and self-insured Association Health Plans would be exempt from paying the Iowa premium tax collected by the State. However, it is not possible to determine what the potential fiscal impact could be at this time.

Rule Summary

ARC 4041C (NOIA) & ARC 4040C (AFE)
Sets forth membership requirements for entities wishing to establish a fully insured Multiple Employer Welfare Arrangement (MEWA) and clarifies which rulemaking requirements specifically apply only to fully insured MEWAs. Implements federal Department of Labor criteria permitting a determination whereby employers may join together in a group or association of employers and be permitted to be treated as if the group or association of employers were an employer sponsor of a single benefit plan or group health plan. Provides a framework for the establishment of both fully insured and self-insured Association Health Plans.

State or Federal Law Implemented: Iowa Code chapter 507A, 2018 Iowa Acts, SF 2349 (Association Health Plans Act), and 83 F.R. 28912.

Fiscal Impact **Agency Response:** May have a positive fiscal impact to the State General Fund. An increase in the number of these plans being sold would increase the amount of premium tax funds collected by the State from insurance companies providing coverage to fully insured Multiple Employer Welfare Arrangements and fully insured Association Health Plans. At this time, it is unclear what the fiscal impact would be.

LSA Response: The LSA concurs in part. However, the Fiscal Note prepared for 2018 Iowa Acts, SF 2349 estimates there could be a negative fiscal impact to the State General Fund if there is an increase in the number of self-insured plans being sold, as insurance companies providing coverage to self-insured Multiple Employer Welfare Arrangements and self-insured Association Health Plans would be exempt from paying the Iowa premium tax collected by the State. However, it is not possible to determine what the potential fiscal impact could be at this time.

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

Department of Public Safety

Rule Summary

ARC 4010C (FEAN)
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, ch. 76, 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, ch. 76.

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

Law Enforcement Academy

ARC 3997C (AF)

Rule Summary Amends existing rules to reflect the current emergency care provider certification process for Iowa peace officers. The certification process is managed within the Iowa Law Enforcement Academy based on guidance provided by the Iowa Department of Public Health (IDPH). The level of training required of Iowa peace officers to obtain an emergency care provider certification has not changed.

State or Federal Law Implemented: Iowa Code sections 80B.11 and 80B.11A.

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

LSA Response: The LSA concurs.

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

Department of Homeland Security and Emergency Management

ARC 4012C (AF)

Rule Summary Adopts the Iowa Hazard Mitigation Plan and the Iowa Disaster Recovery Plan. Both plans are reviewed on a regular basis and when needed, updated versions of the plans are adopted by the Department. Both plans have completed their review and public comment period, and the Department formally adopted these plans on September 17, 2018. In accordance with federal requirements, each plan will now be reviewed and amended as appropriate at a minimum of every five years.

State or Federal Law Implemented: Iowa Code section 29C.8.

Fiscal Impact **Agency Response:** During times of Major Disaster as declared by the President, these plans are key to allowing federal recovery and mitigation funds to flow into the State. While the timing and scale of disasters cannot be predicted, these plans provide detail on how efforts and funding in the State will be applied to provide an effective recovery for Iowa. Since 1990, these plans have enabled \$2.25 billion in federal recovery and mitigation funds to flow into Iowa.

LSA Response: The LSA concurs.

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