



HOUSE REPUBLICAN STAFF ANALYSIS

Bill:	Senate File 2370	House Committee:	PASSED March 13 (14-9)
Committee:	State Government	House Floor:	
Floor Manager:	Rep. Sexton	Senate Floor:	PASSED March 4 (31-15)
Date:	March 13, 2024	Governor:	
Staff:	Jason Covey (1-3626)		

Governor's Rules Bill

- Makes changes to the administrative rules process to implement a 5-year red tape review for all agencies and to allow for the online posting of rules adopted by reference. Codifies a zero-base regulation for administrative rules.
- Requires explicit statutory authority for rulemaking.
- Makes variance changes to executive branch agency functions.

Section by Section Analysis

DIVISION I RULEMAKING AND RELATED MATTERS

Section 1 – Iowa administrative bulletin and Iowa administrative code (Iowa Code 2B.5A(4))

Strikes section to conform with Section 11 of this bill.

Section 2 – State library — law library (Iowa Code 8A.206(2)(b))

Codifying current practice that the law library is not required to maintain physical copies of the Administrative Bulletin or Administrative Code.

Section 3 – Licensing and regulation of business and commerce-related professions (Iowa Code 10A.506(10))

Conforming changes with Section 11 of this bill.

Section 4 – Public information — adoption of rules — availability of rules and orders (Iowa Code 17A.3(1)(a,b,c))

Strikes requirement that each agency separately adopt rules on organization and standard procedures. Section 17 of this bill has the Administrative Rules Coordinator adopting these procedures.

Section 5 – Procedure for adoption of rules (Iowa Code 17A.4(1))

Requires agencies to submit rules to the Administrative Rules Coordinator to be precleared before submitting a Notice of Intended Action.

Section 6 – Procedure for adoption of rules (Iowa Code 17A.4(3)(a))

Requires emergency rules to be precleared by the ARC.

Section 7 – Regulatory analysis (Iowa Code 17A.4A(1,5))

Requires agencies to issue regulatory analysis of a proposed rule before the notice of intended action.

Section 8 – Regulatory analysis (Iowa Code 17A.4A(2)(a))

Requires agencies to issue regulatory analysis of a proposed rule before the notice of intended action.

Section 9 – Regulatory analysis (Iowa Code 17A.4A(4))

Requires agencies to issue regulatory analysis of a proposed rule before the notice of intended action.

Section 10 – Regulatory analysis (Iowa Code 17A.4A(6))

Requires agencies to issue regulatory analysis of a proposed rule before the notice of intended action.

Section 11 – Publications — procedures for standards adopted by reference (Iowa Code 17A.6(3))

Allows agencies to post online 3rd party materials that are adopted by reference instead of filing a physical copy with the law library.

Section 12 – Petition for adoption, amendment, or repeal of rules — periodic comprehensive reviews (Iowa Code 17A.7(2))

Amends section on 5-year rules review to mirror the red tape requirements for analysis.

Section 13 – Petition for adoption, amendment, or repeal of rules — periodic comprehensive reviews (Iowa Code 17A.7(3))

New Subsection – Creates a 5 year sunset on each rule chapter and codifies “zero base” regulation.

Section 14 – Judicial review (Iowa Code 17A.19(10)(b,c,l,m))

Requires explicit rulemaking authority to be provided by statute.

Section 15 – Judicial review (Iowa Code 17A.19(11)(a,b,c))

Requires explicit rulemaking authority to be provided by statute.

Section 16 – Construction — delegation of authority (Iowa Code 17A.23(3,4))

Defines explicit rulemaking authority as expressly granted by statute.

Section 17 – Uniform rules on agency procedure (Iowa Code 17A.24)

NEW SECTION - Allows the Administrative Rules Coordinator to adopt uniform rules on agency procedures for rulemaking, petitions for rulemaking, waiver of rules, declaratory orders, contested cases, and fair practices. Allows agencies to adopt their own, but default would be the uniform chapters.

Section 18 – Rules — records (Iowa Code 89.5(3))

Conforming Code change to reflect changes in Section 11 of this bill.

Section 19 – Rules (Iowa Code 89A.3(5))

Conforming Code change to reflect changes in Section 11 of this bill.

Section 20 – Duties (Iowa Code 455B.173(2)(c))

New paragraph - Conforming Code change to reflect changes in Section 11 of this bill.

Section 21 – Water quality standards (Iowa Code 455B.176A(9))

New subsection - Conforming Code change to reflect changes in Section 11 of this bill.

Section 22 – Adoption of standards by reference — rules (Iowa Code 505.35(3))

New subsection - Conforming Code change to reflect changes in Section 11 of this bill.

**DIVISION II
EXECUTIVE BRANCH AGENCY FUNCTIONS**

Section 23 – State inspection procedures (Iowa Code 103.31(6))

Makes home addresses for electrical licenses confidential.

Section 24 – Renewal and reinstatement of licenses — fees and penalties — continuing education (Iowa Code 105.20(5)(a))

Strikes the requirement that continuing education requirements are drafted according to Chapter 272C.2.

Section 25 – Duties of state board (Iowa Code 256.7(6))

Amends Board of Education's contested case procedures to be done in a manner consistent with 17A.

Section 26 – Definitions (Iowa Code 272C.1(6))

Adds real estate appraiser examining board under Chapter 272C.

Section 27 – Continuing education required (Iowa Code 272C.2(1))

Makes continuing education requirements optional for boards to adopt.

Section 28 – Continuing education required (Iowa Code 272C.2(2))

Makes continuing education requirements optional for boards to adopt.

Section 29 – Decision of state board — rules for appeals (Iowa Code 290.5)

Conforming code change to reflect changes in section 25 of this bill.

Section 30 – Accrual of tax — maturity — extension of time (Iowa Code 450.6(2))

Repeals the inheritance tax credit for land transferred to public entity.

Section 31 – Duties (Iowa Code 455B.133(1,2))

Clarifies that the DNR is not required to use air dispersion modeling for minor sources and minor modifications to major sources of air emissions.

Section 32 – Director — duties — limitations (Iowa Code 455B.134(3)(a))

Adds that direct emissions of particulate matter with an aerodynamic diameter 2.5 micrometers or less does not significantly affect emissions and are not subject to modeling requirements by DNR.

Section 33 – Fund under control of governing body — interest earnings of certain funds (Iowa Code 509A.5(2))

DAS replaces the state executive council for control of state employee insurance.

Section 34 – Definitions (Iowa Code 509A.11)

DAS replaces the state executive council for control of state employee insurance.

Section 35 – Certification process (Iowa Code 543D.7)

Allows electronic applications for appraiser licensing.

Section 36 – Certification process (Iowa Code 543D.9)

Strikes the requirement that a majority of experience hours are completed in Iowa.

Section 37 Principal place of business (Iowa Code 543D.13)

Allows changes in the address of the place of business to be updated online and provides that if the principal place of business is a residence it isn't exempt from disclosure on public records.

Section 38 – Certificate (Iowa Code 543D.14)

Strikes the requirement for a signature of board members to be included on the certificate.

Section 39 – Continuing education (Iowa Code 543D.16(2,3))

Aligns the continuing education standards with the Federal Appraiser Qualifications Board.

Section 40 – Continuing education (Iowa Code 543D.20(1)(c))

Prohibits an unlicensed employee of an appraiser from entering a dwelling without the appraiser.

Sections 41 – Continuing education (Iowa Code 543D.20(2))

Code cleanup to correct the name of the Appraiser qualifications board of the appraisal foundation.

Section 42 – Criminal background checks (Iowa Code 543D.22(1)(a))

Code cleanup to correct the name of the Appraiser qualifications board of the appraisal foundation.

Amendment Analysis

H-8281 by Sexton

Strikes requirement for preclearance of rules by the Administrative Rules Coordinator.

Clarifies that when an agency adopts standards by reference to another publication that there is public access to the publication and cannot require payment for access to the publication.

Expedites removal of chapters of rule ruled invalid by a court by requiring notification to be sent to the Administrative Code Editor. The Administrative Code Editor shall publish notice in the bulletin of the court decision. After two weeks the rule or portion of the rule shall be removed from Administrative Code.

An agency with explicit rulemaking authority over a statute can define undefined or ambiguous terms via rules.

Exempts fertilizer application and confined animal feeding operation rules from the 5-year review sunset.

Provides exemption to the Department of Insurance and Financial Services to the 5-year sunset and allows DIFS to adopt model rules and uniform regulations of the national regulatory bodies.

Delays the effective date of Sections 14, 15, 16 which requires explicit authority to rulemaking to July 1, 2027.