

INSPECTIONS AND APPEALS DEPARTMENT[481]

Notice of Intended Action

Proposing rulemaking related to licensing and child support noncompliance, student loan repayment noncompliance, and nonpayment of state debt and providing an opportunity for public comment

The Department of Inspections, Appeals, and Licensing hereby proposes to rescind Chapter 8, “Licensing Action for Nonpayment of Child Support and Prohibition of Licensing Action for Student Loan Default/Noncompliance With Agreement for Payment of Obligation,” and to adopt a new Chapter 8, “Licensing and Child Support Noncompliance, Student Loan Repayment Noncompliance, and Nonpayment of State Debt,” Iowa Administrative Code.

Legal Authority for Rulemaking

This rulemaking is proposed under the authority provided in Iowa Code sections 252J.8, 272C.4 and 272D.8.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code sections 252J.8, 272C.4 and 272D.8.

Purpose and Summary

This proposed rulemaking repromulgates Chapter 8 under the title “Licensing and Child Support Noncompliance, Student Loan Repayment Noncompliance, and Nonpayment of State Debt,” and implements Iowa Code chapter 252J, “Child Support—Licensing Sanctions,” chapter 272C, “Regulation of Licensed Professions and Occupations,” and chapter 272D, “Debts Owed State or Local Government—Licensing Sanctions,” and 2023 Iowa Acts, Senate File 514, in accordance with the goals and directives of Executive Order 10 (January 10, 2023). Iowa Code section 252J.8 provides that “a licensing authority shall include in rules adopted by the licensing authority as grounds for suspension, revocation, or denial of issuance or renewal of a license, the receipt of a certificate of noncompliance from the [child support recovery] unit.”

Iowa Code section 272D.8 similarly directs a licensing authority to adopt rules “for suspension, revocation, or denial of issuance or renewal of a license, the receipt of a certificate of noncompliance from the [centralized collection unit of the Department of Revenue].” Iowa Code section 272C.4 directs a licensing board to adopt rules “to prohibit the suspension or revocation of a license issued by the board to a person who is in default or is delinquent on repayment or a service obligation under federal or state postsecondary educational loans or public or private services-conditional postsecondary tuition assistance solely on the basis of such default or delinquency.”

This proposed rulemaking implements the aforementioned Iowa Code sections by providing definitions and procedures related to licensing action taken or prohibited related to child support noncompliance, student loan repayment noncompliance, and nonpayment of a state debt. The rules are drafted for applicability to any division, board, or commission under the administrative authority of the Department pursuant to 2023 Iowa Acts, Senate File 514. As many licensing authorities joined the Department in the realignment effected by that legislation, this rulemaking allows the Department to maintain one standard administrative chapter implementing these Iowa Code sections and to remove similar text from the individual Iowa Administrative Code chapters maintained by the licensing authorities that realigned with the Department.

A Regulatory Analysis related to this rulemaking was published in the Iowa Administrative Bulletin on December 13, 2023, and a public hearing on the Regulatory Analysis was held on January 3, 2024. The Department received no public comments, and no changes from the Regulatory Analysis have been made.

Fiscal Impact

This rulemaking has no fiscal impact to the State of Iowa.

Jobs Impact

After analysis and review of this rulemaking, no impact on jobs has been found.

Waivers

Any person who believes that the application of the discretionary provisions of this rulemaking would result in hardship or injustice to that person may petition the Department for a waiver of the discretionary provisions, if any, pursuant to 481—Chapter 6.

Public Comment

Any interested person may submit written comments concerning this proposed rulemaking. Written comments in response to this rulemaking must be received by the Department no later than 4:30 p.m. on March 20, 2024. Comments should be directed to:

Ashleigh Hackel
Iowa Department of Inspections, Appeals, and Licensing
6200 Park Avenue, Suite 100
Des Moines, Iowa 50321
Email: ashleigh.hackel@dia.iowa.gov

Public Hearing

Public hearings at which persons may present their views orally or in writing will be held as follows:

March 18, 2024 11:20 to 11:40 a.m.	6200 Park Avenue, Suite 100 Des Moines, Iowa
March 20, 2024 11:20 to 11:40 a.m.	6200 Park Avenue, Suite 100 Des Moines, Iowa

Persons who wish to make oral comments at a public hearing may be asked to state their names for the record and to confine their remarks to the subject of this proposed rulemaking.

Any persons who intend to attend the public hearing and have special requirements, such as those related to hearing or mobility impairments, should contact the Department and advise of specific needs.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its [regular monthly meeting](#) or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

The following rulemaking action is proposed:

ITEM 1. Rescind 481—Chapter 8 and adopt the following **new** chapter in lieu thereof:

CHAPTER 8
LICENSING AND CHILD SUPPORT NONCOMPLIANCE, STUDENT LOAN
REPAYMENT NONCOMPLIANCE, AND NONPAYMENT OF STATE DEBT

481—8.1(252J,272D) Definitions. For the purpose of this chapter, the following definitions apply:

“*Applicant*” means a person seeking the issuance of a license.

“*Department*” means the department of inspections, appeals, and licensing.
“*License*” means the same as defined in Iowa Code sections 252J.1 and 272D.1.

CHILD SUPPORT NONCOMPLIANCE

481—8.2(252J) Definitions. For the purpose of this division, the following definitions apply:

“*Certificate of noncompliance*” means the same as defined in Iowa Code section 252J.1.

“*Licensing authority*” means the same as defined in Iowa Code section 252J.1 and includes the department and any board, commission, or other entity of the department having authority within this state to suspend or revoke a license or deny the renewal or issuance of a license authorizing a person to engage in a business, occupation, or profession.

481—8.3(252J) Child support certificates of noncompliance. The licensing authority will suspend, revoke, or deny the issuance or renewal of a license upon the receipt of a certificate of noncompliance from the child support recovery unit in accordance with Iowa Code chapter 252J. In addition to the procedures set forth in Iowa Code chapter 252J, the rules in this chapter apply.

8.3(1) Notice required by Iowa Code section 252J.8 will be served upon the applicant or licensee by restricted certified mail, return receipt requested; personal service in accordance with Iowa Rule of Civil Procedure 1.305; or the acceptance of service by the applicant or licensee personally or through authorized counsel.

8.3(2) The effective date of the denial, revocation, or suspension is 60 days following service of the notice upon the applicant or licensee.

8.3(3) The licensing authority is authorized to prepare and serve the notice mandated by Iowa Code section 252J.8 upon the applicant or licensee.

8.3(4) Applicants and licensees are responsible for keeping the licensing authority informed of all court actions and all child support recovery unit actions taken under or in connection with Iowa Code chapter 252J, including providing the licensing authority copies, within seven days of filing or issuance, of applications filed with the district court pursuant to Iowa Code section 252J.9, court orders entered in such actions, and withdrawals of certificates of noncompliance by the child support recovery unit.

8.3(5) All licensing authority fees required for license application, renewal or reinstatement must be paid before a license will be issued, renewed or reinstated after proceedings under Iowa Code chapter 252J.

8.3(6) A licensee or applicant may file an application with the district court within 30 days of service of a licensing authority notice pursuant to Iowa Code sections 252J.8 and 252J.9. The filing of the application stays the licensing authority’s action until the licensing authority receives a court order lifting the stay, dismissing the action, or otherwise directing the licensing authority to proceed. For purposes of determining the effective date of the denial, revocation, or suspension, the licensing authority will count the number of days before the action was filed and the number of days after the action was disposed of by the court.

8.3(7) The licensing authority will notify the applicant or licensee in writing within ten days of the effective date of the denial, suspension, or revocation of a license, and will similarly notify the applicant or licensee when the license is issued, renewed, or reinstated following the licensing authority’s receipt of a withdrawal of the certificate of noncompliance.

These rules are intended to implement Iowa Code chapter 252J.

STUDENT LOAN REPAYMENT NONCOMPLIANCE

481—8.4(272C) Student loan repayment noncompliance. Pursuant to Iowa Code section 272C.10(4), a person who is in default or delinquent on student loan payments will not be denied a license or have a license suspended or revoked solely on the basis of such default or delinquency.

This rule is intended to implement Iowa Code section 272C.4.

NONPAYMENT OF STATE DEBT

481—8.5(272D) Definitions. For the purpose of this division, the following definitions apply:

“*Certificate of noncompliance*” means the same as defined in Iowa Code section 272D.1.

“*Licensing authority*” means the same as defined in Iowa Code section 272D.1 and includes the department and any board, commission, or other entity of the department having authority within this state to suspend or revoke a license or deny the renewal or issuance of a license authorizing a person to engage in a business, occupation, or profession.

481—8.6(272D) State debt certificates of noncompliance. The licensing authority will suspend, revoke, or deny the issuance or renewal of a license upon the receipt of a certificate of noncompliance from the centralized collection unit of the department of revenue in accordance with Iowa Code chapter 272D. In addition to the procedures set forth in Iowa Code chapter 272D, the rules in this chapter apply.

8.6(1) Notice required by Iowa Code section 272D.8 will be served upon the applicant or licensee by restricted certified mail, return receipt requested; personal service in accordance with Iowa Rule of Civil Procedure 1.305; or the acceptance of service by the applicant or licensee personally or through authorized counsel.

8.6(2) The effective date of the denial, revocation, or suspension is 60 days following service of the notice upon the applicant or licensee.

8.6(3) The licensing authority is authorized to prepare and serve the notice mandated by Iowa Code section 272D.8 upon the applicant or licensee.

8.6(4) Applicants and licensees are responsible for keeping the licensing authority informed of all court actions and all actions of the department of revenue taken under or in connection with Iowa Code chapter 272D, including providing the licensing authority copies, within seven days of filing or issuance, of applications filed with the district court pursuant to Iowa Code section 272D.9, court orders entered in such actions, and withdrawals of certificates of noncompliance by the centralized collection unit.

8.6(5) All licensing authority fees required for license application, renewal or reinstatement must be paid before a license will be issued, renewed or reinstated after proceedings under Iowa Code chapter 272D.

8.6(6) A licensee or applicant may file an application with the district court within 30 days of service of a licensing authority notice pursuant to Iowa Code sections 272D.8 and 272D.9. The filing of the application stays the licensing authority’s action until the licensing authority receives a court order lifting the stay, dismissing the action, or otherwise directing the licensing authority to proceed. For purposes of determining the effective date of the denial, revocation, or suspension, the licensing authority will count the number of days before the action was filed and the number of days after the action was disposed of by the court.

8.6(7) The licensing authority will notify the applicant or licensee in writing within ten days of the effective date of the denial, suspension, or revocation of a license, and will similarly notify the applicant or licensee when the license is issued, renewed, or reinstated following the licensing authority’s receipt of a withdrawal of the certificate of noncompliance.

These rules are intended to implement Iowa Code chapter 272D.