

**TRANSPORTATION DEPARTMENT[761]**

**Adopted and Filed**

**Rulemaking related to contested cases**

The Transportation Department hereby rescinds Chapter 13, “Contested Cases,” Iowa Administrative Code, and adopts a new chapter with the same title.

*Legal Authority for Rulemaking*

This rulemaking is adopted under the authority provided in Iowa Code chapter 17A and section 307.12(1)“j.”

*State or Federal Law Implemented*

This rulemaking implements, in whole or in part, Iowa Code chapter 17A and section 10A.801.

*Purpose and Summary*

This rulemaking repromulgates Chapter 13 in compliance with Executive Order 10. Chapter 13 explains the minimum procedural requirements for Department involvement in contested cases and informal settlements in accordance with Iowa Code chapter 17A. The intended benefit is to provide clarity and transparency on the process that aggrieved parties (including both individuals and entities) may use to dispute a decision of the Department. Another intended benefit is to provide consistency across the Department’s many bureaus that are a party to or a facilitator of such dispute.

*Public Comment and Changes to Rulemaking*

Notice of Intended Action for this rulemaking was published in the Iowa Administrative Bulletin on October 16, 2024, as **ARC 8245C**. A public hearing was held on the following date(s):

- November 7, 2024
- November 8, 2024

No one attended the public hearings. No public comments were received. No changes from the Notice have been made.

*Adoption of Rulemaking*

This rulemaking was adopted by the Department on December 10, 2024.

*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 761—Chapter 11.

*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).

*Effective Date*

This rulemaking will become effective on February 12, 2025.

The following rulemaking action is adopted:

ITEM 1. Rescind 761—Chapter 13 and adopt the following **new** chapter in lieu thereof:

CHAPTER 13  
CONTESTED CASES

**761—13.1(17A) Definitions.** The definitions in Iowa Code section 17A.2 are hereby adopted. In addition:

“*Department*” means the Iowa department of transportation.

“*Director*” means the director of transportation or the director’s designee.

**761—13.2(17A) Applicability.**

**13.2(1)** This chapter provides the minimum procedural requirements for department involvement in contested cases under Iowa Code chapter 17A.

**13.2(2)** Rules that apply to a particular type of contested case take precedence over this chapter. If there are no other rules applicable to a particular type of contested case, it will be conducted in accordance with this chapter.

**761—13.3(17A) Submission of request for informal settlement or hearing.**

**13.3(1)** A person who is aggrieved by an action of the department and who is entitled to a contested case hearing may:

- a. Unless prohibited by statute, request an informal settlement.
- b. Initiate a contested case by submitting a request for a contested case hearing.
- c. Use both procedures.

**13.3(2)** A request for an informal settlement or a contested case hearing shall be submitted in writing to the director of the bureau or division of the department that administers the matter at issue.

**13.3(3)** The request shall include complete names, mailing addresses to be used for communications with the department, and telephone numbers for all persons involved and any attorneys representing them.

**13.3(4)** A statute or rule may provide for submission of requests within a specified time period. A request shall be considered timely submitted if it is postmarked or delivered to the appropriate bureau or division of the department within the time period specified. Timely submission of a request shall be jurisdictional.

**761—13.4(17A) Informal settlement.**

**13.4(1)** An informal settlement may be handled by telephone.

**13.4(2)** If an informal settlement cannot be reached within a reasonable period of time, the department will notify the person in writing that there has been a failure to reach an informal settlement, that the department’s action or decision is sustained, and that the person may request a contested case hearing.

**761—13.5(17A) Contested case.**

**13.5(1) Procedures.**

a. The department may initiate a contested case proceeding. Prior to initiating the contested case proceeding, the department, unless disallowed by statute, may attempt to settle the matter informally.

b. After a contested case hearing, a written decision will be issued by the presiding officer.

**13.5(2) Hearing.**

a. The department may be represented by legal assistants, paralegals, or designated attorney general staff at contested case hearings. Any such person is under the supervision of the attorney general transportation section chief.

b. The department may designate staff not under the supervision of the attorney general's office to appear at contested case hearings as witnesses. Staff so designated may appear to testify about matters including but not limited to clarifying the record, providing additional information, providing justification for the department's action, or answering questions of the appellants and presiding officer.

c. The department may submit certified copies of records admitted pursuant to Iowa Code section 321.10 in lieu of either legal representation or participation by a department employee.

**13.5(3) Appeal of contested case decision.**

a. A decision by a presiding officer shall become the final decision of the department and is binding on the department and the party whose legal rights, duties and privileges are being determined unless either appeals the decision as provided in this subrule.

b. No additional evidence is to be presented on appeal that is decided on the basis of the record made before the presiding officer in the contested case hearing.

c. The appeal is to include a statement of the specific issues presented for review and the precise ruling or relief requested.

d. An appeal of a presiding officer's decision is to be submitted in writing to the director of the bureau or division that administers the matter being contested. The appeal is deemed timely submitted if it is postmarked or delivered to the director of the appropriate bureau or division of the department within 20 days after the date of the presiding officer's decision unless otherwise provided in rule or statute.

e. The director of the administering bureau or division will forward the appeal to the director.

f. Failure to timely appeal a presiding officer's decision is considered a failure to exhaust administrative remedies.

g. The director may make a decision affirming, modifying or reversing the presiding officer's decision, or may remand the case to the presiding officer.

h. The decision of the director is the final decision of the department and constitutes final agency action for purposes of judicial review. No further steps are necessary to exhaust administrative remedies.

**761—13.6(17A) Motion for review.** The director may, on the director's own motion, review the presiding officer's decision. The motion for review is subject to the same time limits as an appeal from a presiding officer's decision. If there is a motion for review, paragraphs 13.5(3) "g" and "h" apply.

**761—13.7(17A) Rehearings.** An application for rehearing of a final decision under Iowa Code section 17A.16 shall be filed with the director.

**761—13.8(17A) Maintenance of records.** The department shall retain for at least five years from the date of the final decision copies of the record made before the presiding officer, the decision received from the presiding officer, the decision issued by the director, and related correspondence.

**761—13.9(17A) Communications.**

**13.9(1)** Each party to a contested case is to keep the department informed of the party's current address and telephone number; the name, address and telephone number of the party's attorney, if any; and the mailing address to be used for communications from the department.

**13.9(2)** Mailed notices, communications and decisions regarding the contested case are to be sent by first class or certified mail to the latest address that each party has provided to the department.

**13.9(3)** Notwithstanding subrule 13.9(2), the department of inspections, appeals, and licensing may communicate with the party or the party's attorney by email and may file and serve documents through the division of administrative hearings' administrative electronic management system.

**761—13.10(17A) Default.**

**13.10(1)** A party may move for default against another party that has requested the contested case proceeding and that has failed to appear after proper service is served.

**13.10(2)** Notwithstanding subrule 13.10(1), no default may be entered against the department for failure to appear; rather, the presiding officer may either continue the matter or proceed with the hearing and render a decision in the absence of the department.

**13.10(3)** A default decision or a decision rendered on the merits after a party has failed to appear or participate in a contested case proceeding becomes final agency action unless, within 20 days after the date of the decision, either a motion to vacate is filed and served on the presiding officer and the other parties or an appeal of a decision on the merits is timely submitted in accordance with rule 761—13.5(17A). A motion to vacate is to state all facts relied upon by the moving party that establish that good cause existed for that party's failure to appear or participate.

**13.10(4)** The time for further appeal of a decision for which a timely motion to vacate has been filed is stayed pending a decision on the motion to vacate.

**13.10(5)** Timely filed motions to vacate are to be granted only for good cause shown. The burden of proof is on the moving party. Adverse parties have ten days to respond to a motion to vacate.

**13.10(6)** "Good cause," for the purpose of this rule, means surprise, excusable neglect or unavoidable casualty.

**13.10(7)** A decision denying a motion to vacate is subject to further appeal in accordance with rule 761—13.5(17A).

**13.10(8)** A decision granting a motion to vacate is subject to interlocutory appeal by the adverse party in accordance with subrule 13.5(3).

**13.10(9)** If a motion to vacate is granted and no timely interlocutory appeal has been taken, the presiding officer is to issue another notice of hearing and the contested case will proceed accordingly.

**761—13.11(17A) Additional procedures when the department is not a party.**

**13.11(1)** *Jurisdiction.* When the department is obligated by statute to administer a controversy to which it is not a party, the following additional procedures apply:

**13.11(2)** *Request.*

*a.* A person who has an interest in a controversy and who is entitled to a contested case hearing may submit a written request to the department to resolve the controversy.

*b.* An acceptable request will contain a statement of facts alleged and the relief sought by the requestor, the name and address of the persons involved and any attorneys representing them, the requestor's telephone number, and the mailing address to be used for all communications to the requestor from the department.

**13.11(3)** *Informal settlement.*

*a.* The department will contact the persons involved, either by telephone or letter, and will offer to assist the parties to reach an informal settlement of the controversy.

*b.* A controversy may be settled informally by the persons involved.

*c.* When a controversy is settled informally, the persons involved will each notify the department by telephone and confirming letter that the controversy has been resolved.

**13.11(4)** *Contested case.* When the department is notified by a person involved in the controversy that there has been a failure to reach an informal settlement, or when the department determines that no progress toward a settlement is being made, the department will send a written notice to the persons involved specifying that if the department is not notified of a settlement within 20 days after the notice is mailed, the department will initiate a contested case proceeding.

These rules are intended to implement Iowa Code chapter 17A and section 10A.801.

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EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 1/8/25.