Regulatory Analysis

Notice of Intended Action to be published: 481—Chapter 9
"Contested Cases"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 10A.104(5)
State or federal law(s) implemented by the rulemaking: Iowa Code chapters 10A and 17A

Public Hearing

A public hearing at which persons may present their views orally or in writing will be held as follows:

November 18, 2025	6200 Park Avenue
2:30 to 3 p.m.	Des Moines, Iowa

Virtual participation information will be available on the Department of Inspections, Appeals, and Licensing website prior to the hearing.

Public Comment

Any interested person may submit written or oral comments concerning this Regulatory Analysis, which must be received by the Department no later than 4:30 p.m. on the date of the public hearing. Comments should be directed to:

Jeremiah Junker
Department of Inspections, Appeals, and Licensing
6200 Park Avenue
Des Moines, Iowa 50321
Phone: 515.672.4745
Email: jeremiah.junker@dia.iowa.gov

Purpose and Summary

This proposed rulemaking repromulgates Chapter 9 and implements Iowa Code chapters 10A and 17A in accordance with the goals and directives of Executive Order 10. The purpose of this proposed chapter is to provide standard procedures for contested cases conducted under the authority of the Department in which the director of the Department is the final decision-making authority. These proposed rules include deadlines and procedures for the initiation of a contested case proceeding, seeking director review of a proposed decision, requesting a rehearing, and seeking judicial review.

Analysis of Impact

1. **Persons affected by the proposed rulemaking:**

- **Classes of persons that will bear the costs of the proposed rulemaking:**

This proposed rulemaking is applicable only to individuals engaged in a contested case hearing conducted under the authority of the Department in which the director of the Department is the final decision-making authority. Accordingly, the Department and individuals subject to the Department's regulatory authority are the classes of persons that could bear costs of this proposed rulemaking.

- **Classes of persons that will benefit from the proposed rulemaking:**

This proposed rulemaking ensures due process and clear and consistent procedures are applicable to contested case hearings conducted under the authority of the Department in which the director of the Department is the final decision-making authority. Accordingly, the Department and individuals

subject to the Department's regulatory authority are the classes of persons that benefit from this proposed rulemaking.

2. **Impact of the proposed rulemaking, economic or otherwise, including the nature and amount of all the different kinds of costs that would be incurred:**

- **Quantitative description of impact:**

There is no quantitative impact directly associated with this proposed rulemaking. It merely prescribes deadlines and procedures associated with contested cases governed by Iowa Code chapter 17A, which largely governs contested case procedures.

- **Qualitative description of impact:**

These proposed rules ensure individuals engaged in contested case hearings conducted under the authority of the Department in which the director of the Department is the final decision-making authority are provided clear rules delineating the individual's rights and responsibilities when a contested case is initiated. These proposed rules merely fill in the gaps left by Iowa Code chapter 17A by prescribing deadlines and procedures to ensure due process is afforded to each litigant.

3. **Costs to the State:**

- **Implementation and enforcement costs borne by the agency or any other agency:**

Costs to the Department include costs associated with hearing contested cases as described by Iowa Code chapter 17A, but there are no costs specifically incurred in association with this proposed rulemaking.

- **Anticipated effect on State revenues:**

This proposed rulemaking has no anticipated effect on State revenues.

4. **Comparison of the costs and benefits of the proposed rulemaking to the costs and benefits of inaction:**

There are no specific financial costs to implement or enforce this proposed rulemaking outside of any costs associated with the Department's statutory duties identified within Iowa Code chapter 10A or 17A or other pertinent chapters associated with programs implemented by the Department. The costs of this proposed rulemaking are directly associated with the Department's general functions, and this proposed rulemaking does not add to the costs of the Department or public in excess of general functions.

5. **Determination whether less costly methods or less intrusive methods exist for achieving the purpose of the proposed rulemaking:**

No less costly or less intrusive methods were identified. The Department has already taken a minimally restrictive path in implementing its statutory duty pursuant to Iowa Code chapters 10A and 17A.

6. **Alternative methods considered by the agency:**

- **Description of any alternative methods that were seriously considered by the agency:**

See the response in Section 5.

- **Reasons why alternative methods were rejected in favor of the proposed rulemaking:**

See the response in Section 5.

Small Business Impact

If the rulemaking will have a substantial impact on small business, include a discussion of whether it would be feasible and practicable to do any of the following to reduce the impact of the rulemaking on small business:

- Establish less stringent compliance or reporting requirements in the rulemaking for small business.
- Establish less stringent schedules or deadlines in the rulemaking for compliance or reporting requirements for small business.

- Consolidate or simplify the rulemaking's compliance or reporting requirements for small business.
- Establish performance standards to replace design or operational standards in the rulemaking for small business.
- Exempt small business from any or all requirements of the rulemaking.

If legal and feasible, how does the rulemaking use a method discussed above to reduce the substantial impact on small business?

This proposed rulemaking applies equally to all businesses and members of the public and is not believed to have any adverse impact on small business.

Text of Proposed Rulemaking

ITEM 1. Rescind 481—Chapter 9 and adopt the following **new** chapter in lieu thereof:

CHAPTER 9
CONTESTED CASES

481—9.1(10A,17A) Applicability. This chapter applies to contested case proceedings conducted under the authority of the department in which the director of the department is the final decision-making authority.

481—9.2(10A,17A) Initiation of a contested case proceeding. The department may initiate a contested case proceeding upon request or its own initiative. The department will transmit the proceeding to the administrative hearings division, which will assign the proceeding to an administrative law judge to serve as the presiding officer and issue a notice of hearing. Contested case proceedings are conducted pursuant to 481—Chapter 10 and any other administrative rule applicable to the specific type of proceeding.

481—9.3(10A,17A) Director review.

9.3(1) A request for review of a proposed decision shall be made within 15 days of issuance of the proposed decision unless otherwise provided by statute. Requests shall be mailed or delivered by either party to the Director, Department of Inspections, Appeals, and Licensing, 6200 Park Avenue, Suite 100, Des Moines, Iowa 50321. Failure to request review precludes judicial review unless the department reviews on its own motion, as follows. The department may review a proposed decision upon its own motion within 15 days of issuance of the proposed decision.

9.3(2) A review is based on the record and limited to issues raised in the hearing. The issues shall be specified in the party's request for review.

9.3(3) Each party shall have the opportunity to file exceptions and present briefs. The director or a designee of the director may set deadlines for submission of briefs. When the director or the director's designee consents, oral arguments may be presented. A party interested in making an oral argument shall specifically request it. All parties will be notified of the scheduled time and place in advance.

9.3(4) The director or the director's designee shall not take any further evidence with respect to issues of fact heard in the hearing, except as follows. Application may be filed for leave to present evidence in addition to that found in the record of the case. If it is shown to the satisfaction of the director or the director's designee that the additional evidence is material and that there were good reasons for failure to present it in the hearing, the director or the director's designee may order the additional evidence taken upon conditions determined by the director or the director's designee.

9.3(5) Final decisions shall be issued by the director or the director's designee.

481—9.4(10A,17A) Rehearing. Requests for rehearing shall be made to the director of the department within 20 days of issuance of a final decision. A rehearing may be granted when new

legal issues are raised, when new evidence is available, when the decision failed to include adequate findings or conclusions, or to correct an obvious mistake. A request for rehearing is not necessary to exhaust administrative remedies.

481—9.5(10A,17A) Judicial review. Judicial review of the department's final decisions may be sought in accordance with Iowa Code section 17A.19.

These rules are intended to implement Iowa Code chapters 10A and 17A.