Regulatory Analysis

Notice of Intended Action to be published: 441—Chapter 96
"Information and Records"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 252B.9
State or federal law(s) implemented by the rulemaking: 42 U.S.C. Section 659

Public Hearing

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

November 19, 2024 2 to 3 p.m.	Microsoft Teams Meeting ID: 222 143 545 89 Passcode: Ythqof

Public Comment

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

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Department of Health and Human Services
Lucas State Office Building
321 East 12th Street
Des Moines, Iowa 50319
Phone: 515.829.6021
Email: compliancerules@hhs.iowa.gov

Purpose and Summary

These proposed rules allow Child Support Services to request or administratively subpoena information from third parties and provide appeal procedures before imposing the statutory fine.

Analysis of Impact

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

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

Only those who fail to comply will bear the costs.

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

Families in need of Child Support Services will benefit.

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:**

Child Support Services collected $307,513,003 in SFY 2023. Verifying employment is a critical process since Child Support Services on average receives 78 percent of collections from income withholding from employers, once verified. The benefit that is being achieved by Child Support Services is retaining the ability to request information from third parties when necessary to complete essential Child Support Services functions. In 2023, Child Support Services submitted 20,076 requests for employment information and received 15,623 requests returned.

- **Qualitative description of impact:**

These proposed rules play an important role in clearly defining the procedures associated with requested information or administrative subpoenas.

3. **Costs to the State:**

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

The Department incurs personnel costs for team members to implement the program.

- **Anticipated effect on state revenues:**

None have been identified.

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

Child Support Services would be unable to perform its essential functions. The rules ensure families are supported.

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

None have been identified.

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

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

None have been identified.

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

The Department supports the ability to request or administratively subpoena information from third parties in accordance with the Iowa Code. This chapter clarifies specific procedures and provides additional context but only within the scope of and as defined in the Iowa Code.

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?

These rules have no impact on small business.

Text of Proposed Rulemaking

ITEM 1. Rescind 441—Chapter 96 and adopt the following **new** chapter in lieu thereof:

CHAPTER 96
INFORMATION AND RECORDS

441—96.1(252B) Access to information and records from other sources. In addition to statutes and other rules, the following entities shall provide information and records based on the following methods of requesting the information and within the following time frame:

96.1(1) *Oral or written request.* All persons and entities, including all for-profit, nonprofit, and governmental employers, must, within 15 days of receipt of a request, provide child support services or a child support agency of another state information on the employment, compensation, and benefits of any individual employed by the person or entity as an employee or contractor if child support services or the agency is providing services in relation to that individual. The request may be made orally, by letter, by form or by other written request listed in subrule 96.1(3); however, the fine and procedures described in rules 441—96.2(252B) through 441—96.6(252B) only apply if the request was by a written request listed in subrule 96.1(3).

96.1(2) *Subpoena.* All persons and entities shall comply with a child support services subpoena, issued by child support services, or an Administrative Subpoena, OMB Control No. 0970-0152, or its successor, issued by child support services or a child support agency of another state, as provided in Iowa Code section 252B.9. Child support services or a child support agency of another state may issue a subpoena regarding more than one individual. The person or entity must provide the information and records as directed in a form prescribed by the department or the Administrative Subpoena.

96.1(3) *Time to reply to a written request.* A person or entity who is sent any of the following must provide the information and records requested in the manner requested to child support services or child support agency of another state, as appropriate, within 15 days of the date of the request:

a. Any form prescribed by the department that requests information described in subrule 96.1(1).

b. A child support services subpoena, or an Administrative Subpoena, OMB Control No. 0970-0152, or its successor, as provided in subrule 96.1(2), from child support services or from a child support agency of another state.

c. A written request or form as provided in subrule 96.1(1) from a child support agency of another state.

441—96.2(252B) Refusal to comply with written request or subpoena.

96.2(1) A parent or putative father in a support or paternity proceeding in which child support services or a child support agency of another state is providing services who fails to comply with a request or subpoena as provided in subrule 96.1(3) shall be subject to license sanctioning as provided in 441—Chapter 98.

96.2(2) An entity or a person who is not a parent or putative father as described in subrule 96.2(1) may refuse to comply under the circumstances provided in rule 441—96.3(252B).

441—96.3(252B) Procedure for refusal.

96.3(1) *No information.* A person or entity who does not have any information or records requested or subpoenaed must respond as follows:

a. If the request or subpoena is a form from child support services under paragraph 96.1(3)*"a"* or *"b,"* the person or entity must sign and return to child support services the appropriate portion of the form indicating the lack of information or records.

b. If the request or subpoena is one listed in paragraph 96.1(3)*"c,"* the person or entity must send the child support agency of the other state a signed and dated written statement indicating the lack of information or records.

96.3(2) *Good cause.* The person or entity may claim good cause for refusing to comply as required in Iowa Code section 252B.9.

a. To claim good cause, the person or entity must file a request for a conference by mailing or submitting a written request to child support services that issued the request or subpoena within 15 days of the issuance of the request or subpoena.

b. If a child support agency of another state issued the request or subpoena, the person or entity may request a conference with child support services or with the child support agency of the other state. The person or entity shall request a conference with child support services by mailing or submitting a written request and a copy of the subpoena or document received from the child support

agency of the other state to child support services. The person or entity must request a conference with the child support agency of the other state by following the requirements of that state's laws and regulations.

441—96.4(252B) Conference conducted.

96.4(1) *Request or subpoena issued by child support services.* If child support services issued the request or subpoena, child support services will notify the person or entity and conduct a conference within ten days of receipt of the request for a conference. At the request of either child support services or the person or entity, the conference may be rescheduled one time. The conference may be conducted in person or by telephone.

96.4(2) *Request or subpoena issued by other state.* If a conference with child support services is requested based upon a request or subpoena issued by a child support agency of another state, the department will request that agency send an interstate referral and appropriate information to child support services or central registry.

a. Child support services will notify the person or entity and conduct a conference within ten days of opening a case based upon an interstate referral and appropriate information. If child support services does not receive an interstate referral and appropriate information within 60 days of the department's request, the request or subpoena received under subrule 96.1(3) shall be void, and child support services will notify the person or entity that the request or subpoena is void.

b. The voiding of a request or subpoena under this subrule does not prevent the issuance of subsequent requests or subpoenas.

96.4(3) *Submission of information.* On or before the conference date, the person or entity must submit information to child support services that demonstrates a mistake in the identity of the person or entity, or a mistake in the identity of the individual who is the subject of the request or subpoena, or that demonstrates a specific prohibition under federal law to release the information or records. Child support services may extend the time to conduct the conference an additional ten days to allow time for the person or entity to provide the information.

96.4(4) *Notice of findings.* Following the conference, child support services will issue a notice pursuant to Iowa Code section 252B.9.

441—96.5(252B) Fine assessed.

96.5(1) *Conditions resulting in fine.* Child support services will assess a fine of $100 per refusal and notify the person or entity of the fine if any one of the following applies:

a. Ten days have passed since child support services issued a notice under subrule 96.4(4) stating child support services determined there is no good cause to refuse to comply with the request or subpoena, and the information or records have not been received.

b. Fifteen days have passed since child support services issued the request or subpoena and the information or records have not been received, nor has the person or entity filed a request for a conference.

c. Fifteen days have passed since a child support agency of another state has issued the request or subpoena, and that agency sends an interstate referral to child support services requesting enforcement of the request or subpoena because the information or records were not received.

96.5(2) *Definition of refusal.* One refusal is a refusal to supply information or records based on one written request, or one subpoena regarding one or more individuals.

96.5(3) *Notification of fine.* If child support services assesses a fine, child support services will notify the person or entity by regular mail with proof of service completed according to Rule of Civil Procedure 1.442. The person or entity shall have 30 days from the date of the notice to pay the fine.

441—96.6(252B) Objection to fine or failure to pay.

96.6(1) *Objection filed.* The person or entity may object to the imposition of the fine by filing an application for judicial review in district court within 30 days of issuance of the notice of the fine and sending a copy of the application to child support services.

96.6(2) *Petition to compel.* If the person or entity fails to pay the fine imposed and does not file an application for judicial review within the time provided in this rule, child support services may file a petition to compel the person or entity to comply with the request, subpoena or fine in district court in the county in which the underlying support order or pending matter is filed. If there is no support order or pending matter filed in district court in Iowa, then child support services may file the petition in the county in which the person resides, or the person or entity has its principal place of business.

96.6(3) *Certification to court.* If the person, entity, or child support services files an action in district court, child support services will certify a copy of the following, as appropriate, to the court prior to a hearing:

a. Proof of service of the request or subpoena.

b. Proof of service of the notice of assessment of a fine.

c. Written decision following a conference.

96.6(4) *Failure to comply with court order.* Failure of the person or entity to comply with an order of the district court will be subject to enforcement through contempt of court.

441—96.7(17A) Right of appeal. Department actions under this chapter are not subject to administrative appeal under 441—Chapter 7.

These rules are intended to implement Iowa Code chapter 17A and section 252B.9.