Regulatory Analysis

Notice of Intended Action to be published: 193E—Chapter 21
"Enforcement Proceedings Against Unlicensed Persons"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 543B.18
State or federal law(s) implemented by the rulemaking: Iowa Code chapters 17A and 543B

Public Hearing

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

December 9, 2024	6200 Park Avenue
10 to 10:30 a.m.	Des Moines, Iowa

Information on virtual participation will be available on the Department of Inspections, Appeals, and Licensing's (DIAL's) 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 DIAL no later than 4:30 p.m. on the date of the public hearing. Comments should be directed to:

Ashley Thompson
Iowa Department of Inspections, Appeals, and Licensing
6200 Park Avenue, Suite 100
Des Moines, Iowa 50321
Phone: 515.725.9028
Email: ashley.thompson@dia.iowa.gov

Purpose and Summary

The proposed amendment implements Iowa Code section 543B.56A, which imposes a civil penalty for failure to have a brokerage agreement.

Analysis of Impact

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

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

No costs are associated with this rulemaking.

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

This amendment benefits the public, specifically lower income home owners, by imposing a penalty for failing to have a brokerage agreement.

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 of the proposed amendment.

- **Qualitative description of impact:**

There is no qualitative impact of the proposed amendment.

3. **Costs to the State:**

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

There are no costs associated with the proposed amendment.

- **Anticipated effect on state revenues:**

There are no anticipated effects on state revenues.

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

The Real Estate Commission believes the current requirements ensure public safety and ensure a minimum competency of service is provided to Iowans.

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

There are no less costly methods to consider.

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

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

There were no alternative methods considered.

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

There were no alternative methods considered.

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?

The proposed amendment does not create any impact on small business.

Text of Proposed Rulemaking

ITEM 1. Amend rule 193E—21.2(17A,543B) as follows:

193E—21.2(17A,543B) Unlawful practices. Practices by unlicensed persons which are subject to civil penalties include~~,~~ but are not limited to:

1. Acts or practices by unlicensed persons ~~which~~ that need licensure pursuant to Iowa Code sections 543B.1, 543B.3, ~~and~~ 543B.6, and 543B.56A, which do not fall into the exceptions listed in Iowa Code section 543B.7.

2. to 7. No change.