

# INSPECTIONS AND APPEALS DEPARTMENT[481]

## Regulatory Analysis

Notice of Intended Action to be published: Iowa Administrative Code 481—Chapter 8  
“Licensing and Child Support Noncompliance, Student Loan Repayment  
Noncompliance, and Nonpayment of State Debt”

Iowa Code section(s) or chapter(s) authorizing rulemaking: 252J.8, 272C.4, and 272D.8  
State or federal law(s) implemented by the rulemaking: Iowa Code chapters 252J and 272D and section 272C.4 and 2023  
Iowa Acts, Senate File 514.

### Public Hearing

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

January 3, 2024  
10 a.m.

6200 Park Avenue  
Des Moines, Iowa 50321

### Public Comment

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

Ashleigh Hackel  
Department of Inspections, Appeals, and Licensing  
6200 Park Avenue  
Des Moines, Iowa 50321  
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### Purpose and Summary

This proposed rulemaking repromulgates Chapter 8, “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 removing similar text from the individual Iowa Administrative Code chapters maintained by the licensing authorities that realigned with the Department.

### Analysis of Impact

1. Persons affected by the proposed rulemaking:

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

The Department incurs costs by employing staff to carry out the functions addressed in the proposed rulemaking, including notifying licensees of suspension of license, following up on possible noncompliance, and responding to inquiries. There is no cost to the general public.

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

The public benefits from these proposed rules because the rules require those with professional licenses to be held accountable for the debts addressed as directed by the General Assembly.

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:

This proposed rulemaking presents no impact to the Department or public in terms of costs. This rulemaking merely implements statutory duties set forth in Iowa Code sections 252J.8, 272C.4, and 272D.8, and those duties are within the Department's general functions. Licensees subject to licensing action pursuant to this chapter could incur costs to defend or reinstate a license, but those costs are borne by the statutory directives implemented rather than this rulemaking itself.

- Qualitative description of impact:

As many licensing authorities joined the Department in the realignment effected by 2023 Iowa Acts, Senate File 514, this proposed rulemaking allows the Department to maintain one standard administrative chapter implementing Iowa Code sections 252J.8, 272C.4, and 272D.8 and removing similar text from the individual Iowa Administrative Code chapters maintained by the licensing authorities that realigned with the Department. This rulemaking will reduce the overall text of the Iowa Administrative Code, standardize Department processes, and increase efficiencies.

3. Costs to the State:

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

Costs to the agency are the staff needed to manage provisions of this rulemaking, including notifying licensees of suspension, following up on possible noncompliance and responding to inquiries. All costs are directly associated with the statutory directives and the Department's general functions. This rulemaking does not add to the costs of the Department in excess of the general functions.

- Anticipated effect on state revenues:

There is no anticipated impact from this proposed rulemaking 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. The costs of this rulemaking are directly associated with the Department's general functions. This rulemaking does not add to the costs of the Department or public in excess of general functions. The benefits include clear and consistent implementation of applicable Iowa Code.

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

The Department has not identified a more cost-effective or less intrusive method for this proposed rulemaking. The content of this rulemaking is largely dictated by Iowa Code sections 252J.8, 272C.4, and 272D.8.

6. Alternative methods considered by the agency:

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

See response to section 5 above.

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

Iowa Code sections 252J.8, 272C.4, and 272D.8 provide the requirements related to this proposed rulemaking.

### 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 is not believed to have any impact on small business.

### Text of Proposed Rulemaking

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.