

CHAPTER 272D

DEBTS OWED STATE OR LOCAL GOVERNMENT
— LICENSING SANCTIONS

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272D.1 Definitions.

As used in this chapter, unless the context otherwise requires:

1. “*Certificate of noncompliance*” means a document provided by the unit certifying that the named person has outstanding liability placed with the unit and has not entered into an approved payment plan to pay the liability.

2. “*Liability*” means a debt or obligation placed with the unit for collection that is greater than one thousand dollars. For purposes of this chapter “*liability*” does not include support payments collected pursuant to chapter 252J.

3. “*License*” means a license, certification, registration, permit, approval, renewal, or other similar authorization issued to a person by a licensing authority which evidences the admission to, or granting of authority to engage in, a profession, occupation, business, industry, or recreation. “*License*” includes licenses for hunting and fishing, or other recreational activity.

4. “*Licensee*” means a person to whom a license has been issued, or who is seeking the issuance of a license.

5. “*Licensing authority*” means the supreme court, or an instrumentality, agency, board, commission, department, officer, organization, or any other entity of the state, which has authority within this state to suspend or revoke a license or to deny the renewal or issuance of a license authorizing a person to engage in a business, occupation, profession, recreation, or industry.

6. “*Obligor*” means a person with a liability placed with the unit.

7. “*Person*” means a licensee.

8. “*Unit*” means the centralized collection unit of the department of revenue.

9. “*Withdrawal of a certificate of noncompliance*” means a document provided by the unit certifying that the certificate of noncompliance is withdrawn and that the licensing authority may proceed with issuance, reinstatement, or renewal of the person’s license.

2008 Acts, ch 1172, §7; 2009 Acts, ch 41, §107

272D.2 Purpose and use.

1. Notwithstanding other statutory provisions to the contrary, the unit may utilize the process established in this chapter to collect liabilities placed with the unit.

2. Actions initiated by the unit under this chapter shall not be subject to contested case proceedings or further review pursuant to chapter 17A and any resulting court hearing shall be an original hearing before the district court.

3. Notwithstanding chapter 22, all of the following apply:

a. Information obtained by the unit under this chapter shall be used solely for the purposes of this chapter.

b. Information obtained by a licensing authority under this chapter shall be used solely for the purposes of this chapter.

4. Notwithstanding any other law to the contrary, information shall be exchanged by a licensing authority and the unit to effectuate this chapter.

2008 Acts, ch 1172, §8

272D.3 Notice to person of potential sanction of license.

The unit shall proceed in accordance with this chapter only if the unit sends a notice to the person by regular mail to the last known address of the person. The notice shall include all of the following:

1. The address and telephone number of the unit and the person's unit account number.
2. A statement that the person may request a conference with the unit to contest the action.
3. A statement that if, within twenty days of mailing of the notice to the person, the person fails to contact the unit to schedule a conference, the unit shall issue a certificate of noncompliance, bearing the person's name, social security number, and unit account number, to any appropriate licensing authority, certifying that the obligor has an outstanding liability placed with the unit.
4. A statement that in order to stay the issuance of a certificate of noncompliance the request for a conference shall be in writing and shall be received by the unit within twenty days of mailing of the notice to the person.
5. The names of the licensing authorities to which the unit intends to issue a certificate of noncompliance.
6. A statement that if the unit issues a certificate of noncompliance to an appropriate licensing authority, the licensing authority shall initiate proceedings to refuse to issue or renew, or to suspend or revoke the person's license, unless the unit provides the licensing authority with a withdrawal of a certificate of noncompliance.

2008 Acts, ch 1172, §9

Referred to in §272D.4, 272D.6, 272D.7

272D.4 Conference.

1. The person may schedule a conference with the unit following mailing of the notice pursuant to section 272D.3, or at any time after service of notice of suspension, revocation, denial of issuance, or nonrenewal of a license from a licensing authority, to challenge the unit's actions under this chapter.
2. The request for a conference shall be made to the unit in writing and, if requested after mailing of the notice pursuant to section 272D.3, shall be received by the unit within twenty days following mailing of the notice.
3. The unit shall notify the person of the date, time, and location of the conference by regular mail, with the date of the conference to be no earlier than ten days following issuance of notice of the conference by the unit. If the person fails to appear at the conference, the unit shall issue a certificate of noncompliance.
4. Following the conference, the unit shall issue a certificate of noncompliance unless any of the following applies:
 - a. The unit finds a mistake in the identity of the person.
 - b. The unit finds a mistake in determining the amount of the liability.
 - c. The unit determines the amount of the liability is not greater than one thousand dollars.
 - d. The obligor enters into an acceptable payment plan.
 - e. Issuance of a certificate of noncompliance is not appropriate under other criteria established in accordance with rules adopted by the department of revenue pursuant to chapter 17A.
5. The unit shall grant the person a stay of the issuance of a certificate of noncompliance upon receiving a timely written request for a conference, and if a certificate of noncompliance has previously been issued, shall issue a withdrawal of a certificate of noncompliance if the obligor enters into a written agreement with the unit to pay the liability.
6. If the person does not timely request a conference or does not pay the total amount of liability owed within twenty days of mailing of the notice pursuant to section 272D.3, the unit shall issue a certificate of noncompliance.

2008 Acts, ch 1172, §10

Referred to in §272D.6

272D.5 Written agreement.

1. The obligor and the unit may enter into a written agreement for payment of the liability

owed which takes into consideration the obligor's ability to pay and other criteria established by rule of the department of revenue. The written agreement shall include all of the following:

- a. The method, amount, and dates of payments by the obligor.
- b. A statement that upon breach of the written agreement by the obligor, the unit shall issue a certificate of noncompliance to any appropriate licensing authority.
2. A written agreement entered into pursuant to this section does not preclude any other remedy provided by law.
3. Following issuance of a certificate of noncompliance, if the obligor enters into a written agreement with the unit, the unit shall issue a withdrawal of the certificate of noncompliance to any appropriate licensing authority and shall forward a copy of the withdrawal by regular mail to the obligor.

2008 Acts, ch 1172, §11
Referred to in §272D.6

272D.6 Decision of the unit.

1. If the unit mails a notice to a person pursuant to section 272D.3, and the person requests a conference pursuant to section 272D.4, the unit shall issue a written decision if any of the following conditions exist:

- a. The person fails to appear at a scheduled conference under section 272D.4.
- b. A conference is held under section 272D.4.
- c. The obligor fails to comply with a written agreement entered into by the obligor and the unit under section 272D.5.

2. The unit shall send a copy of the written decision to the person by regular mail at the person's most recent address of record. If the decision is made to issue a certificate of noncompliance or to withdraw the certificate of noncompliance, a copy of the certificate of noncompliance or of the withdrawal of the certificate of noncompliance shall be attached to the written decision. The written decision shall state all of the following:

- a. That the certificate of noncompliance or withdrawal of the certificate of noncompliance has been provided to the licensing authorities named in the notice provided pursuant to section 272D.3.
- b. That upon receipt of a certificate of noncompliance, the licensing authority shall initiate proceedings to suspend, revoke, deny issuance, or deny renewal of a license, unless the licensing authority is provided with a withdrawal of a certificate of noncompliance from the unit.
- c. That in order to obtain a withdrawal of a certificate of noncompliance from the unit, the obligor shall enter into a written agreement with the unit, comply with an existing written agreement with the unit, or pay the total amount of liability owed.
- d. That if the unit issues a written decision which includes a certificate of noncompliance, the person may request a hearing as provided in section 272D.9, before the district court. The person may retain an attorney at the person's own expense to represent the person at the hearing. The review of the district court shall be limited to demonstration of a mistake of fact related to the amount of the liability owed or the identity of the person.

3. If the unit issues a certificate of noncompliance, the unit shall only issue a withdrawal of the certificate of noncompliance if any of the following applies:

- a. The unit or the court finds a mistake in the identity of the person.
- b. The unit or the court finds a mistake in the amount owed.
- c. The obligor enters into a written agreement with the unit to pay the liability owed, the obligor complies with an existing written agreement, or the obligor pays the total amount of liability owed.
- d. Issuance of a withdrawal of the certificate of noncompliance is appropriate under other criteria in accordance with rules adopted by the department of revenue pursuant to chapter 17A.

2008 Acts, ch 1172, §12
Referred to in §272D.7, 272D.9

272D.7 Certificate of noncompliance — certification to licensing authority.

1. If a person fails to respond to a notice of potential license sanction provided pursuant to section 272D.3 or the unit issues a written decision under section 272D.6 which states that the person is not in compliance, the unit shall issue a certificate of noncompliance to any appropriate licensing authority.

2. The certificate of noncompliance shall contain the person's name and social security number.

3. The certificate of noncompliance shall require all of the following:

a. That the licensing authority initiate procedures for the revocation or suspension of the person's license, or for the denial of the issuance or renewal of a license using the licensing authority's procedures.

b. That the licensing authority provide notice to the person, as provided in section 272D.8, of the intent to suspend, revoke, deny issuance, or deny renewal of a license including the effective date of the action. The suspension, revocation, or denial shall be effective no sooner than thirty days following provision of notice to the person.

2008 Acts, ch 1172, §13

272D.8 Requirements and procedures of licensing authority.

1. A licensing authority shall maintain records of licensees by name, current known address, and social security number. The records shall be made available to the unit in an electronic format in order for the unit to match the names of the persons with any liability placed with the unit for collection.

2. In addition to other grounds for suspension, revocation, or denial of issuance or renewal of a license, 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 unit.

3. The supreme court shall prescribe rules for admission of persons to practice as attorneys and counselors pursuant to chapter 602, article 10, which include provisions, as specified in this chapter, for the denial, suspension, or revocation of the admission for failure to pay a liability placed with the unit.

4. a. A licensing authority that is issued a certificate of noncompliance shall initiate procedures for the suspension, revocation, or denial of issuance or renewal of licensure to a person. The licensing authority shall utilize existing rules and procedures for suspension, revocation, or denial of the issuance or renewal of a license.

b. In addition, the licensing authority shall provide notice to the person of the licensing authority's intent to suspend, revoke, or deny issuance or renewal of a license under this chapter. The suspension, revocation, or denial shall be effective no sooner than thirty days following provision of notice to the person. The notice shall state all of the following:

(1) The licensing authority intends to suspend, revoke, or deny issuance or renewal of a person's license due to the receipt of a certificate of noncompliance from the unit.

(2) The person must contact the unit to schedule a conference or to otherwise obtain a withdrawal of a certificate of noncompliance.

(3) Unless the unit furnishes a withdrawal of a certificate of noncompliance to the licensing authority within thirty days of the issuance of the notice under this section, the person's license will be revoked, suspended, or denied.

(4) If the licensing authority's rules and procedures conflict with the additional requirements of this section, the requirements of this section shall apply. Notwithstanding section 17A.18, the person does not have a right to a hearing before the licensing authority to contest the authority's actions under this chapter but may request a court hearing pursuant to section 272D.9 within thirty days of the provision of notice under this section.

5. If the licensing authority receives a withdrawal of a certificate of noncompliance from the unit, the licensing authority shall immediately reinstate, renew, or issue a license if the person is otherwise in compliance with licensing requirements established by the licensing authority.

2008 Acts, ch 1172, §14

Referred to in §272D.7, 272D.9

272D.9 District court hearing.

1. Following the issuance of a written decision by the unit under section 272D.6 which includes the issuance of a certificate of noncompliance, or following provision of notice to the person by a licensing authority pursuant to section 272D.8, a person may seek review of the decision and request a hearing before the district court by filing an application with the district court in the county where the majority of the liability was incurred, and sending a copy of the application to the unit by regular mail.

2. An application shall be filed to seek review of the decision by the unit or following issuance of notice by the licensing authority no later than within thirty days after the issuance of the notice pursuant to section 272D.8. The clerk of the district court shall schedule a hearing and mail a copy of the order scheduling the hearing to the person and the unit and shall also mail a copy of the order to the licensing authority, if applicable. The unit shall certify a copy of its written decision and certificate of noncompliance, indicating the date of issuance, and the licensing authority shall certify a copy of a notice issued pursuant to section 272D.8, to the court prior to the hearing.

3. The filing of an application pursuant to this section shall automatically stay the actions of a licensing authority pursuant to section 272D.8. The hearing on the application shall be scheduled and held within thirty days of the filing of the application. However, if the person fails to appear at the scheduled hearing, the stay shall be lifted and the licensing authority shall continue procedures pursuant to section 272D.8.

4. The scope of review by the district court shall be limited to demonstration of the amount of the liability owed or the identity of the person.

5. If the court finds that the unit was in error in issuing a certificate of noncompliance, or in failing to issue a withdrawal of a certificate of noncompliance, the unit shall issue a withdrawal of a certificate of noncompliance to the appropriate licensing authority.

2008 Acts, ch 1172, §15

Referred to in §272D.6, 272D.8