

CHAPTER 151
COLLECTION OF DEBTS OWED THE STATE
OF IOWA OR A STATE AGENCY

701—151.1(421) Definitions. For purposes of this chapter, the following definitions shall govern:

“*Debtor*” means any person having a delinquent account, charge, fee, loan, or other indebtedness due the state of Iowa or any state agency.

“*Department*” means the Iowa department of revenue or the director of the Iowa department of revenue and the director’s representative.

“*Director*” is the director of revenue.

“*Liability*” or “*debt*” means any liquidated sum due and owing to the state of Iowa or any state agency which has accrued through contract, subrogation, tort, operation of law, or any legal theory regardless of whether there is an outstanding judgment for that sum.

“*Person*” or “*entity*” means individual, corporation, business trust, estate, trust, partnership or association, limited liability company, or any other legal entity, but does not include a state agency.

“*State agency*” or “*agency*” means a board, commission, department, including the department of revenue, or other administrative office or unit of the state of Iowa. “State agency” does not include the general assembly, the governor, or any political subdivision of the state, or its offices and units.

701—151.2(421) Scope and purpose. The purpose of these rules is to improve collection efforts by establishing a centralized collection system in the department for use by state agencies to collect delinquent accounts.

701—151.3(421) Participation guidelines. Those state agencies qualified to use this chapter’s collection provisions should utilize those provisions when it is cost-effective to do so. Final determination regarding whether or not it will be cost-effective to collect any debt owed will be at the discretion of the director. Generally, it will not be cost-effective to pursue collection of a debt if the total anticipated collection cost will exceed the amount of the claim that could reasonably be expected to be realized. The cost-effectiveness criteria which the director applies will not be the same for every agency. Circumstances differ among agencies.

701—151.4(421) Duties of the agency. The agency seeking the use of the centralized collection system shall have the following duties regarding the department and debtors.

151.4(1) Notification to the department. The agencies must provide a list of debtors to the department of revenue. This list must be in a format and type prescribed by the department and include information relevant to the identification of the debtor and the source and amount of the debt. The agencies shall terminate all collection activities once notification is given to the department.

151.4(2) Change in status of debt. A state agency which has provided liability information to the department of revenue must notify the department immediately of any change in the status of a debt. This notification shall be made no later than ten calendar days from the occurrence of the change. Change in status may come from payment of the debt or liability, invalidation of the liability, alternate payment arrangements with the debtor, bankruptcy, or other factors.

701—151.5(421) Duties of the department—performance of collection. The department will develop procedures for administering the collection program on an agency basis. Procedures may vary in order to achieve the greatest efficiency in administering the collection program for each agency.

701—151.6(421) Payment of collected amounts. Payments of collected amounts shall be made by the department monthly, but other arrangements can be made if agency requirements specify a different time period. Payments will be made to the agency, to the general fund, split between the two, or as required by the agency depending on the circumstances of each agency.

701—151.7(421) Reimbursement for collection of liabilities. Costs incurred by the department in administering the collection program will be charged to the state agency requesting collection. The costs will be charged to the agency or deducted from the gross proceeds collected whichever the director determines is reasonable based on the requesting agency's circumstances. Costs may include direct expenses such as salaries, travel, telephone, supplies, equipment, and system modification and development costs; or indirect costs such as space, security, or utility costs. If the above-described procedure is prohibited by paramount state or federal law, the director shall allow charges, deductions, or reimbursement in a manner which conforms to the paramount law.

701—151.8(421) Confidentiality of information. Information shared between state agencies shall be deemed confidential and shall be disclosed only to the extent that sufficient information is given that is relevant to the identification of persons liable to state agencies. The confidentiality provisions of Iowa Code sections 422.20 and 422.72 do not apply to tax information contained in the centralized computer data bank. The information is to be used for purpose of debt collection or license application or renewal.

701—151.9(421) Subpoena of records from public or private utility companies. The director may, to the extent permissible by federal law, subpoena certain records held by a public or private utility company with respect to an individual who has a debt or obligation placed with the centralized collection unit of the department. This authority may be used only after reasonable efforts have been made by the centralized collection unit of the department to locate the individual.

151.9(1) Definitions.

a. "Public or private utility company" means a public utility, cable, video, or satellite television company, cellular telephone company, or Internet service provider.

b. "Reasonable efforts," for purposes of this rule, will be considered complete when the following procedures have been performed by the department:

(1) The department has received returned and undeliverable mail sent to the individual's most recent address known to the department; and

(2) The department has attempted to reach the individual at the listed telephone number and discovered that the telephone number is incorrect or the telephone has been disconnected.

c. "Utility" means the same as "public or private utility company" as defined in paragraph 151.9(1)"a."

151.9(2) Procedure for issuing a subpoena; data transfer.

a. The department will contact the utility to obtain agreement upon the subpoena process; the form, format and transmission method of a secure data file; and the schedule for both the subpoena and the data.

b. The department shall submit the subpoena to the utility's designated recipient on or before the date a secure data file is submitted for processing. The subpoena will include the director's authority to make the request, the name of the file submitted for processing, the information to be provided for each individual, the expected response date, and the department's contact information. The data file provided to the utility by the department will include social security numbers, names, and last-known addresses in the mutually agreed-upon format.

c. Upon receipt of the department's data file, the utility will match the data file against its current customer information and return to the department the current last name, first name, middle name, address 1, address 2, city, state, ZIP code and telephone number for any current customer information that matches the social security number and designated characters of the last name as provided by the department. The department will not request or require any information from the utility other than the current address and telephone number.

d. Within 30 days of receiving the department's data file, the utility will process and return the data file to the department using the agreed-upon secure file transfer process.

e. When the data file is returned, the department will match the returned data with the social security number and designated characters of the current customer's last name before updating its collections system with the new address or telephone number.

f. The department will use the address and telephone number received from the utility to contact the individual for collection purposes.

151.9(3) Confidentiality. The utility must keep confidential all records received from the department. After the department has received the requested information from the utility, the utility must delete the data files it received in a secure manner. The department must keep confidential all records received from the utility in compliance with all applicable state and federal laws regarding individual privacy and the privacy rights of public and private utility companies.

This rule is intended to implement Iowa Code section 421.17(32).
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These rules are intended to implement Iowa Code sections 421.17, 422.20, and 422.72.

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