

CHAPTER 2506
CONTESTED CASES

Chapter rescission date pursuant to Iowa Code section 17A.7: 6/30/31

The Uniform Rules on Agency Procedure, 7—Chapters 2500 through 2506, are rules generally applicable to agencies pursuant to Iowa Code section 17A.24. Additions, exceptions, or amendments to the corresponding chapter are below.

[ARC 0338D, IAB 6/10/26, effective 6/30/26]

761—2506.3(17A) Time obligations.

2506.3(3) In lieu of the requirements set forth in this chapter, these requirements shall be construed to supersede or constrain the required time frames in which a person must file an appeal request found in rules 761—400.44(17A,321), 761—401.9(17A,307,321), 761—411.6(17A,321,321L), 761—505.6(452A), 761—524.14(325A) and 761—540.8(321N); 761—subrules 425.17(5), 431.4(3) and 451.4(3); and 761—paragraph 601.4(8) “h.”

[ARC 0338D, IAB 6/10/26, effective 6/30/26]

761—2506.4(17A) Submission of request for informal settlement or hearing.

2506.4(1) A person who is aggrieved by an action of the department and who is entitled to a contested case hearing may:

- a. Unless prohibited by statute, request an informal settlement.
- b. Initiate a contested case by submitting a request for a contested case hearing.
- c. Use both procedures.

2506.4(2) A request for an informal settlement or a contested case hearing shall be submitted in writing to the director of the bureau or division of the department that administers the matter at issue.

2506.4(3) The request shall include complete names, mailing addresses to be used for communications with the department, and telephone numbers for all persons involved and any attorneys representing them.

2506.4(4) A statute or rule may provide for submission of requests within a specified time period. A request shall be considered timely submitted if it is postmarked or delivered to the appropriate bureau or division of the department within the time period specified. Timely submission of a request shall be jurisdictional.

2506.4(5) An informal settlement may be handled by telephone.

2506.4(6) If an informal settlement cannot be reached within a reasonable period of time, the department will notify the person in writing that there has been a failure to reach an informal settlement, that the department’s action or decision is sustained, and that the person may request a contested case hearing.

2506.4(7) The department may initiate a contested case proceeding. Prior to initiating the contested case proceeding, the department, unless disallowed by statute, may attempt to settle the matter informally.

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761—2506.5(17A) Notice of hearing.

2506.5(1) *Delivery.* The agency will deliver notice of a hearing in accordance with rule 761—2506.12(17A).

7—paragraphs 2506.5(1) “a” through “d” are not adopted.

2506.5(2) *Contents.* The notice of hearing must state:

- g. The procedural rules governing informal settlement, if applicable;
- i. This paragraph is not adopted.

[ARC 0338D, IAB 6/10/26, effective 6/30/26]

761—2506.6(17A) Presiding officer. This rule is not adopted.

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761—2506.12(17A) Electronic service and filing of pleadings and other papers.

2506.12(1) Each party to a contested case is to keep the department informed of the party's current address and telephone number; the name, address and telephone number of the party's attorney, if any; and the mailing address to be used for communications from the department.

2506.12(2) Mailed notices, communications and decisions regarding the contested case are to be sent by first class or certified mail to the latest address that each party has provided to the department.

2506.12(3) Notwithstanding subrule 2506.12(2), the department of inspections, appeals, and licensing may communicate with the party or the party's attorney by email and may file and serve documents through the division of administrative hearings' administrative electronic management system.

7—subrules 2506.12(4) through 2506.12(7) are not adopted.

[ARC 0338D, IAB 6/10/26, effective 6/30/26]

761—2506.13(17A) Discovery. This rule is not adopted.

[ARC 0338D, IAB 6/10/26, effective 6/30/26]

761—2506.20(17A) Hearing procedures.

2506.20(8) The department may be represented by legal assistants, paralegals, or designated attorney general staff at contested case hearings. Any such person is under the supervision of the attorney general transportation section chief.

2506.20(9) The department may designate staff not under the supervision of the attorney general's office to appear at contested case hearings as witnesses. Staff so designated may appear to testify about matters including but not limited to clarifying the record, providing additional information, providing justification for the department's action, or answering questions of the appellants and presiding officer.

2506.20(10) The department may submit certified copies of records admitted pursuant to Iowa Code section 321.10 in lieu of either legal representation or participation by a department employee.

[ARC 0338D, IAB 6/10/26, effective 6/30/26]

761—2506.22(17A) Default.

2506.22(1) A party may move for default against another party that has requested the contested case proceeding and that has failed to appear after proper service is served.

2506.22(2) Notwithstanding any rule to the contrary, no default may be entered against the department for failure to appear; rather, the presiding officer may either continue the matter or proceed with the hearing and render a decision in the absence of the department.

2506.22(3) A default decision or a decision rendered on the merits after a party has failed to appear or participate in a contested case proceeding becomes final agency action unless, within 20 days after the date of the decision, either a motion to vacate is filed and served on the presiding officer and the other parties or an appeal of a decision on the merits is timely submitted in accordance with rule 761—2506.27(17A). A motion to vacate is to state all facts relied upon by the moving party that establish that good cause existed for that party's failure to appear or participate.

2506.22(4) The time for further appeal of a decision for which a timely motion to vacate has been filed is stayed pending a decision on the motion to vacate.

2506.22(5) Timely filed motions to vacate are to be granted only for good cause shown. The burden of proof is on the moving party. Adverse parties have ten days to respond to a motion to vacate.

2506.22(6) "Good cause," for the purpose of this rule, means surprise, excusable neglect or unavoidable casualty.

2506.22(7) A decision denying a motion to vacate is subject to further appeal in accordance with rule 761—2506.27(17A).

2506.22(8) A decision granting a motion to vacate is subject to interlocutory appeal by the adverse party in accordance with rule 761—2506.27(17A).

2506.22(9) If a motion to vacate is granted and no timely interlocutory appeal has been taken, the presiding officer is to issue another notice of hearing and the contested case will proceed accordingly.

7—subrule 2506.22(10) is not adopted.

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761—2506.26(17A) Final decision. This rule is not adopted.

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761—2506.27(17A) Appeals and review.

2506.27(1) A decision by a presiding officer shall become the final decision of the department and is binding on the department and the party whose legal rights, duties and privileges are being determined unless either appeals the decision as provided in this subrule.

2506.27(2) No additional evidence is to be presented on appeal that is decided on the basis of the record made before the presiding officer in the contested case hearing.

2506.27(3) The appeal is to include a statement of the specific issues presented for review and the precise ruling or relief requested.

2506.27(4) An appeal of a presiding officer's decision is to be submitted in writing to the director of the bureau or division that administers the matter being contested. The appeal is deemed timely submitted if it is postmarked or delivered to the director of the appropriate bureau or division of the department within 20 days after the date of the presiding officer's decision unless otherwise provided in rule or statute.

2506.27(5) The director of the administering bureau or division will forward the appeal to the director.

2506.27(6) Failure to timely appeal a presiding officer's decision is considered a failure to exhaust administrative remedies.

2506.27(7) The director may make a decision affirming, modifying or reversing the presiding officer's decision or may remand the case to the presiding officer.

2506.27(8) The decision of the director is the final decision of the department and constitutes final agency action for purposes of judicial review. No further steps are necessary to exhaust administrative remedies.

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761—2506.32(17A) Additional procedures when the department is not a party.

2506.32(1) *Jurisdiction.* When the department is obligated by statute to administer a controversy to which it is not a party, the following additional procedures apply.

2506.32(2) *Request.*

a. A person who has an interest in a controversy and who is entitled to a contested case hearing may submit a written request to the department to resolve the controversy.

b. An acceptable request will contain a statement of facts alleged and the relief sought by the requestor, the name and address of the persons involved and any attorneys representing them, the requestor's telephone number, and the mailing address to be used for all communications to the requestor from the department.

2506.32(3) *Informal settlement.*

a. The department will contact the persons involved, either by telephone or letter, and will offer to assist the parties to reach an informal settlement of the controversy.

b. A controversy may be settled informally by the persons involved.

c. When a controversy is settled informally, the persons involved will each notify the department by telephone and confirming letter that the controversy has been resolved.

2506.32(4) *Contested case.* When the department is notified by a person involved in the controversy that there has been a failure to reach an informal settlement, or when the department determines that no progress toward a settlement is being made, the department will send a written notice to the persons involved specifying that if the department is not notified of a settlement within 20 days after the notice is mailed, the department will initiate a contested case proceeding.

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