

CHAPTER 154
CHALLENGES TO ADMINISTRATIVE LEVIES AND
PUBLICATION OF NAMES OF DEBTORS

701—154.1(421) Definitions. For purposes of this chapter, the following definitions shall govern:

“*Department*” means the Iowa department of revenue.

“*Director*” means the director of the Iowa department of revenue.

“*Facility*” means the centralized debt collection facility of the department of revenue.

“*Financial institution*” includes a bank as defined in Iowa Code section 524.103, credit union as defined in Iowa Code section 533.51, or savings and loan as defined in Iowa Code section 534.102. “Financial institution” also includes an institution which holds deposits for an agent, broker-dealer, or an issuer as defined in Iowa Code section 502.102.

“*Obligor*” means a person who is indebted to the state of Iowa or a state agency for any delinquent accounts, charges, fees, loans, taxes, or other indebtedness due the state or indebtedness being collected by the state.

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

701—154.2(421) Administrative levies. The centralized debt collection facility may administratively initiate an action to seize one or more accounts in a financial institution of a person who has a delinquent account, charges, fees, loans, taxes, or other indebtedness owed to the state or being collected by the state. The facility initiates an administrative levy by notifying a financial institution of the name and social security number of the obligor, a statement that the obligor is believed to have an account at the financial institution, and a statement that the obligor’s account is subject to seizure and that the financial institution is authorized and required to forward moneys to the centralized collection facility. The notice must contain the maximum amount that shall be forwarded to the facility which cannot exceed the amount of the indebtedness.

The facility must notify an obligor of the administrative levy. The notice must contain the name and social security number of the obligor, a statement that the obligor is believed to have an account at the financial institution, a statement that the obligor’s account is subject to seizure and the financial institution is authorized and required to forward moneys to the facility, the maximum amount to be forwarded to the facility, the time frames the financial institution must meet in forwarding any amounts, a statement that any challenge to the action must be in writing and must be received by the facility within ten days of the date of the notice to the obligor, and the address of the facility.

701—154.3(421) Challenges to administrative levies. A challenge to an administrative levy can only be made by an obligor or an account holder of interest. A challenge to an administrative levy will be reviewed by the centralized debt collection facility of the department. This review is not subject to the provisions of Iowa Code chapter 17A.

701—154.4(421) Form and time of challenge. The obligor or an account holder of interest must submit a written challenge to an administrative levy within ten days of the date of the notice. The written challenge shall be submitted to the individual identified as the contact for the facility.

701—154.5(421) Issues that may be raised. The issues raised by the challenging party, which are limited to a mistake of fact, may include but are not limited to:

1. The challenging party has the same name as the obligor but is not the correct person.
2. The challenging party does not have an interest in the account that is being seized.
3. The amount listed in the notice to the obligor is greater than the amount actually owed.
4. The written challenge must be mailed to: Centralized Collection Facility, P.O. Box 6128, Des Moines, Iowa 50309, with adequate postage.

701—154.6(421) Review of challenge. Review of a challenge to an administrative levy shall be conducted by the facility within ten days of receipt of the written challenge. If the challenging party is not available for the review on the scheduled date, the review shall take place without the challenging party being present. Information in favor of the challenging party shall be considered by the facility in the review. The facility may utilize additional information if available. Only a mistake of fact, including but not limited to, a mistake of identity of the obligor or a mistake in the amount owed to or being collected by the state shall be considered as a reason to dismiss or modify the action.

701—154.7(421) Actions where there is a mistake of fact. Actions to be taken if the facility determines that a mistake of fact has occurred:

1. If a mistake of identity has occurred or the obligor does not have a delinquent or accrued amount owed to or being collected by the state, the facility shall notify the financial institution that the administrative levy has been released. The facility shall provide the obligor with a copy of the notice by regular mail.

2. If the delinquent or accrued amount owed to or being collected by the state is less than the amount indicated in the notice of administrative levy, the facility shall provide a notice to the financial institution of the revised amount, with a copy of the original notice, and issue a notice to the obligor by regular mail. Upon written receipt of the notice from the facility, the financial institution shall release funds in excess of the revised amount and forward the revised amount to the facility pursuant to the administrative levy.

701—154.8(421) Action if there is not a mistake of fact. If the facility finds that no mistake of fact has occurred, the facility shall provide notice to that effect to the challenging party by regular mail and notify the financial institution to forward the moneys pursuant to the administrative levy.

701—154.9 to 154.15 Reserved.

701—154.16(421) List for publication. The director may compile and make available for publication a list of names, with last-known addresses and amounts of indebtedness owed to or being collected by the state if the indebtedness is subject to the centralized debt collection procedure established in Iowa Code subsection 421.17(34). The director shall determine when to compile the list, but shall not be required to do so.

701—154.17(421) Names to be published. Names selected for release for publication shall be based on the records of the facility. The director may not include the names of persons who owe less than \$100 or the threshold amounts determined by the director. The threshold amounts may vary by the debt types being collected by the central collection facility. The director may withhold names from publication if in the director's opinion publication would not assist in the collection of the debt.

The director will not release for publication names of parties who have made arrangements with the facility to pay the outstanding debt and are current in liquidating the debt based on the arrangements made.

701—154.18(421) Release of information. The director may release the information, as the director deems necessary, as follows:

1. The director will issue a press release to the daily and weekly newspapers describing the manner in which a copy of the list of names for publication may be obtained. The director will make the list available in an electronic medium of the director's choice.

2. The director will release to credit reporting agencies the names selected for release for publication upon request. The names are to be released in the same electronic medium as the names are released to the press.

These rules are intended to implement Iowa Code Supplement sections 421.17 and 421.17A.

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