641—32.6(105,272C) Collection of delinquent civil penalties and discipline-related debts.

32.6(1) The board may participate in an income setoff program administered by the department of revenue in accordance with Iowa Code section 421.65 and rules promulgated thereunder.

32.6(2) Definitions. For purposes of this rule, the following definitions apply:

"Debtor" means any person who owes a debt to the board as a result of a proceeding in which notice and opportunity to be heard was afforded.

"Income offset program" means the program established in Iowa Code section 421.65 and any rules promulgated thereunder through which the department of revenue coordinates with state agencies to satisfy liabilities owed to those state agencies.

32.6(3) The board office may provide the department of administrative services a liability file containing pertinent information for the identification of the debtor and liability, including if the status of a debt changes due to payment of the debt, invalidation of the liability, alternate payment arrangements with the debtor, bankruptcy, or other factors.

32.6(4) Due diligence.

a. Before submitting debtor information to the outstanding liability file, the board office will make a good faith attempt to collect from the debtor. Such attempt will include at least all of the following:

(1) A telephone call requesting payment.

(2) An initial letter to the debtor's last discernible address requesting payment within 15 days.

(3) A second letter to the debtor's last discernible address requesting payment within ten days.

b. The board office will document due diligence and retain such documentation.

32.6(5) Notification of offset. Within ten calendar days of receiving notification from the department of revenue that the debtor is entitled to a payment subject to the setoff program, the board office will:

a. Send a preoffset notice to the debtor. The preoffset notice will inform the debtor of the amount the department intends to claim, including all of the following information:

(1) The board's right to the payment in question.

(2) The board's right to recover the payment through the setoff procedure.

(3) The basis of the board's case in regard to the debt.

(4) The right of the debtor to request, in accordance with subrule 32.6(6) and within 15 days of the mailing of the preoffset notice, a split of the payment between parties when the payment in question is jointly owned or otherwise owned by two or more persons.

(5) The debtor's right to appeal the offset, in accordance with subrule 32.6(7) and within 15 days of the mailing of the preoffset notice, and the procedure to follow in that appeal.

(6) The board office's contact information in case of questions.

b. Notify the department of revenue that the preoffset notice has been sent to the debtor, and supply a copy of the preoffset notice to the department of revenue.

32.6(6) Request to divide a jointly or commonly owned right to payment.

a. A debtor who receives a preoffset notice may request release of a joint or common owner's share, if the request is received by the board within 15 days of the date the preoffset notice is mailed.

b. In conjunction with such a request, the debtor shall provide to the board the full name and social security number of any joint or common owner.

c. Upon receipt of such a request, the board office will notify the department of revenue of the request.

32.6(7) Appeal process. A debtor who receives a preoffset notice may request an appeal of the underlying debt within 15 days of the date the preoffset notice is mailed. A contested case appeal will be conducted pursuant to 641—Chapter 33. The board will notify the department of revenue within 45 days of the notification of setoff. The board will hold a payment in abeyance until the final disposition of the contested liability or setoff.

32.6(8) Once any setoff has been completed, the board office will notify the debtor of the action taken and what balance, if any, remains owing to the board.

[**ARC 7998C**, IAB 5/15/24, effective 6/19/24]