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STATE GOVERNMENT H-3/19/98 Do Pass
H-3/26/98 Unfinished Bus. Calendar
SENATE FILE 2170
BY TINSMAN

Passed Senate, Date ⁽⁶⁵⁴¹⁾ 3/3/98 Passed House, Date ⁽²¹¹⁹⁰⁾ 4/2/98
Vote: Ayes 48 Nays 0 Vote: Ayes 97 Nays 1
Approved April 13, 1998

A BILL FOR

1 An Act relating to licensing sanctions against individuals who
2 default on debt owed to or collected by the college student
3 aid commission.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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S.F. 2170

1 Section 1. NEW SECTION. 261.110 NOTICE TO INDIVIDUAL OF
2 POTENTIAL SANCTION OF LICENSE.

3 1. The commission may initiate action to deny, revoke, or
4 suspend any license authorized by the laws of this state, as
5 defined in section 252J.1, to any person who has defaulted on
6 an obligation owed to or collected by the commission as
7 provided in this section and sections 261.111 through 261.116.

8 2. The commission shall proceed in accordance with this
9 section and sections 261.111 through 261.116 only if notice is
10 served on an individual by restricted certified mail addressed
11 to the individual at the individual's last known address or
12 principal place of business. The return post-office receipt
13 signed by the individual shall be proof of notice.

14 The notice shall include all of the following:

15 a. The address and telephone number of the commission and
16 the individual's file number.

17 b. A statement that the individual is in default on an
18 obligation owed to or collected by the commission.

19 c. A statement that the individual may request a
20 conference with the commission to contest the action.

21 d. A statement that if, within twenty days of service of
22 notice on the individual, the individual fails to contact the
23 commission to schedule a conference or pay the total amount of
24 delinquent obligation owed, the commission shall issue a
25 certificate of noncompliance bearing the individual's name,
26 social security number, and file number to any appropriate
27 licensing authority, certifying that the individual is in
28 default on an obligation owed to or collected by the
29 commission.

30 e. A statement that in order to stay the issuance of a
31 certificate of noncompliance, the request for a conference
32 shall be in writing and shall be received by the commission
33 within twenty days of service of notice on the individual.

34 f. The names of the licensing authorities to which the
35 commission intends to issue a certificate of noncompliance.

1 g. A statement that if the commission issues a certificate
2 of noncompliance to an appropriate licensing authority, the
3 licensing authority shall initiate proceedings to refuse to
4 issue or renew, or to suspend or revoke, the individual's
5 license, unless the commission provides the licensing
6 authority with a withdrawal of a certificate of noncompliance.

7 Sec. 2. NEW SECTION. 261.111 CONFERENCE.

8 1. An individual may schedule a conference with the
9 commission following service of notice pursuant to section
10 261.110 or at any time after notice of suspension, revocation,
11 denial of issuance, or nonrenewal of a license from a
12 licensing authority, to challenge the commission's actions
13 under sections 261.110 through 261.116.

14 2. The request for a conference shall be made to the
15 commission, in writing, and, if requested after service of
16 notice pursuant to this section, shall be received by the
17 commission within twenty days following service of notice.

18 3. The commission shall notify the individual of the date,
19 time, and location of the conference by regular mail, with the
20 date of the conference to be no earlier than ten days
21 following issuance of notice of the conference by the
22 commission. If the individual fails to appear at the
23 conference, the commission shall issue a certificate of
24 noncompliance if not already issued.

25 4. The commission shall grant the individual a stay of the
26 issuance of a certificate of noncompliance upon receiving a
27 timely written request for a conference, and if a certificate
28 of noncompliance has previously been issued, shall issue a
29 stay of action on the certificate. The commission shall issue
30 a withdrawal of a certificate of noncompliance as a result of
31 the conference if the individual enters into a written
32 agreement with the commission to repay the obligation.

33 5. Following the conference, the commission shall issue a
34 certificate of noncompliance, if not already issued, unless
35 any of the following applies:

1 a. The commission finds a mistake in the identity of the
2 individual.

3 b. The individual enters into a written agreement with the
4 commission to comply with a repayment plan agreed to by the
5 commission and the individual as a result of the conference,
6 or to comply with the existing contract, or the individual
7 pays the total amount of the delinquent obligation due.

8 c. Issuance of a certificate of noncompliance is not
9 appropriate under other criteria established in accordance
10 with rules adopted by the commission pursuant to chapter 17A.

11 6. If the individual does not timely request a conference
12 or pay the total amount of delinquent obligation owed within
13 twenty days of service of notice pursuant to section 261.110,
14 the commission shall issue a certificate of noncompliance.

15 Sec. 3. NEW SECTION. 261.112 WRITTEN AGREEMENT.

16 1. An individual served with notice pursuant to section
17 261.110 may enter into a written agreement with the commission
18 for payment of the obligation owed by the individual. The
19 agreement shall take into consideration the individual's
20 ability to pay and other criteria established by rule of the
21 commission. The written agreement shall include all of the
22 following:

23 a. The method, amount, and dates of payments by the
24 individual.

25 b. A statement that upon breach of the written agreement
26 by the individual, the commission shall issue a certificate of
27 noncompliance to any appropriate licensing authority.

28 c. A written agreement entered into pursuant to this
29 subsection does not preclude any other remedy provided by law.

30 2. If the individual enters into a written agreement with
31 the commission following issuance of a certificate of
32 noncompliance, the commission shall issue a withdrawal of the
33 certificate of noncompliance and shall forward a copy of the
34 withdrawal by regular mail to the individual and any
35 appropriate licensing authority.

1 Sec. 4. NEW SECTION. 261.113 DECISION OF THE COMMISSION.
2 1. The commission shall issue a written decision in regard
3 to an individual served with notice pursuant to section
4 261.110, if any of the following occurs:
5 a. The individual fails to appear at a scheduled
6 conference under section 261.111.
7 b. A conference is held under section 261.111.
8 c. The individual fails to comply with a written agreement
9 entered into by the individual and the commission under
10 section 261.112.
11 2. The commission shall send a copy of the written
12 decision to the individual by regular mail at the individual's
13 most recent address of record or principal place of business.
14 3. If the commission issues a certificate of noncompliance
15 or withdraws a certificate of noncompliance, a copy of the
16 certificate or of the withdrawal shall be attached to the
17 written decision as applicable.
18 4. The written decision shall state all of the following:
19 a. That a copy of the certificate of noncompliance or
20 withdrawal of the certificate of noncompliance has been
21 provided to the licensing authorities named in the notice
22 provided pursuant to section 261.110.
23 b. That upon receipt of a certificate of noncompliance,
24 the licensing authority shall initiate proceedings to suspend,
25 revoke, deny issuance, or deny renewal of a license, unless
26 the licensing authority is provided with a withdrawal of the
27 certificate of noncompliance from the commission.
28 c. If the decision is not to withdraw a certificate of
29 noncompliance, that in order to obtain a withdrawal of a
30 certificate of noncompliance from the commission, the
31 individual shall enter into a written agreement with the
32 commission, comply with an existing written agreement with the
33 commission, or pay the total amount of delinquent obligation
34 owed.
35 d. If the written decision includes a certificate of

1 noncompliance, that all of the following apply:

2 (1) The individual may request a hearing as provided in
3 section 261.116, before the district court in the county of
4 the individual's residence, by filing a written application to
5 the court challenging the issuance of the certificate of
6 noncompliance by the commission and sending a copy of the
7 application to the commission within the time period specified
8 in section 261.116.

9 (2) The individual may retain an attorney at the
10 individual's own expense to represent the individual at the
11 hearing.

12 (3) The scope of review of the district court shall be
13 limited to demonstration of a mistake of fact related to the
14 delinquency of the individual.

15 4. If the commission issues a certificate of
16 noncompliance, the commission shall only issue a withdrawal of
17 the certificate of noncompliance if any of the following
18 applies:

19 a. The commission or the court finds a mistake in the
20 identity of the individual.

21 b. The commission or the court finds a mistake in
22 determining the amount of a delinquent obligation.

23 c. The individual enters into a written agreement with the
24 commission to comply with an obligation, the individual
25 complies with an existing written agreement to comply with an
26 obligation, or the individual pays the total amount of
27 delinquent obligation owed.

28 d. Issuance of a withdrawal of the certificate of
29 noncompliance is appropriate under other criteria in
30 accordance with rules adopted by the commission pursuant to
31 chapter 17A.

32 Sec. 5. NEW SECTION. 261.114 CERTIFICATE OF
33 NONCOMPLIANCE -- CERTIFICATION TO LICENSING AUTHORITY.

34 1. If an individual fails to respond to the notice of
35 potential license sanction provided pursuant to section

1 261.110 or the commission issues a written decision under
2 section 261.113 which states that the individual is not in
3 compliance, the commission shall certify, in writing, to any
4 appropriate licensing authority that the individual is not in
5 compliance and shall include a copy of the certificate of
6 noncompliance.

7 2. The certificate of noncompliance shall contain the
8 individual's name, social security number, and file number.

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

11 a. That the licensing authority initiate procedures for
12 the revocation or suspension of the individual's license, or
13 for the denial of the issuance or renewal of a license using
14 the licensing authority's procedures.

15 b. That the licensing authority provide notice to the
16 individual, as provided in section 261.115, of the intent to
17 suspend, revoke, deny issuance, or deny renewal of a license
18 including the effective date of the action. The suspension,
19 revocation, or denial shall be effective no sooner than thirty
20 days following provision of notice to the individual.

21 Sec. 6. NEW SECTION. 261.115 REQUIREMENTS AND PROCEDURES
22 OF LICENSING AUTHORITY.

23 1. A licensing authority shall maintain records of
24 licensees by name, current known address, and social security
25 number.

26 2. In addition to other grounds for suspension,
27 revocation, or denial of issuance or renewal of a license, a
28 licensing authority shall include in rules adopted by the
29 licensing authority as grounds for suspension, revocation, or
30 denial of issuance or renewal of a license, the receipt of a
31 certificate of noncompliance from the commission.

32 3. The supreme court shall prescribe rules for admission
33 of persons to practice as attorneys and counselors pursuant to
34 chapter 602, article 10, which include provisions, as
35 specified in this chapter, for the denial, suspension, or

1 revocation of the admission for failure to repay an obligation
2 owed to or collected by the commission.

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

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

16 a. The licensing authority intends to suspend, revoke, or
17 deny issuance or renewal of an individual's license due to the
18 receipt of a certificate of noncompliance from the commission.

19 b. The individual must contact the commission to schedule
20 a conference or to otherwise obtain a withdrawal of a
21 certificate of noncompliance.

22 c. Unless the commission furnishes a withdrawal of a
23 certificate of noncompliance to the licensing authority within
24 thirty days of the issuance of the notice under this section,
25 the individual's license shall be revoked, suspended, or
26 denied.

27 d. If the licensing authority's rules and procedures
28 conflict with the additional requirements of this section, the
29 requirements of this section shall apply. Notwithstanding
30 section 17A.18, the individual does not have a right to a
31 hearing before the licensing authority to contest the
32 authority's actions under this chapter, but may request a
33 court hearing pursuant to section 261.116 within thirty days
34 of the provision of notice under this section.

35 5. If the licensing authority receives a withdrawal of a

1 certificate of noncompliance from the commission, the
2 licensing authority shall immediately reinstate, renew, or
3 issue a license if the individual is otherwise in compliance
4 with licensing requirements established by the licensing
5 authority.

6 Sec. 7. NEW SECTION. 261.116 DISTRICT COURT HEARING.

7 1. Following the issuance of a written decision by the
8 commission under section 261.113, which includes the issuance
9 of a certificate of noncompliance, or following provision of
10 notice to the individual by a licensing authority pursuant to
11 section 261.115, an individual may seek review of the decision
12 and request a hearing before the district court in the
13 individual's county of residence, by filing an application
14 with the district court, and sending a copy of the application
15 to the commission by regular mail. An application shall be
16 filed to seek review of the decision by the commission or
17 following issuance of notice by the licensing authority no
18 later than thirty days after the issuance of the notice
19 pursuant to section 261.115. The clerk of the district court
20 shall schedule a hearing and mail a copy of the order
21 scheduling the hearing to the individual and the commission
22 and shall also mail a copy of the order to the licensing
23 authority, if applicable. The commission shall certify a copy
24 of its written decision and certificate of noncompliance,
25 indicating the date of issuance, and the licensing authority
26 shall certify a copy of a notice issued pursuant to section
27 261.115, to the court prior to the hearing.

28 2. The filing of an application pursuant to this section
29 shall automatically stay the actions of a licensing authority
30 pursuant to section 261.115. The hearing on the application
31 shall be scheduled and held within thirty days of the filing
32 of the application. However, if the individual fails to
33 appear at the scheduled hearing, the stay shall be lifted and
34 the licensing authority shall continue procedures pursuant to
35 section 261.115.

1 3. The scope of review by the district court shall be
2 limited to demonstration of a mistake of fact relating to the
3 delinquency of the individual.

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

9 EXPLANATION

10 This bill creates a means by which the college student aid
11 commission may request that a state licensing agency deny,
12 revoke, deny renewal, or suspend a license authorized by the
13 laws of this state to any person who has defaulted on an
14 obligation owed to or collected by the commission.

15 The bill establishes procedures for issuing notice to a
16 person who has defaulted on an obligation owed to or collected
17 by the commission, for the scheduling of a conference between
18 the individual and the commission following service of notice,
19 for entering into a written agreement for payment of the
20 obligation which takes into consideration the individual's
21 ability to pay and other criteria established by rule of the
22 commission, for the conditions under which the commission must
23 send the individual a copy of a written decision by the
24 commission, and permitting the individual to request a
25 hearing.

26 If an individual fails to respond to the commission's
27 notice of a potential license sanction, the bill requires the
28 commission to certify, in writing, to any appropriate
29 licensing authority that the individual is not in compliance
30 and include a copy of the certificate of noncompliance.

31 The bill requires that the licensing authority include in
32 its rules, as grounds for suspension, revocation, or denial of
33 issuance or renewal of a license, the receipt of a certificate
34 of noncompliance from the commission. The supreme court is
35 directed to prescribe rules for admission of persons to

1 practice as attorneys and counselors pursuant to chapter 602,
2 article 10, which include provision, as specified in this
3 bill, for the denial, suspension, or revocation of the
4 admission for failure to repay an obligation owed to or
5 collected by the commission.

6 When issued a certificate of noncompliance, the licensing
7 authority is required under the bill to initiate procedures
8 for the suspension, revocation, or denial of issuance or
9 renewal of licensure to an individual.

10 The bill also permits an individual to seek a review of the
11 commission's decision and request a hearing before the
12 district court in the individual's county of residence.

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SENATE FILE 2170

AN ACT
RELATING TO LICENSING SANCTIONS AGAINST INDIVIDUALS WHO
DEFAULT ON DEBT OWED TO OR COLLECTED BY THE COLLEGE
STUDENT AID COMMISSION.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. NEW SECTION. 261.110 NOTICE TO INDIVIDUAL OF
POTENTIAL SANCTION OF LICENSE.

1. The commission may initiate action to deny, revoke, or suspend any license authorized by the laws of this state, as defined in section 252J.1, to any person who has defaulted on an obligation owed to or collected by the commission as provided in this section and sections 261.111 through 261.116.

2. The commission shall proceed in accordance with this section and sections 261.111 through 261.116 only if notice is served on an individual by restricted certified mail addressed to the individual at the individual's last known address or principal place of business. The return post-office receipt signed by the individual shall be proof of notice.

The notice shall include all of the following:

- a. The address and telephone number of the commission and the individual's file number.
- b. A statement that the individual is in default on an obligation owed to or collected by the commission.
- c. A statement that the individual may request a conference with the commission to contest the action.
- d. A statement that if, within twenty days of service of notice on the individual, the individual fails to contact the commission to schedule a conference or pay the total amount of delinquent obligation owed, the commission shall issue a certificate of noncompliance bearing the individual's name, social security number, and file number to any appropriate licensing authority, certifying that the individual is in

default on an obligation owed to or collected by the commission.

e. 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 commission within twenty days of service of notice on the individual.

f. The names of the licensing authorities to which the commission intends to issue a certificate of noncompliance.

g. A statement that if the commission 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 individual's license, unless the commission provides the licensing authority with a withdrawal of a certificate of noncompliance.

Sec. 2. NEW SECTION. 261.111 CONFERENCE.

1. An individual may schedule a conference with the commission following service of notice pursuant to section 261.110 or at any time after notice of suspension, revocation, denial of issuance, or nonrenewal of a license from a licensing authority, to challenge the commission's actions under sections 261.110 through 261.116.

2. The request for a conference shall be made to the commission, in writing, and, if requested after service of notice pursuant to this section, shall be received by the commission within twenty days following service of notice.

3. The commission shall notify the individual 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 commission. If the individual fails to appear at the conference, the commission shall issue a certificate of noncompliance if not already issued.

4. The commission shall grant the individual 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

stay of action on the certificate. The commission shall issue a withdrawal of a certificate of noncompliance as a result of the conference if the individual enters into a written agreement with the commission to repay the obligation.

5. Following the conference, the commission shall issue a certificate of noncompliance, if not already issued, unless any of the following applies:

- a. The commission finds a mistake in the identity of the individual.
- b. The individual enters into a written agreement with the commission to comply with a repayment plan agreed to by the commission and the individual as a result of the conference, or to comply with the existing contract, or the individual pays the total amount of the delinquent obligation due.
- c. Issuance of a certificate of noncompliance is not appropriate under other criteria established in accordance with rules adopted by the commission pursuant to chapter 17A.

6. If the individual does not timely request a conference or pay the total amount of delinquent obligation owed within twenty days of service of notice pursuant to section 261.110, the commission shall issue a certificate of noncompliance.

Sec. 3. NEW SECTION. 261.112 WRITTEN AGREEMENT.

1. An individual served with notice pursuant to section 261.110 may enter into a written agreement with the commission for payment of the obligation owed by the individual. The agreement shall take into consideration the individual's ability to pay and other criteria established by rule of the commission. The written agreement shall include all of the following:

- a. The method, amount, and dates of payments by the individual.
- b. A statement that upon breach of the written agreement by the individual, the commission shall issue a certificate of noncompliance to any appropriate licensing authority.
- c. A written agreement entered into pursuant to this subsection does not preclude any other remedy provided by law.

2. If the individual enters into a written agreement with the commission following issuance of a certificate of noncompliance, the commission shall issue a withdrawal of the certificate of noncompliance and shall forward a copy of the withdrawal by regular mail to the individual and any appropriate licensing authority.

Sec. 4. NEW SECTION. 261.113 DECISION OF THE COMMISSION.

1. The commission shall issue a written decision in regard to an individual served with notice pursuant to section 261.110, if any of the following occurs:

- a. The individual fails to appear at a scheduled conference under section 261.111.
- b. A conference is held under section 261.111.
- c. The individual fails to comply with a written agreement entered into by the individual and the commission under section 261.112.

2. The commission shall send a copy of the written decision to the individual by regular mail at the individual's most recent address of record or principal place of business.

3. If the commission issues a certificate of noncompliance or withdraws a certificate of noncompliance, a copy of the certificate or of the withdrawal shall be attached to the written decision as applicable.

4. The written decision shall state all of the following:

- a. That a copy of 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 261.110.
- 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 the certificate of noncompliance from the commission.
- c. If the decision is not to withdraw a certificate of noncompliance, that in order to obtain a withdrawal of a certificate of noncompliance from the commission, the

individual shall enter into a written agreement with the commission, comply with an existing written agreement with the commission, or pay the total amount of delinquent obligation owed.

d. If the written decision includes a certificate of noncompliance, that all of the following apply:

(1) The individual may request a hearing as provided in section 261.116, before the district court in the county of the individual's residence, by filing a written application to the court challenging the issuance of the certificate of noncompliance by the commission and sending a copy of the application to the commission within the time period specified in section 261.116.

(2) The individual may retain an attorney at the individual's own expense to represent the individual at the hearing.

(3) The scope of review of the district court shall be limited to demonstration of a mistake of fact related to the delinquency of the individual.

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

a. The commission or the court finds a mistake in the identity of the individual.

b. The commission or the court finds a mistake in determining the amount of a delinquent obligation.

c. The individual enters into a written agreement with the commission to comply with an obligation, the individual complies with an existing written agreement to comply with an obligation, or the individual pays the total amount of delinquent obligation owed.

d. Issuance of a withdrawal of the certificate of noncompliance is appropriate under other criteria in accordance with rules adopted by the commission pursuant to chapter 17A.

Sec. 5. NEW SECTION. 261.114 CERTIFICATE OF NONCOMPLIANCE -- CERTIFICATION TO LICENSING AUTHORITY.

1. If an individual fails to respond to the notice of potential license sanction provided pursuant to section 261.110 or the commission issues a written decision under section 261.113 which states that the individual is not in compliance, the commission shall certify, in writing, to any appropriate licensing authority that the individual is not in compliance and shall include a copy of the certificate of noncompliance.

2. The certificate of noncompliance shall contain the individual's name, social security number, and file 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 individual'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 individual, as provided in section 261.115, 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 individual.

Sec. 6. NEW SECTION. 261.115 REQUIREMENTS AND PROCEDURES OF LICENSING AUTHORITY.

1. A licensing authority shall maintain records of licensees by name, current known address, and social security number.

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 commission.

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 repay an obligation owed to or collected by the commission.

4. 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 an individual. The licensing authority shall utilize existing rules and procedures for suspension, revocation, or denial of the issuance or renewal of a license.

In addition, the licensing authority shall provide notice to the individual 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 individual. The notice shall state all of the following:

- a. The licensing authority intends to suspend, revoke, or deny issuance or renewal of an individual's license due to the receipt of a certificate of noncompliance from the commission.
- b. The individual must contact the commission to schedule a conference or to otherwise obtain a withdrawal of a certificate of noncompliance.
- c. Unless the commission 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 individual's license shall be revoked, suspended, or denied.
- d. 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 individual 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 261.116 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 commission, the licensing authority shall immediately reinstate, renew, or issue a license if the individual is otherwise in compliance with licensing requirements established by the licensing authority.

Sec. 7. NEW SECTION. 261.116 DISTRICT COURT HEARING.

1. Following the issuance of a written decision by the commission under section 261.113, which includes the issuance of a certificate of noncompliance, or following provision of notice to the individual by a licensing authority pursuant to section 261.115, an individual may seek review of the decision and request a hearing before the district court in the individual's county of residence, by filing an application with the district court, and sending a copy of the application to the commission by regular mail. An application shall be filed to seek review of the decision by the commission or following issuance of notice by the licensing authority no later than thirty days after the issuance of the notice pursuant to section 261.115. The clerk of the district court shall schedule a hearing and mail a copy of the order scheduling the hearing to the individual and the commission and shall also mail a copy of the order to the licensing authority, if applicable. The commission 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 261.115, to the court prior to the hearing.

2. The filing of an application pursuant to this section shall automatically stay the actions of a licensing authority pursuant to section 261.115. The hearing on the application shall be scheduled and held within thirty days of the filing of the application. However, if the individual fails to appear at the scheduled hearing, the stay shall be lifted and

the licensing authority shall continue procedures pursuant to section 261.115.

3. The scope of review by the district court shall be limited to demonstration of a mistake of fact relating to the delinquency of the individual.

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

MARY E. KRAMER

President of the Senate

RON J. CORBETT

Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 2170, Seventy-seventh General Assembly.

MARY PAT GUNDERSON

Secretary of the Senate

Approved April 13, 1998

TERRY E. BRANSTAD
Governor

SF 2170