

House File 717 - Introduced

HOUSE FILE 717
BY WILLS

A BILL FOR

1 An Act relating to procedures for, and judicial review of,
2 licensing and including effective date and applicability
3 provisions.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. Section 17A.18, subsection 1, Code 2025, is
2 amended to read as follows:

3 1. ~~When the~~ The grant, denial, or renewal of a license
4 ~~is required by Constitution or statute to~~ shall be preceded
5 by notice and opportunity for an evidentiary hearing, and the
6 provisions of this chapter concerning contested cases apply to
7 such action.

8 Sec. 2. NEW SECTION. **27D.1 Definitions.**

9 As used in this chapter, unless the context otherwise
10 requires:

11 1. "Agency" means the same as defined in section 17A.2.

12 2. "Agency action" means the same as defined in section
13 17A.2.

14 3. "Contested case" means the same as defined in section
15 17A.2.

16 4. "License" means the same as defined in section 17A.2.

17 5. "Licensing" means the same as defined in section 17A.2.

18 Sec. 3. NEW SECTION. **27D.2 Criteria for licenses — clear
19 and unambiguous language.**

20 1. Any criterion in statute, rule, or other agency action
21 for licensing of a constitutionally protected activity shall be
22 specified in clear and unambiguous language. Any criterion in
23 violation of this section shall be void and unenforceable.

24 2. In determining whether language is clear and unambiguous,
25 a court shall not give any presumption in favor of the validity
26 of a criterion and shall not give any deference to the view of an
27 agency.

28 Sec. 4. NEW SECTION. **27D.3 Time period for license
29 applications.**

30 When the time period for an agency to make a decision on an
31 application for a license is not specified in statute, the time
32 period shall be thirty days. An agency and an applicant for a
33 license may mutually agree to extend the thirty-day period.

34 Sec. 5. NEW SECTION. **27D.4 Contested cases on licensing
35 decisions — requirements.**

1 1. This section shall apply to a contested case proceeding on
2 a licensing decision by an agency.

3 a. The rules of civil procedure and the rules of evidence
4 shall apply.

5 b. All proceedings shall be conducted orally and shall be
6 recorded at the agency's expense either by mechanized means or
7 by certified shorthand reporters.

8 c. On application of a party or the agency, an administrative
9 law judge may permit a deposition of a witness to be taken if the
10 witness cannot be subpoenaed or is unable to attend a hearing.
11 Such a deposition shall be taken in the manner and on the terms
12 designated by the administrative law judge.

13 d. The agency shall have the burden of persuasion. The
14 agency shall have the burden of proof by a preponderance of the
15 evidence unless a higher burden of proof is provided by law.

16 e. In addition to the grounds specified in section 17A.11,
17 subsection 2, any person serving or designated to serve alone or
18 with others as a presiding officer is subject to disqualification
19 for lack of technical expertise necessary to effectively preside
20 at a hearing.

21 2. Chapter 17A and other provisions of law relating to
22 contested case hearings shall apply to a contested case
23 proceeding on a licensing decision by an agency where such
24 requirements are not in conflict with this section. However,
25 section 17A.10 shall apply to all of the requirements provided in
26 this section.

27 Sec. 6. NEW SECTION. **27D.5 Judicial review of licensing**
28 **decisions.**

29 1. In any action for judicial review of final agency action
30 on a licensing decision, the parties shall be entitled to a
31 speedy and public determination by the court. If requested
32 by a party to such an action within thirty days after a
33 petition for judicial review is filed, the court shall hold
34 an evidentiary hearing, including testimony and argument, to
35 the extent necessary to make the determination. The court

1 shall review de novo all relevant questions of law, including
2 the interpretation of constitutional, statutory, and regulatory
3 provisions, unless the parties stipulate otherwise. On demand of
4 any party, a determination of facts shall be made by a jury.

5 2. Relevant and admissible exhibits and testimony that were
6 not received during contested case proceedings shall be admitted
7 by the court if compliant with the rules of evidence. An
8 objection that a party failed to make to evidence offered during
9 contested case proceedings shall be considered by the court
10 unless either of the following is true:

11 a. The exhibit, testimony, or objection was withheld for
12 purposes of delay, harassment, or other improper purpose.

13 b. Allowing admission of the exhibit or testimony or
14 consideration of the objection would cause substantial prejudice
15 to another party.

16 3. Section 17A.19 and other provisions of law relating to
17 judicial review of agency action shall apply to judicial review
18 of a licensing decision by an agency where such requirements are
19 not in conflict with this section.

20 Sec. 7. NEW SECTION. **27D.6 Conflicts with other provisions**
21 **of state law.**

22 Except as otherwise provided in this chapter, the provisions
23 of this chapter apply notwithstanding any other provision of
24 state law to the contrary, including but not limited to chapter
25 17A.

26 Sec. 8. **REPORT TO GENERAL ASSEMBLY ON IMPACT TO**
27 **AGENCIES.** Any agency, as defined in section 17A.2, may submit
28 a report to the governor and the general assembly by January
29 1, 2026, regarding the impact of this Act on the functions of
30 the agency. The report may include recommendations, proposed
31 legislation, and any other relevant information. An agency may
32 consult with interested stakeholders when preparing the report.

33 Sec. 9. **EFFECTIVE DATE.** This Act takes effect July 1, 2026.

34 Sec. 10. **APPLICABILITY.** This Act applies to agency action,
35 as defined in section 17A.2, and judicial review thereof,

1 commenced on or after the effective date of this Act.

2 EXPLANATION

3 The inclusion of this explanation does not constitute agreement with
4 the explanation's substance by the members of the general assembly.

5 This bill relates to procedures for, and judicial review of,
6 licensing.

7 The bill defines "license" as the same as provided in
8 Code chapter 17A: the whole or a part of any agency permit,
9 certificate, approval, registration, charter, or similar form of
10 permission required by statute. Additional definitions in the
11 bill are the same as defined in Code chapter 17A.

12 The bill requires that any criterion in statute, rule, or
13 other agency action for licensing of a constitutionally protected
14 activity be specified in clear and unambiguous language. Any
15 criterion in violation of this requirement shall be void and
16 unenforceable. In determining whether language is clear and
17 unambiguous, a court shall not give any presumption in favor of
18 the validity of a criterion and shall not give any deference to
19 the view of an agency.

20 The bill provides that when the time period for an agency to
21 make a decision on an application for a license is not specified
22 in statute, the time period shall be 30 days unless an agency and
23 an applicant for a license mutually agree to extend the period.

24 The bill provides requirements that apply to a contested case
25 proceeding on a licensing decision by an agency. The bill
26 provides that the rules of civil procedure and the rules of
27 evidence shall apply. The bill provides that all proceedings
28 shall be conducted orally and shall be recorded at the agency's
29 expense. On application of a party or the agency, the bill
30 authorizes an administrative law judge to permit a deposition
31 of a witness to be taken if the witness cannot be subpoenaed
32 or is unable to attend a hearing. The bill provides that the
33 agency shall have the burden of persuasion. The bill provides
34 that the agency shall have the burden of proof by a preponderance
35 of the evidence unless a higher burden of proof is provided by

1 law. The bill provides that any person serving as a presiding
2 officer is subject to disqualification for lack of technical
3 expertise necessary to effectively preside at a hearing. The
4 bill specifies that Code chapter 17A and other provisions of law
5 relating to contested case hearings shall apply to a contested
6 case proceeding on a licensing decision by an agency where such
7 requirements are not in conflict with the bill.

8 The bill provides requirements that apply to an action for
9 judicial review of final agency action on a licensing decision.
10 The bill provides that the parties shall be entitled to a
11 speedy and public determination by the court. The bill provides
12 that the court shall hold an evidentiary hearing, to the
13 extent necessary to make the determination, if requested by a
14 party to such an action within 30 days after a petition for
15 judicial review is filed. The bill provides that the court
16 shall review de novo all relevant questions of law, including
17 the interpretation of constitutional, statutory, and regulatory
18 provisions, unless the parties stipulate otherwise. The bill
19 provides that a determination of facts shall be made by a
20 jury on demand of any party. The bill provides that relevant
21 and admissible exhibits and testimony that were not received
22 during contested case proceedings shall be admitted by the court
23 if compliant with the rules of evidence. The bill provides
24 procedures for consideration of objections that a party failed to
25 make to evidence offered during contested case proceedings. The
26 bill specifies that Code section 17A.19 and other provisions of
27 law relating to judicial review of agency action shall apply to
28 judicial review of a licensing decision by an agency where such
29 requirements are not in conflict with the bill.

30 The provisions of the bill apply notwithstanding any other
31 provision of state law to the contrary.

32 The bill strikes language in Code chapter 17A specifying
33 that the provisions of Code chapter 17A concerning contested
34 cases apply to licensing decisions by agencies only when notice
35 and opportunity for an evidentiary hearing are required by

1 Constitution or statute. The bill instead provides that the
2 provisions of Code chapter 17A concerning contested cases always
3 apply to such decisions.

4 The bill authorizes an agency to submit a report to the
5 governor and the general assembly by January 1, 2026, regarding
6 the impact of the bill on the functions of the agency. The
7 report may include recommendations, proposed legislation, and any
8 other relevant information.

9 The bill takes effect July 1, 2026, and applies to agency
10 action, and judicial review thereof, commenced on or after that
11 date.

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