

Regulatory Analysis

Notice of Intended Action to be published: Iowa Administrative Code 641—Chapter 194
“Nonpayment of State Debt”

Iowa Code section(s) or chapter(s) authorizing rulemaking: 272D
State or federal law(s) implemented by the rulemaking: Iowa Code chapter 272D

Public Hearing

A public hearing at which persons may present their views orally or in writing will be held as follows:

November 28, 2023
10 a.m.

Via video/conference call:
meet.google.com/nkg-jzin-yvp

Public Comment

Any interested person may submit written or oral comments concerning this Regulatory Analysis. Written or oral comments in response to this Regulatory Analysis must be received by the Department of Health and Human Services (HHS) no later than 4:30 p.m. on the date of the public hearing. Comments should be directed to:

Joe Campos
Phone: 515.304.0963
Email: joe.campos@idph.iowa.gov

Purpose and Summary

This proposed rulemaking sets forth HHS procedure in denying the issuance, renewal, suspension or revocation of a professional license for nonpayment of state debt. This process commences upon receipt of a certificate of noncompliance from the centralized collection unit of the Department of Revenue.

Analysis of Impact

1. Persons affected by the proposed rulemaking:
 - Classes of persons that will bear the costs of the proposed rulemaking:
Applicants or licensees found to be noncompliant by the Department will bear the costs.
 - Classes of persons that will benefit from the proposed rulemaking:
Members of the public served by professionals licensed by HHS will benefit.

2. Impact of the proposed rulemaking, economic or otherwise, including the nature and amount of all the different kinds of costs that would be incurred:
 - Quantitative description of impact:
Estimated figures below are projections based on past program performance as included in the Red Tape Rule Report for this chapter.

Identified Impacts*

	SFY 2024	SFY 2025	SFY 2026	SFY 2027	SFY 2028	Five-Year Total
Costs						
HHS Implementation	-\$350	-\$350	-\$350	-\$350	-\$350	-\$1,750
Benefits						
Increased Public Safety and Trust	Intangible	Intangible	Intangible	Intangible	Intangible	Intangible
Net Value	-\$350	-\$350	-\$350	-\$350	-\$350	-\$1,750

*All monetary figures have been rounded to the nearest thousandth.

- Qualitative description of impact:

Denying professional licensure for nonpayment of state debt ensures licensees of the Department engage in professional conduct at a level suitable to their profession, leading to increased public safety and trust in HHS licensure programs.

3. Costs to the State:

- Implementation and enforcement costs borne by the agency or any other agency:

HHS incurs personnel costs for team members to manage this process. These costs are reflected in the table above as “HHS Implementation.”

- Anticipated effect on state revenues:

No impact has been identified.

4. Comparison of the costs and benefits of the proposed rulemaking to the costs and benefits of inaction:

The cost-benefit analysis above shows a net value of \$1,750 and an increase in public safety and trust. Eliminating the denial of licensure for nonpayment of state debt may result in the licensure of some individuals that do not engage in professional conduct of the level to which the State desires. Diminished professional conduct of licensees may lead to a decrease in public safety and a lack of trust in licensees regulated by the Department.

5. Determination whether less costly methods or less intrusive methods exist for achieving the purpose of the proposed rulemaking:

A less costly method has not been identified to achieve the purpose of this rulemaking.

6. Alternative methods considered by the agency:

- Description of any alternative methods that were seriously considered by the agency:

HHS implements this process in accordance with the procedure set forth in the Iowa Code. This chapter describes HHS timelines and communication methods for completing the procedure but does not ascribe additional department duties or implementation elements in addition to those directly defined in the Iowa Code.

- Reasons why alternative methods were rejected in favor of the proposed rulemaking:

Not applicable.

Small Business Impact

If the rulemaking will have a substantial impact on small business, include a discussion of whether it would be feasible and practicable to do any of the following to reduce the impact of the rulemaking on small business:

- Establish less stringent compliance or reporting requirements in the rulemaking for small business.

- Establish less stringent schedules or deadlines in the rulemaking for compliance or reporting requirements for small business.
- Consolidate or simplify the rulemaking's compliance or reporting requirements for small business.
- Establish performance standards to replace design or operational standards in the rulemaking for small business.
- Exempt small business from any or all requirements of the rulemaking.

If legal and feasible, how does the rulemaking use a method discussed above to reduce the substantial impact on small business?

Not applicable.

Text of Proposed Rulemaking

ITEM 1. Rescind 641—Chapter 194 and adopt the following **new** chapter in lieu thereof:

CHAPTER 194
NONPAYMENT OF STATE DEBT

641—194.1(272D) Definitions. For the purpose of this chapter, the following definitions shall apply.

“*Applicant*” means an individual who is seeking the issuance of a license.

“*Centralized collection unit*” means the centralized collection unit of the Iowa department of revenue.

“*Certificate of noncompliance*” means the same as defined in Iowa Code section 272D.1.

“*Denial notice*” means a licensing authority notification denying an application for the issuance or renewal of a license as required by Iowa Code chapter 272D.

“*License*” means the same as defined in Iowa Code section 272D.1.

“*Licensing authority*” means a board, commission, or any other entity of the department which has authority within this state to suspend or revoke a license or deny the renewal or issuance of a license authorizing a person to engage in a business, occupation, or profession.

“*Revocation or suspension notice*” means a licensing authority notification suspending a license for an indefinite or specified period of time or a notification revoking a license as required by Iowa Code chapter 272D.

“*Withdrawal certificate*” means the same as defined in Iowa Code section 272D.1.

641—194.2(272D) Denial of issuance or renewal of a license or suspension or revocation of a license. The licensing authority shall deny the issuance or renewal of a license or suspend or revoke a license upon the receipt of a certificate of noncompliance from the centralized collection unit per the procedure set forth in Iowa Code chapter 272D. This rule shall apply in addition to the procedures set forth in Iowa Code chapter 272D.

194.2(1) Service of denial, suspension or revocation notice. Notice will be served upon the applicant or licensee by certified mail, return receipt requested; by personal service; or through authorized counsel.

194.2(2) Licensees and applicants responsible to inform licensing authority. Licensees and applicants shall keep the licensing authority informed of all court actions and all centralized collection unit actions taken under or in connection with Iowa Code chapter 272D. Licensees and applicants shall also provide the licensing authority copies, within seven days of filing or issuance, of all applications filed with the district court pursuant to Iowa Code chapter 272D, all court orders entered in such actions, and any withdrawals of certificates issued by the centralized collection unit.

194.2(3) Reinstatement following license denial, suspension or revocation. All licensing authority fees required for application, license renewal, or license reinstatement must be paid by applicants or licensees before a license will be issued, renewed, or reinstated after the licensing authority has denied the issuance or renewal of a license or suspended or revoked a license pursuant to Iowa Code chapter 272D.

194.2(4) *Effect of filing in district court.* In the event an applicant or a licensee files a timely district court action following service of a denial notice by a licensing authority or service of a revocation or suspension notice, the licensing authority will continue with the intended action described in the notice upon the receipt of a court order lifting the stay, dismissing the action, or otherwise directing the licensing authority to proceed. For purposes of determining the effective date of the denial of the issuance or renewal of a license or of the suspension or revocation of a license, the licensing authority will count the number of days before the action was filed and the number of days after the action was disposed of by the court.

194.2(5) *Final notification.* The licensing authority will notify the applicant or licensee in writing through regular first-class mail, or by such other means as the licensing authority determines appropriate in the circumstances and will similarly notify the applicant or licensee if the license is issued or renewed following the licensing authority's receipt of a withdrawal certificate.

641—194.3(272D) Sharing of information. The department may share applicant or licensee information with the centralized collection unit pursuant to Iowa Code chapter 272D.

These rules are intended to implement Iowa Code chapter 272D.