

**PUBLIC HEALTH DEPARTMENT[641]**

**Adopted and Filed**

**Rulemaking related to nonpayment of state debt**

The Department of Health and Human Services hereby rescinds Chapter 194, “Nonpayment of State Debt,” Iowa Administrative Code, and adopts a new chapter with the same title.

*Legal Authority for Rulemaking*

This rulemaking is adopted under the authority provided in Iowa Code Chapter 272D.

*State or Federal Law Implemented*

This rulemaking implements, in whole or in part, Iowa Code Chapter 272D.

*Purpose and Summary*

This rule chapter sets forth Department 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.

*Public Comment and Changes to Rulemaking*

Notice of Intended Action for this rulemaking was published in the Iowa Administrative Bulletin on January 24, 2024, as **ARC 7361C**.

Two virtual public hearings were held on February 14, 2024, at 11:30 a.m. and February 26, 2024, at 12 p.m. Two public comments were received. No changes from the Notice have been made.

*Adoption of Rulemaking*

This rulemaking was adopted by the Health and Human Services Council on June 13, 2024.

*Fiscal Impact*

This rulemaking has no fiscal impact to the State of Iowa.

*Jobs Impact*

After analysis and review of this rulemaking, no impact on jobs has been found.

*Waivers*

Any person who believes that the application of the discretionary provisions of this rulemaking would result in hardship or injustice to that person may petition the Department of Health and Human Services for a waiver of the discretionary provisions, if any, pursuant to 441—6.

*Review by Administrative Rules Review Committee*

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its regular monthly meeting or at a special meeting. The Committee’s meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

*Effective Date*

This rulemaking will become effective on August 14, 2024.

The following rulemaking action is adopted:

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 that 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.