

Red Tape Review Rule Report (Due: September 1, 2024)

Department Name:	Department of Revenue	Date:	8/20/2024	Total Rule Count:	228
IAC #:	185 531 701	Chapter/ SubChapter / Rule(s):	185—1, 2, 3, 10, 18, 19 531—3, 4, 5, 6 701—1, 5, 6, 7	Iowa Code Section Authorizing Rule:	17A
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PLEASE NOTE, THE BOXES BELOW WILL EXPAND AS YOU TYPE

What is the intended benefit of the rule?

These rule chapters consist of the Department of Revenue’s (Department) rules on agency procedure, which incorporate many, but not all of the uniform rules on agency procedures. The Department proposes to repeal all existing agency procedure rules that exist under the lottery authority, alcoholic beverages division, and the Department and replace them with a new set of rules from the Department under agency number 701. The Department proposes to have a single chapter on each of the following subjects that applies to the entire agency: organization and procedures, public records and fair information practices, rulemaking and rule waivers, and declaratory orders. The Department proposes to have two chapters on contested cases: one for alcohol and lottery, which largely follow the uniform rules on contested cases, and one for tax which has fairly unique processes. This structure will consolidate all relevant information under one agency number, reduce the number of chapters and rules overall, and make applicable practices across subject matters as uniform as possible. This updated structure will be reflected with a website reference found in Chapter 1 for the public to stay informed. The rules are also being amended to reflect terminology and procedural changes as a result of the agency realignment.

Is the benefit being achieved? Please provide evidence. What are the costs incurred by the public to comply with the rule?

Yes, the benefit is being achieved. The agency will be able to reduce the number of total rules by combining the rules of the agency to reflect alignment. Reorganizing the rules will ensure the public can locate the applicable information more easily. There are no costs to comply with these rules. Any costs to comply with the rules are associated with the underlying statutes.

What are the costs to the agency or any other agency to implement/enforce the rule?

There are no costs to the agency of implementing these rules beyond those that would otherwise be required to administer the statute. The Department must have these processes outlined as required by the Iowa Administrative Procedure Act, Iowa Code chapter 17A.

Do the costs justify the benefits achieved? Please explain.

There are no costs of the rules themselves. The updated rules chapters ensure that members of the public are able to efficiently and effectively understand critical agency procedures and processes for the Department under the government reorganization.

Are there less restrictive alternatives to accomplish the benefit? YES NO

If YES, please list alternative(s) and provide analysis of less restrictive alternatives from other states, if applicable. If NO, please explain.

No. The Department is adopting and implementing the chapters of rules on agency procedures as required by 17A.

Does this chapter/rule(s) contain language that is obsolete, outdated, inconsistent, redundant, or unnecessary language, including instances where rule language is duplicative of statutory language? [list chapter/rule number(s) that fall under any of the above categories]

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The Alcoholic Beverages Division and Iowa Lottery Authority and the Department of Revenue all had separate rules on agency procedure. And, all of these chapters contained some obsolete, outdated, and unnecessary language. The Department proposes to create one set of rules on agency procedure for the combined agency. The following rules will be repealed:

Agency Organization-

185—1.1-1.6

531—1.1-1.4

Contested Cases-

185—10.1-10.32

531—5.1-5.32

Declaratory Orders-

185—3.1-3.12

531—6.1-6.12

Public Records and Fair Information Practices-

185—18.1-18.17

531—1.5

Rule Making-

185—2.1-2.17

531—3.1-3.17

Rule Waivers-

185—19.1-19.10

531—4.1-4.17

The IAC 701 chapters dedicated to the Department's uniform rules do contain language that is obsolete, outdated, inconsistent, redundant, and unnecessary, including instances where rule language is duplicative of statutory language. The chapters will be revised to include language dedicated to the Alcoholic Beverages Division and Iowa Lottery Authority and will eliminate obsolete, duplicative, or unnecessary language.

RULES PROPOSED FOR REPEAL (list rule number[s]):

The Department seeks to repeal the below legacy rules and rule chapters:

Chapters 185—1, 2, 3, 18, and 19; and rules 185—10.4 and 185—10.10

Chapters 531—3, 4, 5, 6

The Department also seeks to repeal rules 701—7.24-7.29 and re-promulgate them under new chapters under 701 dedicated to rule making and rule waivers, declaratory orders, and contested cases for alcohol and lottery appeals.

In addition, several rules currently found under 701—7 will be repealed and adopted in new chapters where they are better suited. Those affected rules and their anticipated new location are outlined as below:

701—7.6 Authorized representatives will move to Chapter 8

701—7.30 Procedure for nonlocal business entity bond forfeitures will become its own chapter under Chapter 28

701—7.32 Time and place of taxpayer interviews will move to Chapter 11

701—7.35 Taxpayer designation of tax type and period to which voluntary payments are to be applied will move to Chapter 10, and

701—7.36 Tax return preparers will move to Chapter 8.

RULES PROPOSED FOR RE-PROMULGATION (list rule number[s] or include rule text if available):

The updated uniform rule chapters will be renumbered for each topic to contain its own chapter as outlined:

701—2 Organization

701—3 Rulemaking and Rule Waivers

701—4 Declaratory Orders

701—5 Public Information and Open Records

701—6 Contested Cases Related to Alcohol and Lottery Matters

701—7 Tax Appeals, Taxpayer Representation, and Other Administrative Procedures

The Department seeks to re-promulgate the below rules found under chapters 701—5, 6, 7 and 185—10:

5.1 is re-promulgated in its entirety with minor amendments to provide clarity.

5.2 is amended to remove duplicative language.

5.3 is amended to remove duplicative language and provide clarity.

5.4 is amended to remove unnecessary language.

5.5 is amended to remove unnecessary and duplicative language.

5.6 is amended to remove restrictive terms.

5.7 is re-promulgated in its entirety.

5.8 is amended to remove unnecessary and duplicative language.

5.9 is re-promulgated in its entirety.

5.10 is amended to remove unnecessary language and provide clarity.

5.11 is re-promulgated in its entirety.

5.12 is amended to remove restrictive terms.

6.1 is amended to update outdated language and provide clarity.
6.2 is amended to update outdated language and provide clarity.
6.3 is amended to update outdated language and provide clarity.
6.4 is amended to update outdated language and provide clarity.
6.5 is amended to update outdated language and provide clarity.

7.1 is amended to update outdated language and provide clarity.
7.2 is amended to update unnecessary and outdated language, and provide clarity.
7.3 is amended to update outdated language and provide clarity.
7.4 is re-promulgated in its entirety with one minor amendment to insert useful statutory language to provide clarity.
7.5 is re-promulgated in its entirety with amendments to update the department website.
7.7 is amended to remove restrictive terms.
7.8 is amended to remove restrictive terms and provide clarity.
7.9 is amended to remove unnecessary, outdated language, and provide clarity.
7.10 is amended to remove restrictive terms.
7.11 is amended to provide clarity.
7.12 is amended to provide clarity.
7.13 is amended to remove unnecessary language.
7.14 is amended to provide clarity.
7.15 is amended to remove restrictive terms.
7.16 is amended to remove unnecessary, outdated language, and provide clarity.
7.17 is amended to remove duplicative language.
7.18 is amended to provide clarity.
7.19 is amended to remove outdated, unnecessary, and duplicative language, and provide clarity.
7.20 is amended to remove a restrictive term.
7.21 is amended to provide clarity.
7.22 is amended to remove unnecessary language and provide clarity.
7.23 is amended to remove outdated language.
7.37 is re-promulgated in its entirety with updated rule references.
7.38 is re-promulgated in its entirety with updated rule references.
7.39 is amended to update outdated and unnecessary language, and provide clarity.

10.1 is amended to update outdated language.
10.2 is amended to remove unnecessary and outdated information.
10.3 is amended with a rule cross-reference for clarity.
10.5 is re-promulgated in its entirety.
10.6 is amended to update outdated language.
10.7 is amended to update outdated language.
10.8 is amended to update outdated language.
10.9 is amended to provide clarity.
10.11 is amended with a rule cross-reference for clarity.
10.12 is amended to update outdated language and provide clarity.
10.13 is amended to update outdated language and provide clarity.
10.14 is amended to provide clarity.
10.15 is amended to update outdated language.

- 10.16 is amended to update outdated, unnecessary, and duplicative language.
- 10.17 is amended to provide clarity.
- 10.18 is amended to provide clarity.
- 10.19 is amended to provide clarity.
- 10.20 is amended to remove restrictive terms.
- 10.21 is amended to remove restrictive terms.
- 10.22 is amended with a rule cross-reference for clarity.
- 10.23 is amended with a rule cross-reference for clarity.
- 10.24 is amended with a rule cross-reference for clarity.
- 10.25 is amended with a rule cross-reference for clarity.
- 10.26 is amended to update outdated language.
- 10.27 is amended to update outdated language.
- 10.28 is amended with a rule cross-reference for clarity.
- 10.29 is amended to update outdated language.
- 10.30 is re-promulgated in its entirety.
- 10.31 is amended to remove unnecessary and outdated language.
- 10.32 is amended to remove restrictive terms and outdated language.

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The text of the proposed rules will be published with the Regulatory Analysis in the Iowa Administrative Code Bulletin in the coming weeks.

****For rules being re-promulgated with changes, you may attach a document with suggested changes.***

METRICS

Total number of rules repealed:	137 net loss
Proposed word count reduction after repeal and/or re-promulgation	43,247 words removed
Proposed number of restrictive terms eliminated after repeal and/or re-promulgation	897 terms removed

ARE THERE ANY STATUTORY CHANGES YOU WOULD RECOMMEND INCLUDING CODIFYING ANY RULES?

No.