

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

Department Name:	Department of Transportation	Date:	March 6, 2024	Total Rule Count:	11
IAC #:	761	Chapter/ SubChapter/ Rule(s):	540	Iowa Code Section Authorizing Rule:	321N.2
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What is the intended benefit of the rule?

The intended benefit of Chapter 540 is to implement Iowa Code chapter 321N by outlining the procedures for Transportation Network Companies (TNCs) to obtain a permit to offer rideshare services in Iowa. A TNC permit allows the company to provide transportation by a TNC driver to a TNC rider through a digital network controlled by the TNC. TNCs offer Iowans the ability to receive transportation services other than by driving their own personal vehicle, taking public transportation, or using a taxicab service.

Is the benefit being achieved? Please provide evidence.

Yes. Since Iowa Code chapter 321N was adopted, the Department has continuously issued permits to two TNC companies in Iowa (Uber and Lyft).

What are the costs incurred by the public to comply with the rule?

Any costs to the public related to applying for a TNC permit are not because of the rule, but because of the requirements in statute.

Iowa Code section 321N.2(2)(b) requires a TNC to submit a \$5,000 application fee to the Department. TNC riders pay fees to the TNC company when using its services.

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

The cost to the Department for processing TNC permit applications is attributable to the underlying statute. The rules just provide parameters for how the application, issuance and revocation process is to occur.

Any costs to other agencies related to TNC operations are not because of the rules, but because of the statute allowing TNCs to operate in Iowa.

Do the costs justify the benefits achieved? Please explain.

Yes. The rules create a consistent framework for the application, issuance, and revocation of TNC permits. This helps ensure only eligible TNCs are issued permits and that TNCs are employing eligible drivers.

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.

There is no less restrictive alternative available for issuing TNC permits other than establishing the basic application, issuance, and revocation process in rule, which helps ensure the process is clear for applicants and is consistently applied.

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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540.3 General information.

This rule is revised to replace outdated contact information.

540.4 Application for transportation network company permit and supporting documents.

540.4(1): This subrule is revised to remove language that is duplicative of statutory language and consolidate language that is being deleted from subrule 540.4(3).

540.4(2): This subrule is revised to remove language that is duplicative of statutory language.

540.4(3): This subrule is revised to remove language that is duplicative of statutory language and delete unnecessary and redundant language within the subrule.

540.5 Issuance of permit.

This rule is revised to remove language that is redundant of statutory language.

540.7 Suspension.

This rule combines language from rule 540.8, so that permit suspension and revocations procedures are contained within the same rule. The is also revised to remove unnecessary language.

540.8 Revocation.

This rule is deleted due to being combined with rule 540.7.

540.9 Appeal.

This rule is revised to remove unnecessary language.

540.10 Renewal.

This rule is revised to remove the unnecessary requirement to resubmit documents that have not changed when a TNC applies to renew their permit.

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

540.8

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

540.1
540.2
540.3
540.4
540.5
540.6
540.7
540.8
540.9
540.10

****For rules being re-promulgated with changes, please attach a document with suggested changes, if available.***

METRICS

Total number of rules repealed:	1
Proposed word count reduction after repeal and/or re-promulgation	558
Proposed number of restrictive terms eliminated after repeal and/or re-promulgation	42

ARE THERE ANY RULES YOU WOULD RECOMMEND BE CODIFIED IN STATUTE?

No