

Regulatory Analysis

Notice of Intended Action to be published: 761—Chapter 524
“For-Hire Intrastate Motor Carrier Authority”

Iowa Code section(s) or chapter(s) authorizing rulemaking: 325A.3A, 325A.7A, 325A.10 and 325A.13

State or federal law(s) implemented by the rulemaking: Iowa Code sections 321.515 and 321.519 and chapter 325A

Public Hearing

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

February 28, 2025
9 to 9:30 a.m.

[Microsoft Teams](#)
Or dial: 515.817.6093
Conference ID: 262 987 526

Public Comment

Any interested person may submit written comments concerning this Regulatory Analysis, which must be received by the Department of Transportation no later than 4:30 p.m. on the date of the public hearing. Comments should be directed to:

Sara Siedsma
6310 SE Convenience Boulevard
Ankeny, Iowa 50021
Email: sara.siedsma@iowadot.us

Purpose and Summary

The purpose of the proposed chapter is to comply with Iowa Code chapter 325A by outlining the application and eligibility requirements to obtain a for-hire intrastate motor carrier permit or certificate from the Department. A Department-issued motor carrier permit or certificate is required before a motor carrier may begin operations in Iowa.

Analysis of Impact

1. Persons affected by the proposed rulemaking:

• **Classes of persons that will bear the costs of the proposed rulemaking:**

There are no costs or fees associated with this chapter beyond what is required by the underlying statute. Rather, the purpose of the rules is to establish the eligibility requirements and application process for persons seeking motor carrier permits and certificates.

• **Classes of persons that will benefit from the proposed rulemaking:**

Persons seeking to obtain a motor carrier permit or certificate will benefit from this chapter by knowing the eligibility criteria and application process.

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:**

There are no additional implementation or enforcement costs in the proposed chapter that were not already required as a result of the underlying statutes. The statute requires the Department to issue motor carrier permits and certificates to qualified applicants.

- **Qualitative description of impact:**

There are no anticipated effects on state revenues beyond the underlying statute.

3. **Costs to the State:**

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

There are no additional implementation or enforcement costs resulting from the proposed chapter that were not already required as a result of the underlying statute. The statute requires the Department to issue motor carrier permits and certificates to qualified applicants.

- **Anticipated effect on state revenues:**

There are no anticipated effects on state revenues beyond the underlying statute.

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

The benefit of the proposed rules is consistency and transparency in the processes and requirements for obtaining a motor carrier permit or certificate in Iowa.

The cost of inaction is the inability for qualified applicants to understand quickly and efficiently what is required to obtain and maintain a motor carrier permit or certificate in Iowa.

There is no benefit of inaction.

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

There are no less costly or less intrusive methods to achieve the purpose of the proposed rules.

6. **Alternative methods considered by the agency:**

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

The Department did not consider alternatives for the proposed rules. The Department is required by the Iowa Code to issue motor carrier permits and certificates to qualified applicants.

- **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?

There is no small business impact beyond what was already anticipated under the statute. The proposed rules apply equally to all persons seeking a motor carrier permit or certificate under the Iowa Code.

Text of Proposed Rulemaking

ITEM 1. Rescind 761—Chapter 524 and adopt the following **new** chapter in lieu thereof:

CHAPTER 524
FOR-HIRE INTRASTATE MOTOR CARRIER AUTHORITY

761—524.1(325A) Purpose and applicability.

524.1(1) This chapter establishes requirements concerning for-hire intrastate motor carriers as authorized by Iowa Code chapter 325A.

524.1(2) This chapter applies to motor carriers of household goods, bulk liquid commodities, all other property, and passengers being transported for hire on any highway of this state other than a transportation network company or transportation network company driver as both are defined in Iowa Code section 321N.1 and provided for in 761—Chapter 540.

761—524.2(325A) General information.

524.2(1) *Information and location.* Applications, forms and information on motor carrier permits and motor carrier certificates are available by mail from the Motor Vehicle Division, Iowa Department of Transportation, P.O. Box 10382, Des Moines, Iowa 50306-0382; in person at 6310 SE Convenience Blvd., Ankeny, Iowa; by telephone at 515.237.3268; by facsimile at 515.237.3225; or by email at omcs@iowadot.us.

524.2(2) *Waiver of rules.* In accordance with 761—Chapter 11, the director of transportation or the director's designee (director) may, in response to a petition, waive provisions of this chapter. A waiver will not be granted unless the director finds that special or emergency circumstances exist.

“*Special or emergency circumstances*” means one or more of the following:

1. Circumstances where the movement is necessary to cooperate with cities, counties, other state agencies or other states in response to a national or other disaster.
2. Circumstances where the movement is necessary to cooperate with national defense officials.
3. Circumstances where the movement is necessary to cooperate with public or private utilities in order to maintain their public services.
4. Circumstances where the movement is essential to ensure safety and protection of any person or property due to events such as but not limited to pollution of natural resources, a potential fire or an explosion.
5. Circumstances where weather or transportation problems create an undue hardship for citizens of the state of Iowa.
6. Circumstances where movement involves emergency-type vehicles.
7. Uncommon or extraordinary circumstances where the movement is essential to the existence of an Iowa business and the move may be accomplished without causing undue hazards to the safety of the traveling public or undue damage to private or public property.

524.2(3) *Complaints.* Complaints against motor carriers pertaining to the provisions of this chapter can be submitted in writing to the motor vehicle division.

761—524.3(325A) Applications and supporting documents.

524.3(1) *Application and fee.* Application for a motor carrier permit or motor carrier certificate shall be made to the motor vehicle division on Form 441052, including the required safety self-certification, and accompanied by the statutory fee. Acceptable payment methods include credit card, cash, and check or money order made payable to the Iowa Department of Transportation.

524.3(2) *Supporting documents.* The following documents must accompany the motor carrier permit or motor carrier certificate application:

- a. Proof of insurance.
- b. A U.S. DOT number if required by the Federal Motor Carrier Safety Administration.
- c. Financial statement if required by rule 761—524.10(325A).
- d. Tariff, only for motor carriers of household goods.

e. All applicable documents identified in 761—subrule 380.4(2) and any other documentation, if required by the department, necessary to assess the operational capabilities of any driverless-capable vehicles the motor carrier intends to operate, including for the purpose of determining whether to impose operational restrictions as authorized under rule 761—400.18(307,321).

761—524.4(325A) Issuance of motor carrier permit or motor carrier certificate. When all requirements are met, the department will issue the motor carrier permit or certificate, a copy of which shall be carried in each motor vehicle at all times. The copy may be in either a physical or an electronic format and shall be available for display to any peace officer upon request.

761—524.5(325A) Duplicate motor carrier permit or motor carrier certificate. A motor carrier seeking a duplicate motor carrier permit or motor carrier certificate shall send a written request to the motor vehicle division and include the carrier name, the permit number, certificate number, or U.S. DOT number, and the statutory fee.

761—524.6(325A) Amendment to a motor carrier permit or motor carrier certificate.

524.6(1) Update to a motor carrier permit. A motor carrier seeking to change the commodities being transported under a permit shall submit an updated application to the motor vehicle division, including the permit number and statutory fee for a duplicate permit. Transporting of commodities not listed on the permit is not authorized until a new permit or temporary permit has been issued and is carried in the vehicle.

524.6(2) Change of name or address for a motor carrier permit or certificate. A motor carrier seeking to change the name or address shall submit an updated application to the motor vehicle division within 30 days after the change and include the permit or certificate number, old name or address, new name or address and the statutory fee.

761—524.7(325A) Insurance.

524.7(1) Insurance. Each motor carrier shall do the following:

- a.* At all times maintain on file with the department the effective certificate(s) of insurance or a surety bond on a form prescribed by the department.
- b.* Ensure the insurance or the surety bond is written for a period of one year or more.
- c.* Provide the department written notice 30 days prior to the cancellation of the insurance or the surety bond.
- d.* Submit all certificates of insurance to the department electronically in a format approved by the department.

524.7(2) Self-insurance. Except as otherwise provided in subrule 524.7(1), the department may allow a carrier to self-insure in lieu of maintaining insurance required under subrule 524.7(1) if the following criteria is met:

- a.* The intrastate carrier also operates interstate and has been approved by a federal agency to self-insure.
- b.* The carrier submits a written request to self-insure to the motor vehicle division that includes a copy of the federal agency's approval to self-insure and copies of any information required by that federal agency in approving the request to self-insure.
- c.* The motor carrier agrees to immediately notify the department if there is any change in the status of the self-insurance for interstate operation.

761—524.8(325A) Self-insurance for motor carriers of passengers.

524.8(1) Applications for self-insurance. A motor carrier of passengers with more than 25 motor vehicles may request self-insurance by submitting a written request to the motor vehicle division, including a copy of the carrier's most recent audited financial statement and a vehicle list.

524.8(2) Review by the department. The department may request additional information to evaluate the request to self-insure. A request to self-insure will be denied and an existing approval to

self-insure will be suspended if the motor carrier fails to meet the self-insurance standard under 49 CFR 387.33T effective as of October 1, 2024. An approval to self-insure is continuous unless canceled. The motor carrier shall annually file audited financial statements with the motor vehicle division within 60 days after the end of the motor carrier's fiscal year.

524.8(3) Cancellation of self-insurance approval. The department, upon five days' notice prior to any hearing to cancel approval, may cancel approval of a carrier to self-insure if the carrier fails to file an audited financial statement as required under subrule 524.8(2) or for other reasonable grounds, including but not limited to the failure of the carrier to pay a final judgment within 30 days.

761—524.9(325A) Safety regulations. All motor carriers shall follow the applicable safety regulations in 661—Chapter 22 concerning operation, maintenance and inspection of vehicles.

761—524.10(325A) Financial statement. An application by a motor carrier of bulk liquid commodities (nondairy) or regular-route passengers must include, on a form prescribed by the department, a statement signed by an authorized agent of a lending institution or a certified public accountant attesting to the financial capability of that carrier.

761—524.11(325A) Safety education seminar.

524.11(1) Requirement. Except as provided in subrule 524.11(4), persons responsible for the safety records and driver training of applicable motor carriers are required to complete the safety education seminar under Iowa Code section 325A.3(5). Failure to attend an approved safety education seminar within the required time frame will result in suspension of the motor carrier permit or certificate.

524.11(2) Availability. The department provides an approved safety education seminar periodically. Information on how to access the seminar is available from the Motor Vehicle Division in person at 6310 SE Convenience Boulevard, Ankeny, Iowa; by telephone at 515.237.3268; or by email at omcs@iowadot.us.

524.11(3) Third-party safety education seminar approval. The motor vehicle division may approve individuals outside the department to conduct safety education seminars. Only the department is authorized to approve the course curriculum. At a minimum, the safety course curriculum is to include the following information:

- a. Commercial driver's license regulations.
- b. A general overview of the U.S. DOT's motor carrier safety regulations and hazardous materials regulations adopted annually by the department of public safety.
- c. Iowa Code sections 321.449 and 321.450 and all associated administrative rules.
- d. Iowa Code section 321.463 and all associated administrative rules.
- e. Out-of-service criteria.
- f. A general overview of the U.S. DOT's Emergency Response Guidebook.

524.11(4) Exemption. Passenger carriers with vehicles not meeting the definition of a commercial vehicle as defined in Iowa Code section 321.1 are exempt from attending the safety education seminar and paying the seminar fee. A motor carrier certificate issued for such a carrier contains the following statement: "limited to noncommercial vehicles only." If a motor carrier wishes to start operating vehicles that meet the definition of a commercial motor vehicle, the motor carrier must update its authority with the motor vehicle division. Upon paying the seminar fee and attending the seminar within six months of updating the certificate, the department will issue a new motor carrier certificate removing the limitation.

761—524.12(325A) Lease of a vehicle.

524.12(1) Lease defined. "Lease," for the purpose of these rules, means a written document providing for the exclusive possession, control and responsibility over the operation of a vehicle by the lessee for a specific period of time as if the lessee were the owner. A copy of the lease must be

carried in the leased vehicle at all times. No motor carrier may have more than one lease covering a specific vehicle in effect at a given time.

524.12(2) *Lease of a vehicle to a shipper or a receiver.* No motor carrier shall lease a vehicle with or without a driver to a shipper or a receiver.

524.12(3) *Marking of a motor vehicle.* Each lessee shall properly identify each motor vehicle during the period of the lease as specified in rule 661—22.9(325A).

524.12(4) *Lease requirements.* Any lease of a vehicle by any motor carrier except under the following conditions is prohibited:

a. Every lease must be in writing and signed by the parties or their regular employees or agents duly authorized to act for them.

b. Every lease shall specify the time that the lease begins and the time or circumstances on which it ends.

761—524.13(325A) Tariffs.

524.13(1) *Requirements.* All motor carriers of household goods shall maintain on file with the motor vehicle division a tariff stating the rates and charges that apply for the services performed under the permit.

524.13(2) *Printing.* All tariffs and amendments or supplements must be in book, pamphlet or loose-leaf form and be plainly printed or reproduced. No alteration in writing or erasure is to be made in any tariff or supplement.

524.13(3) *Filing date.* All changes to tariffs and supplements are to be filed with the motor vehicle division at least seven days prior to the effective date. Tariffs or supplements issued in connection with applications for motor carriers of household goods may become effective on the date the permits are issued.

524.13(4) *Copy to department.* To file a tariff with the motor vehicle division, motor carriers of household goods or their agents are to submit a transmittal letter listing all the enclosed tariffs and include one copy of each tariff, supplement or revised page.

524.13(5) *Title page.* The title page of every tariff and supplement shall meet the following requirements:

a. Each tariff shall be numbered in the upper right-hand corner, beginning with number 1 and shown as follows: Ia. DOT No. ...

b. When a tariff is issued canceling a tariff previously filed, the Ia. DOT number of the canceled tariff shall be in the right-hand corner under the Ia. DOT number of the new tariff.

c. Supplements or changes to a tariff shall be numbered beginning with number 1 in the upper right-hand corner along with the number of any previous supplements canceled or changed by the supplement.

d. The name of each motor carrier of household goods must be the same as it appears on the permit. If the motor carrier of household goods is not a corporation and uses a trade name, the name of the individual or partners needs to precede the trade name.

e. Each tariff shall include a brief description of the territory or points from which and to which the tariff applies.

f. Each tariff shall contain the issue and effective dates.

g. Each tariff shall include the name, title and street address of the motor carrier of household goods or the agent by whom the tariff is issued.

524.13(6) *Contents of tariff.* Each tariff shall include the following:

a. A table of contents that is arranged alphabetically.

b. A complete index of all commodities, including the page number. However, no index or table of contents is needed in tariffs of less than five pages or if the rates are alphabetically arranged by commodities.

c. An explanation of all abbreviations, symbols and reference marks used.

d. All rates in the tariff explicitly stated in cents or in dollars and cents per one hundred pounds, per mile, per hour, per ton or two thousand pounds, per truck load (of stated amount) or other definable measure. Where rates are stated in amounts per package or bundle, definite specifications of the packages or bundles must be shown and ambiguous terms, rates, descriptions or plans for determining charges will not be accepted.

524.13(7) *Duplication of rates.* Motor carriers of household goods or their agents shall not publish duplicate or conflicting rates.

524.13(8) *Tariff changes.* All rates and charges that have been filed with the motor vehicle division must be allowed to become effective and remain in effect for a period of at least seven days before being changed, canceled or withdrawn. All tariffs, supplements and revised pages shall indicate changes from the previous tariff. Changes may be indicated by providing a summary or by use of the following symbols:

(R) to denote reductions

(A) to denote increases

(C) to denote changes, the result of which is neither an increase nor a reduction.

524.13(9) *Posting regulations.* Each motor carrier of household goods must post and file at its principal place of business all of its tariffs and supplements. All tariffs must be kept available for public inspection.

524.13(10) *Application for special permission.* When making application for permission to establish rates, charges, or rules of the tariff on less than the statutory seven days' notice, motor carriers of household goods and their agents shall use the form prescribed by the department or other form containing all of the required information.

524.13(11) *Powers of attorney.* An agent or other motor carrier of household goods has the authority to file tariffs and supplements on behalf of a motor carrier if the motor carrier completes a power of attorney granting the agent or other motor carrier authority to act on the motor carrier's behalf, subject to the following requirements:

a. The original power of attorney is on file with the motor vehicle division and a copy has been sent to the agent or other motor carrier of household goods who was granted the authority to act by the power of attorney.

b. The motor carrier notifies the department in writing whenever the motor carrier wants to cancel the authority granted to an agent or other motor carrier of household goods by power of attorney. The notification may occur in writing to the department and state the power of attorney is revoked with 60 days' notice. For good cause, the department may authorize less than 60 days' notice. Copies of the notice must also be mailed to all interested parties by the motor carrier.

524.13(12) *Nonconforming tariffs.* The motor vehicle division will review tariffs that do not conform with subrules 524.13(1) through 524.13(11) to determine if the tariffs contain the necessary information and are acceptable. Tariffs that are unacceptable will be returned to the motor carrier with an explanation.

761—524.14(325A) Denial, suspension, revocation, appeal and reinstatement.

524.14(1) *Denial.* The department will deny an application if the applicant fails to meet the criteria for issuance of a permit or certificate under Iowa Code chapter 325A or this chapter.

524.14(2) *Suspension or revocation.* The department may suspend or revoke a motor carrier permit or certificate for a violation of Iowa Code chapter 325A or this chapter. The suspension or revocation shall continue until the motor carrier is no longer in violation.

524.14(3) *Appeal.* A person whose application for a motor carrier permit or certificate has been denied for a reason other than noncompliance with insurance requirements or whose motor carrier permit or certificate has been suspended or revoked for a reason other than noncompliance with insurance requirements may contest the decision in accordance with Iowa Code chapter 17A and 761—Chapter 13 by submitting an appeal request in writing to the director of the motor vehicle division. To be considered timely, the request must be submitted within 20 days after the date of the

notice of suspension, revocation or denial and include, as applicable, the motor carrier's name, permit or certificate number; complete address; and telephone number.

524.14(4) *Reinstatement.* Once the suspension or revocation is ended and the statutory fee is paid, the department will issue a new permit or certificate.

These rules are intended to implement Iowa Code sections 321.515 and 321.519 and chapter 325A.