

Motor Vehicle Division Informational Memo # 25-02

Ch. 540 Transportation Network Companies – EO10 Updates

DATE: February 12, 2025
FROM: Sara Siedsma, Motor Vehicle Division
TO: All Motor Vehicle Division staff

EFFECTIVE: FEBRUARY 12, 2025

SUBJECT

This informational memo explains updates to administrative rule chapter 761—540, Transportation Network Companies.

SUMMARY

This chapter was recently revised pursuant to Executive Order 10 (EO10), which required all state agencies to conduct comprehensive review of all existing administrative rules. The goal of the review was to reduce regulatory burdens and restrictive terms, and to remove obsolete, outdated, inconsistent, redundant or unnecessary regulations, including instances where rule language is duplicative of statutory language.

EO10 required the chapter to be rescinded and then reissued as new.

Below is a summary of the changes made to this chapter as part of the EO10 review:

- Rule 540.3(1) – provided a specific website where information can be obtained from DOT.
- Rule 540.4 – specified the specific department application form to be used and removed requirements and language that are redundant of Iowa Code section 321N.2.
- Rule 540.5 – removed language redundant of Iowa Code section 321N.2.
- Rule 540.7 – combined the suspension and revocation rules into one rule covering both processes. Added clarification that a revocation will be for a minimum of 90 days and the process for ending the revocation.
- Rule 540.8 – removed language that is duplicative of the DOT appeal process set forth in rule chapter 761—13.
- 540.9 – changed the renewal rule to no longer require the TNC to resubmit supporting documents that haven't changed, other than proof of insurance. This change will reduce administrative burden by not requiring a TNC to submit the same documents every year unless there are changes.
- 540.10 – removed duplicative and unnecessary language.

The revised rule chapter is effective February 12, 2025.

LINK TO ADMINISTRATIVE RULES

[761 IOWA ADMINISTRATIVE CODE 540 – Adopted and Filed](#)

CURRENT

Chapter 540 implements 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.

NEW

As of February 12, 2025, the chapter will reflect the changes listed in the summary section above.

BUSINESS IMPACT

Minimal impact. The following is the only difference with a business impact between Chapter 540 as it existed prior to February 12, 2025 and the newly reissued chapter:

- 540.9 – changed the renewal rule to no longer require the TNC to resubmit supporting documents that haven't changed, other than proof of insurance. This change will reduce administrative burden by not requiring a TNC to submit the same documents every year unless there are changes.