

FEB 3 1971

HOUSE FILE 164

SOCIAL SERVICES ^{Pass}

Sen. " " 5/26, Pass 5/28

BY BRAY, FRANKLIN, and
MENDENHALL

Passed House, Date 5-24-71 Passed Senate, Date 6-15-71

Vote: Ayes 86 Nays 3 Vote: Ayes 37 Nays 6

Approved June 30, 1971

A BILL FOR

1 An Act relating to the adoption of children.

2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. Chapter six hundred (600), Code 1971, is amended
2 by adding sections two (2) through seven (7) of this Act.

3 Sec. 2. FINANCIAL ASSISTANCE. The department of social
4 services shall, within the limits of appropriated funds, pro-
5 vide financial assistance to any person who adopts a physically
6 or mentally handicapped, older, or otherwise hard-to-place
7 child, if the adoptive parent has the capability of providing
8 a suitable home for the child but the need for special services
9 or the costs of maintenance are beyond the economic resources
10 of the adoptive parent.

11 1. Financial assistance shall not be provided when the
12 special services are available free of cost to the adoptive
13 parent or are covered by an insurance policy of the adoptive
14 parent.

15 2. "Special services" means any medical, dental,
16 therapeutic, educational, or other similar service or appliance
17 required by an adopted child by reason of a mental or physical
18 handicap.

19 Sec. 3. DETERMINATION OF ASSISTANCE. Any prospective
20 adoptive parent desiring to avail himself of financial
21 assistance shall state this fact in his petition for adoption.
22 The department of social services shall investigate the person
23 petitioning for adoption and the child and shall file with
24 the court a statement of whether the department will provide
25 assistance as provided in this Act, the estimated amount,
26 extent, and duration of assistance, and any other information
27 the court may order.

28 If the department of social services is unable to determine
29 that an insurance policy will cover the costs of special
30 services, it shall proceed as if no policy existed, for the
31 purpose of determining eligibility to receive assistance.
32 The department shall, to the amount of financial assistance
33 given, be subrogated to the rights of the adoptive parent
34 in the insurance contract.

35 Sec. 4. AMOUNT OF ASSISTANCE. The amount of financial

1 assistance for maintenance shall not exceed the amount the
2 department would normally spend for foster care of the child.
3 The amount of financial assistance for special services shall
4 not exceed the amount the department would normally spend
5 if it were to provide these services.

6 Sec. 5. AVAILABILITY OF ASSISTANCE. Financial assistance
7 shall be available only if the adopted child was under the
8 guardianship of the state, county, or a licensed child-placing
9 agency immediately prior to his adoption.

10 Sec. 6. TERMINATION OF ASSISTANCE. Financial assistance
11 shall terminate when the need for assistance no longer exists.
12 Financial assistance shall not extend beyond the adopted
13 child's twenty-first birthday.

14 Sec. 7. RULES AND REGULATIONS. The department of social
15 services shall adopt rules and regulations in accordance with
16 the provisions of chapter seventeen A (17A) of the Code, which
17 are necessary for the administration of this Act.

18 Sec. 8. Chapter six hundred twenty-seven (627), Code 1971,
19 is amended by adding the following new section:

20 "ADOPTED CHILD ASSISTANCE. Any financial assistance due
21 or that may become due, under the provisions of sections two
22 (2) through seven (7), inclusive, of this Act shall be exempt
23 from garnishment, attachment, and execution."

24 EXPLANATION

25 This bill provides that the department of social services
26 shall provide financial assistance to persons who adopt
27 handicapped or hard-to-place children provided the adoptive
28 parents are unable to bear the costs of maintenance or special
29 care required i.e. medical, dental, educational.

30 The amount of assistance shall not exceed what the
31 department would pay for foster care or special services if
32 it was to provide them.

33 Benefits end when the need ends or at age 21, whichever
34 comes first. Benefits are exempt from garnishment, attachment
35 and execution.

1 Iowa maintains at great expense a number of children in
 2 long term foster care who are considered hard-to-place children
 3 because of mental or physical handicaps, age, or race. These
 4 children are denied permanent families although they can
 5 benefit from and participate in normal family relationships.
 6 This bill widens the possible number of adoptive homes for
 7 these children while saving the state a portion of the long
 8 term foster care costs the child would otherwise require.
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FISCAL NOTE
 HOUSE FILE 164

Date prepared May 27, 1971

Requested by Senator Earl Bass, Chaiman, Social Services
 Committee.

Prepared in regard to H.F. 164 - An Act relating to the
 adoption of children. Following is the fiscal effect in dollars
 of the legislative proposal as required by Rule 31.

The following is the estimated cost of implementing this
 Bill:

<u>1st Year</u>		
30 cases at a maximum of \$100 per month		\$36,000
Medical Expense		<u>15,000</u>
		<u>51,000</u>
 <u>2nd Year</u>		
50 cases at a maximum of \$100 per month		60,000
Medical Expense		<u>15,000</u>
		<u>75,000</u>
	Total for Biennium	<u>\$126,000</u>

Source: Department of Social Services

Filed
 May 28, 1971

GERRY D. RANKIN
 Legislative Fiscal Director

Senate

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1 Amend House File 164 as follows:

2 1. Page 3, by adding after line 9, the following new
3 paragraph:

4 "Adoptive parents receiving assistance under the pro-
5 visions of this chapter shall file with the department on
6 or before December thirty-first each year a written
7 statement of their economic resources and any change which
8 might affect the availability of assistance."

9 2. Page 3, after line 17, by adding the following new
10 section:

11 "Sec. 8. FUNDS. The financial assistance provided in
12 this chapter shall be from funds appropriated to the
13 department of social services and any gifts or grants
14 received by the department for this purpose. The
15 financial assistance provided in this chapter shall not
16 be considered a debt of the state or the department of
17 social services to the adoptive parent and no action shall
18 be maintained in any court of this state to collect,
19 receive, or force payment of financial assistance
20 under the provisions of this chapter."

21 3. By renumbering the sections.

Filed - *w.D. 5/24*
March 22, 1971

By DOYLE of Woodbury
District 21

1 Amend House File 164 as follows:

2 1. Page 2, line 4, by striking the words "appro-
3 priated funds" and inserting in lieu thereof "funds
4 appropriated to the Department of Social Services
5 and any gifts or grants received by the Department
6 for this purpose."

7 2. Page 3, by adding after line 17 the following
8 new paragraph:

9 "The Department of Social Services shall report
10 to the Iowa General Assembly by April 1, 1972, a cost
11 benefit analysis of financial assistance provided
12 under this section.

Filed - *adopted 5/24*
March 23, 1971

By BRAY of Scott
District 77
FRANKLIN of Polk
District 64
MENDENHALL of Allamakee
District 13

1 Amend House File 164, page 3, by adding to
2 Section 5 thereof the following:

3 "The twelve months period of residence
4 in the proposed home required in section six
5 hundred point two (600.2) of the Code shall not
6 apply to this section."

Filed - *adopted 5/24*
April 13, 1971

By GOODE of Davis
District 98

1 Amend House File 164 by adding thereto the fol-
2 lowing new section:
3 Section four hundred twenty-two point nine
4 (422.9), subsection two (2), Code 1971, is amended
5 by adding the following new paragraph:
6 "Add the amount by which expenses paid or incur-
7 red in connection with the adoption of a child by
8 the taxpayer exceed three percent of the net income
9 of the taxpayer, or of the taxpayer and spouse in
10 the case of a joint return. The expenses may in-
11 clude medical and hospital expenses of the natural
12 mother which are incident to the child's birth and
13 are paid by the taxpayer, and welfare agency fees,
14 legal fees, and all other fees and costs relating
15 to the adoption."

Filed - *w. D. 5/24*
April 13, 1971

By KREAMER of Polk
District 63

EXPLANATION OF AMENDMENT

This amendment would permit a taxpayer to deduct all expenses in excess of three percent of net income, which is Iowa adjusted gross income, incurred in connection with the adoption of a child, so that the expense of adopting a child is deductible by a taxpayer in the same manner as the expense of the birth of a child. Similar deductions are provided by some other states including Arizona, California, Delaware, and Minnesota.

1 Amend House File 164 as follows:
2 Page 3, line 7, by striking the words "adopted
3 child" and inserting in lieu thereof the words
4 "child to be adopted".

Filed - *adopted 5/24*
March 29, 1971

By BRAY of Scott, District 77
FRANKLIN of Polk, District 64
MENDENHALL of Allamakee, District 13

1 Amend House File 164 by adding thereto the fol-
2 lowing new section:
3 Section four hundred twenty-two point nine
4 (422.9), subsection two (2), Code 1971, is amended
5 by adding the following new paragraph:
6 "Add the amount by which expenses paid or incur-
7 red in connection with the adoption of a child by
8 the taxpayer exceed three percent of the net income
9 of the taxpayer, or of the taxpayer and spouse in
10 the case of a joint return. The expenses may in-
11 clude medical and hospital expenses of the natural
12 mother which are incident to the child's birth and
13 are paid by the taxpayer, welfare agency fees, le-
14 gal fees, and all other fees and costs relating to
15 the adoption of a child if the child is placed by
16 a child-placing agency licensed under Chapter two
17 hundred thirty-eight (238) of the 1971 Code of Iowa.

Filed - *Adopted 5/24*
April 14, 1971

By KREAMER of Polk
District 63

EXPLANATION OF AMENDMENT

This amendment would permit a taxpayer to deduct all expenses in excess of three percent of net income, which is Iowa adjusted gross income, incurred in connection with the adoption of a child, so that the expense of adopting a child is deductible by a taxpayer in the same manner as the expense of the birth of a child. Similar deductions are provided by some other states including Arizona, California, Delaware, and Minnesota.