

3/4/96 Referred to W. & M.

3/12/96 Do Pass

FILED FEB 27 1996

H-3/19/96 Human Resources

H-3/25/96 Do Pass

SENATE FILE **2324**

BY COMMITTEE ON HUMAN RESOURCES

(SUCCESSOR TO SSB 2169)

Passed Senate, Date 3/18/96 ^(p. 824)

Passed House, Date 4/3/96 (p1334)

Vote: Ayes 48 Nays 0

Vote: Ayes 100 Nays 0

Re-Passed Senate Approved April 16, 1996
4/3/96 49-1

A BILL FOR

1 An Act relating to public assistance and certain associated state
2 tax provisions involving the family investment program, family
3 development and self-sufficiency council, individual
4 development accounts, and fraudulent practices involving the
5 food stamp program, making penalties applicable, and providing
6 applicability provisions and effective dates.

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

S.F. 2324

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1 Division I - Family Investment Program Waiver Request
2 Section 1. WAIVER REQUEST. The department of human
3 services shall submit a waiver request to the United States
4 department of health and human services as necessary to
5 implement the policy change proposed by this section in the
6 family investment program under chapter 239 and the job
7 opportunities and basic skills (JOBS) program under chapter
8 249C. The waiver request shall be for the purpose of
9 simplifying administration of the programs. The policy change
10 applies to the family investment agreement of a family
11 investment program participant. Under the policy to be
12 changed on the effective date of this Act, a family investment
13 agreement ends at the point cash assistance under the program
14 is not provided to the participant and a new agreement is
15 required if the participant reapplies for cash assistance.
16 Under the policy change adopted pursuant to this Act, if the
17 period without cash assistance is one month or less and the
18 participant has not become exempt from JOBS program
19 participation at the time the participant reapplies for cash
20 assistance, the participant's family investment agreement
21 would be reinstated at the time the participant reapplies.
22 The reinstated agreement may be revised to accommodate
23 circumstances at the time of reapplication. For the purposes
24 of this section, "participant" means a participant in the
25 family investment program under chapter 239 and includes an
26 individual whose income is considered in making eligibility
27 and benefit determinations by the department of human services
28 under the family investment program.

29 Sec. 2. CONTINGENCY PROVISION. The waiver request
30 submitted by the department of human services pursuant to
31 section 1 of this Act to the United States department of
32 health and human services shall be to apply the provisions of
33 section 1 statewide. If federal waiver approval of a
34 provision of section 1 of this Act is granted, the department
35 of human services shall implement the provision in accordance

1 with the federal approval. If implementing a provision of
2 section 1 of this Act is in conflict with a provision of
3 chapter 239 or 249C, notwithstanding that provision in chapter
4 239 or 249C, the provision of section 1 shall be implemented.
5 The department shall propose an amendment for the 1997
6 legislative session in accordance with the provisions of
7 section 2.16 to chapter 239 or 249C to resolve the conflict
8 and, as necessary to place the provisions of this division of
9 this Act before the public in a codified statute.

10 Sec. 3. EMERGENCY RULES. The department of human services
11 may adopt emergency rules under section 17A.4, subsection 2,
12 and section 17A.5, subsection 2, paragraph "b", to implement
13 the provisions of this division of this Act and the rules
14 shall be effective immediately upon filing unless a later date
15 is specified in the rules. If necessary to conform with
16 federal waiver terms or to efficiently administer the
17 provisions, the rules may apply additional policies and
18 procedures which are consistent with the provisions of section
19 1 of this Act. Any rules adopted in accordance with this
20 section shall also be published as a notice of intended action
21 as provided in section 17A.4.

22 Sec. 4. APPLICABILITY. The effective date of the waiver
23 provisions in section 1 of this Act granted by the federal
24 government shall be July 1, 1996, unless federal approval is
25 granted after that date, in which case the effective date
26 shall be the beginning of either the first or second month
27 following the month in which the federal approval is granted,
28 as specified in administrative rules adopted by the
29 department. If federal law is amended to permit the state to
30 initiate any of the provisions in section 1 of this Act
31 without a federal waiver before July 1, 1996, the department
32 of human services shall proceed to implement the provisions on
33 July 1, 1996.

34 Sec. 5. EFFECTIVE DATE. This division of this Act, being
35 deemed of immediate importance, takes effect upon enactment.

1 Division II - Family Development and Self-Sufficiency Council
2 Sec. 6. Section 217.11, Code 1995, is amended by adding
3 the following new subsection:

4 NEW SUBSECTION. 10. Two persons representing the business
5 community, selected by the other members of the council.

6 Division III - Individual Development Accounts
7 Sec. 7. Section 422.7, subsection 28, Code Supplement
8 1995, is amended to read as follows:

9 28. If the taxpayer is owner of an individual development
10 account certified under chapter 541A at any time during the
11 tax year, deductions of all of the following adjustments shall
12 be made allowed:

13 ~~a.--Subtract, to the extent included, all of the following:~~

14 ~~(1) a.~~ Contributions made to the account by persons and
15 entities, other than the taxpayer, as authorized in chapter
16 541A.

17 ~~(2) b.~~ The amount of any savings refund authorized under
18 section 541A.3, subsection 1.

19 ~~(3) c.~~ Earnings from the account ~~to the extent not~~
20 ~~withdrawn.~~

21 ~~b.--Add, to the extent not included, all of the following:~~

22 ~~(1)--Earnings from the account which are withdrawn.~~

23 ~~(2)--Amounts withdrawn which are not authorized by section~~
24 ~~541A.2, subsection 4, paragraphs "a" and "b" and which are~~
25 ~~attributable to contributions by persons and entities, other~~
26 ~~than the taxpayer, as provided in section 541A.2, subsection~~
27 ~~4.~~

28 ~~(3)--If the account is closed, amounts received by the~~
29 ~~taxpayer which have not previously been taxed under this~~
30 ~~division, except amounts that are redeposited in another~~
31 ~~individual development account, or the state human investment~~
32 ~~reserve pool as provided in section 541A.2, subsection 5, and~~
33 ~~including the total amount of any savings refund authorized~~
34 ~~under section 541A.3.~~

35 Sec. 8. Section 450.4, subsection 6, Code 1995, is amended

1 to read as follows:

2 6. On property in an individual development account in the
3 name of the decedent that passes to another individual
4 development account, ~~up to ten thousand dollars,~~ or the state
5 human investment reserve pool created in section 541A.4. For
6 purposes of this subsection, "individual development account"
7 means an account that has been certified as an individual
8 development account pursuant to chapter 541A.

9 Sec. 9. Section 541A.2, subsection 2, paragraph d, Code
10 1995, is amended to read as follows:

11 d. A deposit made on behalf of the account holder by an
12 individual or a charitable contributor. This type of deposit
13 may include but is not limited to moneys to match the account
14 holder's deposits. ~~A deposit made under this paragraph shall
15 be held in trust for the account holder and shall only be used
16 to earn income in the account or to be withdrawn by the
17 account holder for a purpose provided in subsection 4.~~

18 Sec. 10. Section 541A.2, subsections 4, 5, 6, 7, and 8,
19 Code 1995, are amended to read as follows:

20 4. During a calendar year, an account holder may withdraw
21 ~~without penalty~~ from the account holder's account the sum of
22 the following:

23 a. With the approval of the operating organization,
24 amounts withdrawn for any of the following approved purposes:

25 (1) Educational costs at an accredited institution of
26 higher education.

27 (2) Training costs for an accredited or licensed training
28 program.

29 (3) Purchase of a primary residence.

30 (4) Capitalization of a small business start-up.

31 (5) An improvement to a primary residence which increases
32 the tax basis of the property.

33 (6) Emergency medical costs for the account holder or for a
34 member of the account holder's family. However, a withdrawal
35 for this purpose is limited to once during the life of the

1 account and the amount of the withdrawal shall not exceed ten
2 percent of the account balance at the time of the withdrawal.

3 ~~Amounts withdrawn for purposes of this paragraph shall be~~
4 ~~charged to the source of principal on a prorated basis.~~
5 ~~Moneys transferred from another individual development account~~
6 ~~shall be considered to be a deposit made by the account holder~~
7 ~~for purposes of charges to the source of principal.~~

8 b. ~~At the adult account holder's discretion any income~~
9 ~~earned by the account. An account holder who is ten or more~~
10 ~~but less than eighteen years of age may withdraw any income~~
11 ~~earned by the account with the approval of the account~~
12 ~~holder's parent or guardian and of the operating organization.~~
13 ~~If the account holder is less than ten years of age, any~~
14 ~~income earned by the account may be withdrawn by the account~~
15 ~~holder's parent or guardian with the approval of the operating~~
16 ~~organization.~~

17 c. b. At the account holder's discretion, if the account
18 holder is at least fifty-nine and one-half years of age, any
19 amount.

20 5. ~~If an An account holder is less than eighteen years of~~
21 ~~age, moneys shall not be withdrawn withdraw moneys from the~~
22 ~~holder's account unless the withdrawal is authorized under~~
23 ~~subsection 4. If an account holder is eighteen or more years~~
24 ~~of age, any amount of the adjusted account holder deposits~~
25 ~~withdrawn during a calendar year which is not authorized under~~
26 ~~subsection 4, is subject to a penalty of fifteen percent. In~~
27 ~~addition, if at any time the cumulative amount withdrawn by~~
28 ~~the account holder over the life of the account that is not~~
29 ~~authorized under subsection 4 exceeds fifty percent of the~~
30 ~~amount of the adjusted account holder deposits, the~~
31 ~~contributions made by a charitable or individual contributor~~
32 ~~held in trust in the account holder's account shall be removed~~
33 ~~from the account and redeposited in another individual~~
34 ~~development account or the reserve pool as directed by the~~
35 ~~contributor and deposits made by the state of a savings refund~~

1 authorized under section 541A.37, subsection 1, shall be
2 withdrawn and deposited in the reserve pool. The amount of
3 the adjusted account holder deposits is the amount remaining
4 after subtracting from the cumulative moneys deposited by the
5 account holder all amounts withdrawn pursuant to subsection 4,
6 paragraph "a". At the time a charitable or individual
7 contributor contributes moneys to an account the contributor
8 shall indicate the contributor's directions for disposition of
9 moneys which are removed. If the designated choice of the
10 contributor does not exist the contributed moneys shall be
11 withdrawn and deposited in the reserve pool.

12 6. Penalty amounts collected pursuant to subsection 5
13 shall be deposited in the reserve pool.

14 7. 6. An adult account holder may transfer all or part of
15 the assets the adult account holder has deposited in the
16 account to any other account holder's account. However, an An
17 account holder who is less than eighteen years of age is
18 prohibited from transferring account assets to any other
19 account holder. Moneys contributed by a charitable or
20 individual contributor are not subject to transfer except as
21 authorized by the contributor. Amounts transferred in
22 accordance with this subsection are not subject to a penalty.

23 7. An individual development account closed in accordance
24 with this subsection is not subject to the limitations and
25 benefits provided by this chapter but is subject to state tax
26 in accordance with the provisions of section 422.7, subsection
27 28, and section 450.4, subsection 6. An individual
28 development account may be closed for any of the following
29 reasons:

30 a. The account's operating organization determines that
31 the account holder has withdrawn moneys from the account for a
32 purpose other than authorized under subsection 4.

33 b. The account's operating organization determines there
34 has been no activity in the account during the preceding
35 twelve months.

1 c. The account holder changes the account holder's place
2 of primary residence to a new location outside the general
3 geographic area served by the operating organization and an
4 operating organization is not available in the new location.

5 d. The account's operating organization withdraws from
6 involvement with the individual development account project
7 and another operating organization is not available to operate
8 the account.

9 ~~8. If approved by the~~ Subject to obtaining any necessary
10 federal government waivers, the department of human services
11 shall not consider moneys in an individual development account
12 and any earnings on the moneys shall not be considered by the
13 ~~department of human services for~~ in determining the
14 eligibility or need of an individual for benefits or
15 assistance or the amount of benefits or assistance under the
16 family investment program under chapter 239, or the JOBS
17 program under chapter 249C, or any other program administered
18 by the department of human services.

19 Sec. 11. Section 541A.3, subsections 1 and 2, Code 1995,
20 are amended to read as follows:

21 1. Payment by the state of a savings refund on amounts of
22 up to two thousand dollars per calendar year that an account
23 holder deposits in the account holder's account. Moneys
24 transferred to an individual development account from another
25 account shall not be considered an account holder deposit for
26 purposes of determining a savings refund. Payment shall be
27 made directly to the account in the most appropriate manner as
28 determined by the administrator. The state savings refund
29 shall be the indicated percentage of the amount deposited:

30 a. For an account holder with a household income, as
31 defined in section 425.17, subsection 6, which is ~~less than~~
32 one hundred fifty percent or less of the federal poverty
33 level, ~~twenty~~ twenty-five percent.

34 b. For an account holder with a household income which is
35 more than one hundred fifty percent ~~or more~~ but less than one

1 hundred sixty seventy-five percent of the federal poverty
2 level, eighteen twenty percent.

3 c. For an account holder with a household income which is
4 one hundred sixty seventy-five percent or more but less not
5 more than one two hundred seventy percent of the federal
6 poverty level, sixteen fifteen percent.

7 ~~d. For an account holder with a household income which is~~
8 ~~one hundred seventy percent or more but less than one hundred~~
9 ~~eighty percent of the federal poverty level, fourteen percent.~~

10 ~~e. For an account holder with a household income which is~~
11 ~~one hundred eighty percent or more but less than one hundred~~
12 ~~ninety percent of the federal poverty level, twelve percent.~~

13 ~~f. For an account holder with a household income which is~~
14 ~~one hundred ninety percent or more but less than two hundred~~
15 ~~percent of the federal poverty level, ten percent.~~

16 g. d. For an account holder with a household income which
17 is more than two hundred percent or more of the federal
18 poverty level, zero percent.

19 2. Income earned by an individual development account is
20 not subject to state tax until withdrawn, in accordance with
21 the provisions of section 422.7, subsection 28.

22 Sec. 12. Section 541A.4, subsection 1, Code 1995, is
23 amended to read as follows:

24 1. For During the five-year pilot-phase period beginning
25 January 1, 1995, the total number of individual development
26 accounts shall be limited to ten thousand accounts, with not
27 more than five thousand new accounts opened in the first any
28 one calendar year of the period, and to individuals with a
29 household income which does not exceed two hundred percent of
30 the federal poverty level. ~~The administrator shall ensure~~
31 ~~that the family income status of account holders at the time~~
32 ~~an account is opened proportionately reflects the distribution~~
33 ~~of the household income status of the state's population up to~~
34 ~~two hundred percent of the federal poverty level.~~

35 Sec. 13. Section 541A.4, subsection 2, paragraph g,

1 subparagraph (3), Code 1995, is amended by striking the
2 subparagraph.

3 Sec. 14. Section 541A.5, Code 1995, is amended to read as
4 follows:

5 541A.5 RULES.

6 The administrator, in consultation with the department of
7 revenue and finance, ~~may~~ shall adopt administrative rules to
8 ~~implement-the-provisions-of administer~~ this chapter. The
9 rules adopted by the administrator shall include but are not
10 limited to provision for transfer of an individual development
11 account to a different financial institution than originally
12 approved by the administrator, if the different financial
13 institution has an agreement with the account's operating
14 organization.

15 Division IV - Food Stamp Program

16 Sec. 15. Section 234.13, Code 1995, is amended to read as
17 follows:

18 234.13 FRAUDULENT PRACTICES RELATING TO FOOD PROGRAMS.

19 For the purposes of this section, unless the context
20 otherwise requires, "benefit transfer instrument" means a food
21 stamp coupon, authorization-to-purchase card, or electronic
22 benefits transfer card. A person is-guilty-of commits a
23 fraudulent practice if that person does any of the following:

24 1. With intent to gain financial assistance to which that
25 person is not entitled, knowingly makes or causes to be made a
26 false statement or representation or knowingly fails to report
27 to an employee of the department of human services any change
28 in income, resources or other circumstances affecting that
29 person's entitlement to such financial assistance; ~~or.~~

30 2. As a beneficiary of the food programs, transfers any
31 ~~food stamp coupons-or-an-authorization-to-purchase-card~~
32 benefit transfer instrument to any other individual with
33 intent that ~~such-coupons-or-card~~ the benefit transfer
34 instrument be used for the benefit of someone other than
35 persons within the beneficiary's food stamp household as

1 certified by the department of human services, ~~or~~.

2 3. Knowingly acquires, uses or attempts to use any food
3 stamp ~~coupon-or-authorization-to-purchase-card~~ benefit
4 transfer instrument which was not issued for the benefit of
5 that person's food stamp household by the department of human
6 services, or by an agency administering food programs in
7 another state.

8 4. Acquires, alters, transfers, or redeems a food stamp
9 coupons benefit transfer instrument or possesses coupons a
10 benefit transfer instrument, knowing that the ~~coupons-have~~
11 benefit transfer instrument has been received, transferred, or
12 used in violation of this section or the provisions of the
13 federal food stamp program under 7 U.S.C. ch. 51 or the
14 federal regulations issued pursuant to that chapter.

15 EXPLANATION

16 This bill relates to public assistance and certain
17 associated state tax provisions involving the family
18 investment program, family development and self-sufficiency
19 council, individual development accounts, and a fraudulent
20 practices involving the food stamp program, and provides
21 various applicability provisions and effective dates.

22 Division I directs the department of human services to
23 submit a waiver request to the federal government to implement
24 a policy change in the family investment program (FIP) and the
25 job opportunities and basic skills (JOBS) program. Under the
26 current federal waiver, most FIP recipients and JOBS program
27 participants must enter into a family investment agreement and
28 the family investment agreement ends at the point cash
29 assistance is no longer provided under FIP. The waiver would
30 be to reinstate a participant's family investment agreement
31 following a time period when the participant does not receive
32 cash assistance. The waiver provisions would only apply if
33 the lapse in cash assistance benefits is one month or less and
34 the participant does not become exempt from JOBS program
35 participation at the time of reapplying for cash assistance.

1 Division I directs the department to apply the waiver
2 provisions statewide, provides the waiver provisions supersede
3 Code chapters associated with the two programs, and directs
4 the department to propose Code amendments for the 1997
5 legislative session to place the waiver provisions in a
6 codified statute. The department is authorized to adopt rules
7 using emergency provisions. The effective date of
8 implementing the waiver is July 1, 1996, unless federal
9 approval is after July 1, 1996, in which case the effective
10 date is at the beginning of either the first or second month
11 following the month in which the federal approval is granted,
12 as specified by the department in rule. If federal law is
13 changed to authorize implementation of the policy change
14 without a waiver, the change is to take effect July 1, 1996.
15 Division I takes effect upon enactment.

16 Division II amends section 217.11 to provide for two
17 additional members of the family development and self-
18 sufficiency council to represent the business community. The
19 additional members would be selected by the other members of
20 the council. The council reviews research concerning long-
21 term dependency upon public assistance and foster care and
22 awards grants for family development services to families at
23 risk of such dependency.

24 Division III amends various tax and program provisions
25 associated with the individual development account (IDA)
26 project.

27 Section 422.7 is amended to revise state income tax
28 deductions and additions to taxable income associated with the
29 accounts. A restriction in current law which does not permit
30 a deduction of earnings withdrawn from an account is stricken.
31 Provisions providing for additions to taxable income to
32 reflect withdrawals from the account are stricken.

33 Section 450.4, providing for exemptions from state
34 inheritance tax, is amended to remove a \$10,000 restriction on
35 the amount of an IDA passing to another IDA which is exempt

1 from inheritance tax.

2 The bill includes the following amendments to section
3 541A.2: strikes a requirement for an IDA to be held as a
4 trust account; strikes monetary penalties for unauthorized
5 withdrawals from an IDA; adds authorized withdrawals for
6 improvements to a primary residence or for certain emergency
7 medical costs; strikes provisions requiring withdrawals from
8 an IDA to be charged proportionally to the source of
9 principal; strikes provisions authorizing limited withdrawals
10 by minor account holders subject to certain permissions; in
11 subsections 4 and 5 strikes provisions permitting adult
12 account holders who are less than 59.5 years of age to make
13 unauthorized withdrawals, subject to monetary penalties;
14 strikes a prohibition against transfer of moneys deposited in
15 an IDA by an individual or charitable contributor; provides
16 for closing of an IDA under certain circumstances; and expands
17 the provision directing the department to not consider moneys
18 in an IDA for public assistance program eligibility to also
19 apply to benefit amounts and any program administered by the
20 department.

21 Section 541A.3, providing for a state savings refund on
22 amounts deposited by an account holder in an IDA, is amended
23 to reduce the number of graduations in the income levels used
24 to determine the amount of the refund. The upper range of
25 income eligible for a state savings refund remains unchanged
26 at a household income of 200 percent of the federal poverty
27 level. In addition, provision for making the earnings of an
28 IDA subject to state tax when withdrawn is stricken.

29 Section 541A.4 is amended to remove a requirement that the
30 10,000 authorized accounts be distributed in a manner to
31 reflect the distribution of the state's general population
32 with an income up to 200 percent of the federal poverty level
33 and to revise an initial restriction on the number of accounts
34 to apply to any one calendar year.

35 Section 541A.5 is amended to make adoption of

1 administrative rules mandatory by the project's administrator,
2 the department of human services, rather than optional. In
3 addition, the department is required to adopt rules providing
4 for transfer of individual development accounts to a different
5 financial institution than initially approved by the
6 department.

7 Division IV amends section 234.13, relating to fraudulent
8 practices under department of human services administered food
9 programs. The amendments expand the fraudulent practices to
10 include those committed involving an electronic benefit card
11 or other food stamp benefit transfer instrument.

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SENATE FILE 2324

S-5219

1 Amend Senate File 2324 as follows:

2 1. Page 10, by inserting after line 14 the
3 following:

4 "DIVISION

5 OTHER PUBLIC ASSISTANCE PROVISIONS

6 Sec. ____ . Section 252.25, unnumbered paragraph 1,
7 Code 1995, is amended to read as follows:

8 The board of supervisors of each county shall
9 provide for the assistance of poor persons lawfully in
10 ~~its~~ the county who are ineligible for, or are in
11 immediate need and are awaiting approval and receipt
12 of, assistance under programs provided by state or
13 federal law, or whose actual needs cannot be fully met
14 by the assistance furnished under those programs. The
15 county board of supervisors shall establish general
16 rules as ~~its~~ the board's members deem necessary to
17 properly discharge their responsibility under this
18 section.

19 Sec. ____ . PUBLIC ASSISTANCE ELIGIBILITY WAIVER.

20 1. For the purposes of this section, unless the
21 context otherwise requires, "public assistance" means
22 assistance for the following purposes paid for in
23 whole or in part by the federal government in
24 combination with the state or a political subdivision
25 of the state:

26 a. The family investment program under chapter
27 239.

28 b. The medical assistance program under chapter
29 249A.

30 c. Child day care funding.

31 2. The department of human services shall submit
32 waiver requests to the United States department of
33 health and human services for authorization for the
34 state and political subdivisions of the state to apply
35 an additional eligibility provision to public
36 assistance, if existing eligibility provisions require
37 the recipient to have a dependent child. The
38 eligibility provision shall require that at the time
39 of the dependent child's birth, at least one of the
40 parents of the child was either a citizen or was
41 lawfully present in the United States. The department
42 shall report to the general assembly by December 15,
43 1996, as to the status of the request or requests. If
44 implementation of an approved federal waiver would
45 require a change in a state law, the department shall
46 submit a proposal for amending the state law to the
47 governor and the general assembly."

48 2. By renumbering as necessary.

By STEWART IVERSON, Jr.

S-5219 FILED MARCH 6, 1996

Out of order

3/10/96

(P. 823)

SENATE FILE 2324

H-5675

1 Amend Senate File 2324, as passed by the Senate, as
2 follows:

3 1. Page 10, by inserting after line 14 the
4 following:

5 "DIVISION V -- Child Support

6 Sec. ____ . Section 598.21, subsection 4, paragraph
7 e, subparagraph (2), unnumbered paragraph 2, Code
8 Supplement 1995, is amended to read as follows:

9 Failure to provide proof of compliance under this
10 subparagraph or proof of compliance under section
11 598.21A is grounds for modification of the support
12 order using the uniform child support guidelines and
13 imputing an income to the parent equal to a forty-hour
14 work week at the state minimum wage, unless the
15 parent's education, experience, or actual earnings
16 justify a higher income.

17 Sec. ____ . NEW SECTION. 598.21A MINOR PARENT --
18 PARENTING CLASSES.

19 In any order or judgment entered under chapter 234,
20 252A, 252C, 252F, 598, or 600B or under any other
21 chapter which provides for temporary or permanent
22 support payments, if the parent ordered to pay support
23 is less than eighteen years of age, one of the
24 following shall apply:

25 1. If the child support recovery unit is providing
26 services pursuant to chapter 252B, the court, or the
27 administrator as defined in section 252C.1, shall
28 order the parent ordered to pay support to attend
29 parenting classes which are approved by the department
30 of human services.

31 2. If the child support recovery unit is not
32 providing services pursuant to chapter 252B, the court
33 may order the parent ordered to pay support to attend
34 parenting classes which are approved by the court."

35 2. Title page, line 4, by striking the word
36 "and".

37 3. Title page, line 5, by inserting after the
38 word "program," the following: "and child support
39 obligations of minors,".

40 4. By renumbering as necessary.

By BODDICKER of Cedar

H-5675 FILED MARCH 27, 1996

Adopted as amended 4/3/96 (p. 1333)

SENATE FILE 2324

H-5755

1 Amend the amendment, H-5675, to Senate File 2324,
2 as passed by the Senate, as follows:

3 1. Page 1, by inserting after line 34 the
4 following:

5 "Sec. ____ . EFFECTIVE DATE. This division of this
6 Act takes effect July 1, 1997."

By BODDICKER of Cedar

H-5755 FILED APRIL 1, 1996

Adopted 4/3/96 (p. 1333)

H-5837

1 Amend Senate File 2324, as passed by the Senate, as
2 follows:

3 1. Page 10, by inserting after line 14 the
4 following:

5 "Division _____ -- Family Investment Program --
6 Immunization

7 Sec. ____ . NEW SECTION. 239.10 IMMUNIZATION.

8 1. To the extent feasible, the department shall
9 determine the immunization status of children
10 receiving assistance under this chapter. The status
11 shall be determined in accordance with the
12 immunization recommendations adopted by the Iowa
13 department of public health under section 139.9,
14 including the exemption provisions in section 139.9,
15 subsection 4. If the department determines a child is
16 not in compliance with the immunization
17 recommendations, the department shall refer the
18 child's parent or guardian to a local public health
19 agency for immunization services for the child and
20 other members of the child's family.

21 2. The department of human services shall
22 cooperate with the Iowa department of public health to
23 establish an interagency agreement allowing the
24 sharing of pertinent client data, as permitted under
25 federal law and regulation, for the purposes of
26 determining immunization rates of recipients of
27 assistance, evaluating family investment program
28 efforts to encourage immunizations, and developing
29 strategies to further encourage immunization of
30 recipients of assistance."

31 2. By renumbering as necessary.

By BODDICKER of Cedar

H-5837 FILED APRIL 2, 1996

Adopted 4/3/96 (p. 1334)

HOUSE AMENDMENT TO
SENATE FILE 2324

S-5650

1 Amend Senate File 2324, as passed by the Senate, as
2 follows:

3 1. Page 10, by inserting after line 14 the
4 following:

5 "Division ___ -- Family Investment Program --
6 Immunization

7 Sec. ____ . NEW SECTION. 239.10 IMMUNIZATION.

8 1. To the extent feasible, the department shall
9 determine the immunization status of children
10 receiving assistance under this chapter. The status
11 shall be determined in accordance with the
12 immunization recommendations adopted by the Iowa
13 department of public health under section 139.9,
14 including the exemption provisions in section 139.9,
15 subsection 4. If the department determines a child is
16 not in compliance with the immunization
17 recommendations, the department shall refer the
18 child's parent or guardian to a local public health
19 agency for immunization services for the child and
20 other members of the child's family.

21 2. The department of human services shall
22 cooperate with the Iowa department of public health to
23 establish an interagency agreement allowing the
24 sharing of pertinent client data, as permitted under
25 federal law and regulation, for the purposes of
26 determining immunization rates of recipients of
27 assistance, evaluating family investment program
28 efforts to encourage immunizations, and developing
29 strategies to further encourage immunization of
30 recipients of assistance."

31 2. Page 10, by inserting after line 14 the
32 following:

33 "DIVISION V -- Child Support

34 Sec. ____ . Section 598.21, subsection 4, paragraph
35 e, subparagraph (2), unnumbered paragraph 2, Code
36 Supplement 1995, is amended to read as follows:

37 Failure to provide proof of compliance under this
38 subparagraph or proof of compliance under section
39 598.21A is grounds for modification of the support
40 order using the uniform child support guidelines and
41 imputing an income to the parent equal to a forty-hour
42 work week at the state minimum wage, unless the
43 parent's education, experience, or actual earnings
44 justify a higher income.

45 Sec. ____ . NEW SECTION. 598.21A MINOR PARENT --
46 PARENTING CLASSES.

47 In any order or judgment entered under chapter 234,
48 252A, 252C, 252F, 598, or 600B or under any other
49 chapter which provides for temporary or permanent
50 support payments, if the parent ordered to pay support

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1 is less than eighteen years of age, one of the
2 following shall apply:

3 1. If the child support recovery unit is providing
4 services pursuant to chapter 252B, the court, or the
5 administrator as defined in section 252C.1, shall
6 order the parent ordered to pay support to attend
7 parenting classes which are approved by the department
8 of human services.

9 2. If the child support recovery unit is not
10 providing services pursuant to chapter 252B, the court
11 may order the parent ordered to pay support to attend
12 parenting classes which are approved by the court."

13 Sec. ____ . EFFECTIVE DATE. This division of this
14 Act takes effect July 1, 1997."

15 3. Title page, line 4, by striking the word
16 "and".

17 4. Title page, line 5, by inserting after the
18 word "program," the following: "and child support
19 obligations of minors,".

20 5. By renumbering, relettering, or redesignating
21 and correcting internal references as necessary.

RECEIVED FROM THE HOUSE

S-5650 FILED APRIL 3, 1996

CONCURRED (p. 1232)

Szymoniak
Hammond
Boettger

SSB 2169
Human Resources

Succeeded By
SENATE/HOUSE FILE SDHF 2324
BY (PROPOSED DEPARTMENT OF
HUMAN SERVICES BILL)

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to public assistance and certain associated state
2 tax provisions involving the family investment program, family
3 development and self-sufficiency council, individual
4 development accounts, and fraudulent practices involving the
5 food stamp program, making penalties applicable, and providing
6 applicability provisions and effective dates.

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

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S.F. _____ H.F. _____

1 Division I - Family Investment Program Waiver Request
2 Section 1. WAIVER REQUEST. The department of human
3 services shall submit a waiver request to the United States
4 department of health and human services as necessary to
5 implement the policy change proposed by this section in the
6 family investment program under chapter 239 and the job
7 opportunities and basic skills (JOBS) program under chapter
8 249C. The waiver request shall be for the purpose of
9 simplifying administration of the programs. The policy change
10 applies to the family investment agreement of a family
11 investment program participant. Under the policy to be
12 changed on the effective date of this Act, a family investment
13 agreement ends at the point cash assistance under the program
14 is not provided to the participant and a new agreement is
15 required if the participant reapplies for cash assistance.
16 Under the policy change adopted pursuant to this Act, if the
17 period without cash assistance is one month or less and the
18 participant has not become exempt from JOBS program
19 participation at the time the participant reapplies for cash
20 assistance, the participant's family investment agreement
21 would be reinstated at the time the participant reapplies.
22 The reinstated agreement may be revised to accommodate
23 circumstances at the time of reapplication. For the purposes
24 of this section, "participant" means a participant in the
25 family investment program under chapter 239 and includes an
26 individual whose income is considered in making eligibility
27 and benefit determinations by the department of human services
28 under the family investment program.

29 Sec. 2. CONTINGENCY PROVISION. The waiver request
30 submitted by the department of human services pursuant to
31 section 1 of this Act to the United States department of
32 health and human services shall be to apply the provisions of
33 section 1 statewide. If federal waiver approval of a
34 provision of section 1 of this Act is granted, the department
35 of human services shall implement the provision in accordance

1 with the federal approval. If implementing a provision of
2 section 1 of this Act is in conflict with a provision of
3 chapter 239 or 249C, notwithstanding that provision in chapter
4 239 or 249C, the provision of section 1 shall be implemented.
5 The department shall propose an amendment for the 1997
6 legislative session in accordance with the provisions of
7 section 2.16 to chapter 239 or 249C to resolve the conflict
8 and, as necessary to place the provisions of this division of
9 this Act before the public in a codified statute.

10 Sec. 3. EMERGENCY RULES. The department of human services
11 may adopt emergency rules under section 17A.4, subsection 2,
12 and section 17A.5, subsection 2, paragraph "b", to implement
13 the provisions of this division of this Act and the rules
14 shall be effective immediately upon filing unless a later date
15 is specified in the rules. If necessary to conform with
16 federal waiver terms or to efficiently administer the
17 provisions, the rules may apply additional policies and
18 procedures which are consistent with the provisions of section
19 1 of this Act. Any rules adopted in accordance with this
20 section shall also be published as a notice of intended action
21 as provided in section 17A.4.

22 Sec. 4. APPLICABILITY. The effective date of the waiver
23 provisions in section 1 of this Act granted by the federal
24 government shall be July 1, 1996, unless federal approval is
25 granted after that date, in which case the effective date
26 shall be the beginning of either the first or second month
27 following the month in which the federal approval is granted,
28 as specified in administrative rules adopted by the
29 department. If federal law is amended to permit the state to
30 initiate any of the provisions in section 1 of this Act
31 without a federal waiver before July 1, 1996, the department
32 of human services shall proceed to implement the provisions on
33 July 1, 1996.

34 Sec. 5. EFFECTIVE DATE. This division of this Act, being
35 deemed of immediate importance, takes effect upon enactment.

1 Division II - Family Development and Self-Sufficiency Council
2 Sec. 6. Section 217.11, Code 1995, is amended by adding
3 the following new subsection:

4 NEW SUBSECTION. 10. Two persons representing the business
5 community, selected by the other members of the council.

6 Division III - Individual Development Accounts
7 Sec. 7. Section 422.7, subsection 28, Code Supplement
8 1995, is amended to read as follows:

9 28. If the taxpayer is owner of an individual development
10 account certified under chapter 541A at any time during the
11 tax year, deductions of all of the following adjustments shall
12 be made allowed:

13 ~~a--Subtract, to the extent included, all of the following:~~

14 ~~{1} a. Contributions made to the account by persons and~~
15 ~~entities, other than the taxpayer, as authorized in chapter~~
16 ~~541A.~~

17 ~~{2} b. The amount of any savings refund authorized under~~
18 ~~section 541A.3, subsection 1.~~

19 ~~{3} c. Earnings from the account to the extent not~~
20 ~~withdrawn.~~

21 ~~b--Add, to the extent not included, all of the following:~~

22 ~~{1}--Earnings from the account which are withdrawn.~~

23 ~~{2}--Amounts withdrawn which are not authorized by section~~
24 ~~541A.2, subsection 4, paragraphs "a" and "b" and which are~~
25 ~~attributable to contributions by persons and entities, other~~
26 ~~than the taxpayer, as provided in section 541A.2, subsection~~
27 ~~4.~~

28 ~~{3}--If the account is closed, amounts received by the~~
29 ~~taxpayer which have not previously been taxed under this~~
30 ~~division, except amounts that are redeposited in another~~
31 ~~individual development account, or the state human investment~~
32 ~~reserve pool as provided in section 541A.2, subsection 5, and~~
33 ~~including the total amount of any savings refund authorized~~
34 ~~under section 541A.3.~~

35 Sec. 8. Section 450.4, subsection 6, Code 1995, is amended

1 to read as follows:

2 6. On property in an individual development account in the
3 name of the decedent that passes to another individual
4 development account, ~~up to ten thousand dollars,~~ or the state
5 human investment reserve pool created in section 541A.4. For
6 purposes of this subsection, "individual development account"
7 means an account that has been certified as an individual
8 development account pursuant to chapter 541A.

9 Sec. 9. Section 541A.2, subsection 2, paragraph d, Code
10 1995, is amended to read as follows:

11 d. A deposit made on behalf of the account holder by an
12 individual or a charitable contributor. This type of deposit
13 may include but is not limited to moneys to match the account
14 holder's deposits. ~~A deposit made under this paragraph shall
15 be held in trust for the account holder and shall only be used
16 to earn income in the account or to be withdrawn by the
17 account holder for a purpose provided in subsection 4.~~

18 Sec. 10. Section 541A.2, subsections 4, 5, 6, 7, and 8,
19 Code 1995, are amended to read as follows:

20 4. During a calendar year, an account holder may withdraw
21 ~~without penalty~~ from the account holder's account the sum of
22 the following:

23 a. With the approval of the operating organization,
24 amounts withdrawn for any of the following approved purposes:

- 25 (1) Educational costs at an accredited institution of
26 higher education.
27 (2) Training costs for an accredited or licensed training
28 program.
29 (3) Purchase of a primary residence.
30 (4) Capitalization of a small business start-up.
31 (5) An improvement to a primary residence which increases
32 the tax basis of the property.

33 (6) Emergency medical costs for the account holder or for a
34 member of the account holder's family. However, a withdrawal
35 for this purpose is limited to once during the life of the

1 account and the amount of the withdrawal shall not exceed ten
2 percent of the account balance at the time of the withdrawal.
3 ~~Amounts withdrawn for purposes of this paragraph shall be~~
4 ~~charged to the source of principal on a prorated basis.~~
5 ~~Moneys transferred from another individual development account~~
6 ~~shall be considered to be a deposit made by the account holder~~
7 ~~for purposes of charges to the source of principal.~~

8 b. ~~At the adult account holder's discretion any income~~
9 ~~earned by the account. An account holder who is ten or more~~
10 ~~but less than eighteen years of age may withdraw any income~~
11 ~~earned by the account with the approval of the account~~
12 ~~holder's parent or guardian and of the operating organization.~~
13 ~~If the account holder is less than ten years of age, any~~
14 ~~income earned by the account may be withdrawn by the account~~
15 ~~holder's parent or guardian with the approval of the operating~~
16 ~~organization.~~

17 e. b. At the account holder's discretion, if the account
18 holder is at least fifty-nine and one-half years of age, any
19 amount.

20 5. If an An account holder is less than eighteen years of
21 age, moneys shall not be withdrawn withdraw moneys from the
22 holder's account unless the withdrawal is authorized under
23 subsection 4. If an account holder is eighteen or more years
24 of age, any amount of the adjusted account holder deposits
25 withdrawn during a calendar year which is not authorized under
26 subsection 4 is subject to a penalty of fifteen percent. In
27 addition, if at any time the cumulative amount withdrawn by
28 the account holder over the life of the account that is not
29 authorized under subsection 4 exceeds fifty percent of the
30 amount of the adjusted account holder deposits, the
31 contributions made by a charitable or individual contributor
32 held in trust in the account holder's account shall be removed
33 from the account and redeposited in another individual
34 development account or the reserve pool as directed by the
35 contributor and deposits made by the state of a savings refund

1 authorized under section 541A.37, subsection 1, shall be
2 withdrawn and deposited in the reserve pool. The amount of
3 the adjusted account holder deposits is the amount remaining
4 after subtracting from the cumulative moneys deposited by the
5 account holder all amounts withdrawn pursuant to subsection 4,
6 paragraph "a". At the time a charitable or individual
7 contributor contributes moneys to an account the contributor
8 shall indicate the contributor's directions for disposition of
9 moneys which are removed. If the designated choice of the
10 contributor does not exist the contributed moneys shall be
11 withdrawn and deposited in the reserve pool.

12 6. Penalty amounts collected pursuant to subsection 5
13 shall be deposited in the reserve pool.

14 7. 6. An adult account holder may transfer all or part of
15 the assets the adult account holder has deposited in the
16 account to any other account holder's account. However, an An
17 account holder who is less than eighteen years of age is
18 prohibited from transferring account assets to any other
19 account holder. Moneys contributed by a charitable or
20 individual contributor are not subject to transfer except as
21 authorized by the contributor. Amounts transferred in
22 accordance with this subsection are not subject to a penalty.

23 7. An individual development account closed in accordance
24 with this subsection is not subject to the limitations and
25 benefits provided by this chapter but is subject to state tax
26 in accordance with the provisions of section 422.7, subsection
27 28, and section 450.4, subsection 6. An individual
28 development account may be closed for any of the following
29 reasons:

30 a. The account's operating organization determines that
31 the account holder has withdrawn moneys from the account for a
32 purpose other than authorized under subsection 4.

33 b. The account's operating organization determines there
34 has been no activity in the account during the preceding
35 twelve months.

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1 c. The account holder changes the account holder's place
2 of primary residence to a new location outside the general
3 geographic area served by the operating organization and an
4 operating organization is not available in the new location.

5 d. The account's operating organization withdraws from
6 involvement with the individual development account project
7 and another operating organization is not available to operate
8 the account.

9 ~~8. If-approved-by-the~~ Subject to obtaining any necessary
10 federal government waivers, the department of human services
11 shall not consider moneys in an individual development account
12 and any earnings on the moneys shall-not-be-considered-by-the
13 department-of-human-services-for in determining the
14 eligibility or need of an individual for benefits or
15 assistance or the amount of benefits or assistance under the
16 family investment program under chapter 239, or the JOBS
17 program under chapter 249C, or any other program administered
18 by the department of human services.

19 Sec. 11. Section 541A.3, subsections 1 and 2, Code 1995,
20 are amended to read as follows:

21 1. Payment by the state of a savings refund on amounts of
22 up to two thousand dollars per calendar year that an account
23 holder deposits in the account holder's account. Moneys
24 transferred to an individual development account from another
25 account shall not be considered an account holder deposit for
26 purposes of determining a savings refund. Payment shall be
27 made directly to the account in the most appropriate manner as
28 determined by the administrator. The state savings refund
29 shall be the indicated percentage of the amount deposited:

30 a. For an account holder with a household income, as
31 defined in section 425.17, subsection 6, which is ~~less-than~~
32 one hundred fifty percent or less of the federal poverty
33 level, twenty twenty-five percent.

34 b. For an account holder with a household income which is
35 more than one hundred fifty percent or-more but less than one

1 hundred sixty seventy-five percent of the federal poverty
2 level, eighteen twenty percent.

3 c. For an account holder with a household income which is
4 one hundred sixty seventy-five percent or more but less not
5 more than one two hundred seventy percent of the federal
6 poverty level, sixteen fifteen percent.

7 ~~d.--For an account holder with a household income which is~~
8 ~~one hundred seventy percent or more but less than one hundred~~
9 ~~eighty percent of the federal poverty level, fourteen percent.~~

10 ~~e.--For an account holder with a household income which is~~
11 ~~one hundred eighty percent or more but less than one hundred~~
12 ~~ninety percent of the federal poverty level, twelve percent.~~

13 ~~f.--For an account holder with a household income which is~~
14 ~~one hundred ninety percent or more but less than two hundred~~
15 ~~percent of the federal poverty level, ten percent.~~

16 ~~g.~~ d. For an account holder with a household income which
17 is more than two hundred percent or more of the federal
18 poverty level, zero percent.

19 2. Income earned by an individual development account is
20 not subject to state tax until withdrawn, in accordance with
21 the provisions of section 422.7, subsection 28.

22 Sec. 12. Section 541A.4, subsection 1, Code 1995, is
23 amended to read as follows:

24 1. For During the five-year pilot-phase period beginning
25 January 1, 1995, the total number of individual development
26 accounts shall be limited to ten thousand accounts, with not
27 more than five thousand new accounts opened in the first any
28 one calendar year of the period, and to individuals with a
29 household income which does not exceed two hundred percent of
30 the federal poverty level. ~~The administrator shall ensure~~
31 ~~that the family income status of account holders at the time~~
32 ~~an account is opened proportionately reflects the distribution~~
33 ~~of the household income status of the state's population up to~~
34 ~~two hundred percent of the federal poverty level.~~

35 Sec. 13. Section 541A.4, subsection 2, paragraph g,

1 subparagraph (3), Code 1995, is amended by striking the
2 subparagraph.

3 Sec. 14. Section 541A.5, Code 1995, is amended to read as
4 follows:

5 541A.5 RULES.

6 The administrator, in consultation with the department of
7 revenue and finance, ~~may~~ shall adopt administrative rules to
8 ~~implement-the-provisions-of~~ administer this chapter. The
9 rules adopted by the administrator shall include but are not
10 limited to provision for transfer of an individual development
11 account to a different financial institution than originally
12 approved by the administrator, if the different financial
13 institution has an agreement with the account's operating
14 organization.

15 Division IV - Food Stamp Program

16 Sec. 15. Section 234.13, Code 1995, is amended to read as
17 follows:

18 234.13 FRAUDULENT PRACTICES RELATING TO FOOD PROGRAMS.

19 For the purposes of this section, unless the context
20 otherwise requires, "benefit transfer instrument" means a food
21 stamp coupon, authorization-to-purchase card, or electronic
22 benefits transfer card. A person ~~is-guilty-of~~ commits a
23 fraudulent practice if that person does any of the following:

24 1. With intent to gain financial assistance to which that
25 person is not entitled, knowingly makes or causes to be made a
26 false statement or representation or knowingly fails to report
27 to an employee of the department of human services any change
28 in income, resources or other circumstances affecting that
29 person's entitlement to such financial assistance; ~~or.~~

30 2. As a beneficiary of the food programs, transfers any
31 ~~food stamp coupons-or-an-authorization-to-purchase-card~~
32 benefit transfer instrument to any other individual with
33 intent that ~~such-coupons-or-card~~ the benefit transfer
34 instrument be used for the benefit of someone other than
35 persons within the beneficiary's food stamp household as

1 certified by the department of human services, or.

2 3. Knowingly acquires, uses or attempts to use any food
3 stamp coupon-or-authorization-to-purchase-card benefit
4 transfer instrument which was not issued for the benefit of
5 that person's food stamp household by the department of human
6 services, or by an agency administering food programs in
7 another state.

8 4. Acquires, alters, transfers, or redeems a food stamp
9 coupons benefit transfer instrument or possesses coupons a
10 benefit transfer instrument, knowing that the coupons-have
11 benefit transfer instrument has been received, transferred, or
12 used in violation of this section or the provisions of the
13 federal food stamp program under 7 U.S.C. ch. 51 or the
14 federal regulations issued pursuant to that chapter.

15 EXPLANATION

16 This bill relates to public assistance and certain
17 associated state tax provisions involving the family
18 investment program, family development and self-sufficiency
19 council, individual development accounts, and a fraudulent
20 practices involving the food stamp program, and provides
21 various applicability provisions and effective dates.

22 Division I directs the department of human services to
23 submit a waiver request to the federal government to implement
24 a policy change in the family investment program (FIP) and the
25 job opportunities and basic skills (JOBS) program. Under the
26 current federal waiver, most FIP recipients and JOBS program
27 participants must enter into a family investment agreement and
28 the family investment agreement ends at the point cash
29 assistance is no longer provided under FIP. The waiver would
30 be to reinstate a participant's family investment agreement
31 following a time period when the participant does not receive
32 cash assistance. The waiver provisions would only apply if
33 the lapse in cash assistance benefits is one month or less and
34 the participant does not become exempt from JOBS program
35 participation at the time of reapplying for cash assistance.

1 Division I directs the department to apply the waiver
2 provisions statewide, provides the waiver provisions supersede
3 Code chapters associated with the two programs, and directs
4 the department to propose Code amendments for the 1997
5 legislative session to place the waiver provisions in a
6 codified statute. The department is authorized to adopt rules
7 using emergency provisions. The effective date of
8 implementing the waiver is July 1, 1996, unless federal
9 approval is after July 1, 1996, in which case the effective
10 date is at the beginning of either the first or second month
11 following the month in which the federal approval is granted,
12 as specified by the department in rule. If federal law is
13 changed to authorize implementation of the policy change
14 without a waiver, the change is to take effect July 1, 1996.
15 Division I takes effect upon enactment.

16 Division II amends section 217.11 to provide for two
17 additional members of the family development and self-
18 sufficiency council to represent the business community. The
19 additional members would be selected by the other members of
20 the council. The council reviews research concerning long-
21 term dependency upon public assistance and foster care and
22 awards grants for family development services to families at
23 risk of such dependency.

24 Division III amends various tax and program provisions
25 associated with the individual development account (IDA)
26 project.

27 Section 422.7 is amended to revise state income tax
28 deductions and additions to taxable income associated with the
29 accounts. A restriction in current law which does not permit
30 a deduction of earnings withdrawn from an account is stricken.
31 Provisions providing for additions to taxable income to
32 reflect withdrawals from the account are stricken.

33 Section 450.4, providing for exemptions from state
34 inheritance tax, is amended to remove a \$10,000 restriction on
35 the amount of an IDA passing to another IDA which is exempt

1 from inheritance tax.

2 The bill includes the following amendments to section
3 541A.2: strikes a requirement for an IDA to be held as a
4 trust account; strikes monetary penalties for unauthorized
5 withdrawals from an IDA; adds authorized withdrawals for
6 improvements to a primary residence or for certain emergency
7 medical costs; strikes provisions requiring withdrawals from
8 an IDA to be charged proportionally to the source of
9 principal; strikes provisions authorizing limited withdrawals
10 by minor account holders subject to certain permissions; in
11 subsections 4 and 5 strikes provisions permitting adult
12 account holders who are less than 59.5 years of age to make
13 unauthorized withdrawals, subject to monetary penalties;
14 strikes a prohibition against transfer of moneys deposited in
15 an IDA by an individual or charitable contributor; provides
16 for closing of an IDA under certain circumstances; and expands
17 the provision directing the department to not consider moneys
18 in an IDA for public assistance program eligibility to also
19 apply to benefit amounts and any program administered by the
20 department.

21 Section 541A.3, providing for a state savings refund on
22 amounts deposited by an account holder in an IDA, is amended
23 to reduce the number of graduations in the income levels used
24 to determine the amount of the refund. The upper range of
25 income eligible for a state savings refund remains unchanged
26 at a household income of 200 percent of the federal poverty
27 level. In addition, provision for making the earnings of an
28 IDA subject to state tax when withdrawn is stricken.

29 Section 541A.4 is amended to remove a requirement that the
30 10,000 authorized accounts be distributed in a manner to
31 reflect the distribution of the state's general population
32 with an income up to 200 percent of the federal poverty level
33 and to revise an initial restriction on the number of accounts
34 to apply to any one calendar year.

35 Section 541A.5 is amended to make adoption of

1 administrative rules mandatory by the project's administrator,
2 the department of human services, rather than optional. In
3 addition, the department is required to adopt rules providing
4 for transfer of individual development accounts to a different
5 financial institution than initially approved by the
6 department.

7 Division IV amends section 234.13, relating to fraudulent
8 practices under department of human services administered food
9 programs. The amendments expand the fraudulent practices to
10 include those committed involving an electronic benefit card
11 or other food stamp benefit transfer instrument.

12 BACKGROUND STATEMENT

13 SUBMITTED BY THE AGENCY

14 Division I -- The purpose of this division is to hold
15 family investment program (FIP) participants responsible for
16 the terms of a family investment agreement (FIA) even when
17 they have experienced a break in cash assistance, so long as
18 the break is no more than one month and the participant has
19 not become exempt from promoting independence, self-
20 sufficiency, and employment-job opportunity and basic skills
21 (PROMISE-JOBS) program participation.

22 Under current policy, the PROMISE-JOBS worker and the
23 participant must complete a new FIA whenever the client
24 reapplies and is reapproved for cash assistance after a break
25 in the receipt of assistance. This is true even when the
26 break in assistance is less than one month and even when the
27 terms of the FIA are still appropriate for the family.

28 The PROMISE-JOBS provider agencies have asked the
29 department to consider a change in policy. This proposal is
30 to the advantage of both FIP participants and PROMISE-JOBS
31 offices because it simplifies administration.

32 Division II -- Amend the family development and self-
33 sufficiency council make-up by including two members from the
34 private business sector to the composition of the council.

35 The council on human services has suggested this change

1 stemming from "the belief that state government cannot meet
2 all needs and that communities must be an active partner in
3 achieving desired outcomes". Some of the grantees have
4 already established relationships with the business community
5 and it is believed that this type of partnership would benefit
6 the entire program. Additionally, businesses provide the jobs
7 which enable welfare recipients to become self-sufficient.

8 There is no expected cost associated with this proposal.
9 Amending the Code to include council members from the business
10 community will have little or no impact to the existing
11 operation of the council.

12 Division III -- The purpose of the amendments to the
13 individual development account (IDA) project is to simplify
14 the accounting, recordkeeping, and administrative requirements
15 of the project.

16 Section 422.7 is amended to eliminate state income tax
17 deferral on income earned on principal in the IDA and to
18 substitute with a state income tax deduction on income earned
19 and deposits to the account by charitable and state sources.
20 (Due to the account holders' income bracket, this change will
21 have a zero-to-negligible impact on the state's tax receipts.)

22 Section 541A.2, subsection 2, is amended to eliminate any
23 trust requirements, including holding individual and
24 charitable contributions in trust, but amends section 541A.2,
25 subsections 4 and 5 to require that withdrawal of all funds
26 (principal and income) shall only be for approved purposes set
27 forth in the statute which are approved by the operating
28 organization. (Currently, all individual and charitable
29 contributions must be held in trust, and this enormously
30 complicates administration of the project and has been cited
31 as a reason not to be involved in the project. The proposed
32 revision eliminates unapproved withdrawals.)

33 Section 541A.2, subsection 4, is amended to add as an
34 approved purpose for withdrawal of IDA principal funds, the
35 designation of "home improvements" and "up to 10 percent

1 withdrawal for family medical emergencies".

2 Section 541A.2 is amended by adding a new subsection on
3 closure of an IDA for certain reasons.

4 Section 541A.2, subsection 4, is amended to delete a
5 requirement that withdrawals from an IDA be charged to the
6 source of principal on a prorated basis. (Banks and operating
7 organizations say this is a nightmare -- currently this type
8 of complex accounting is only done by banks in their trust
9 departments; it is labor-intensive and very costly. It is
10 cited as a reason by organizations not to be involved in this
11 project.)

12 Section 541A.3 is amended to eliminate the seven enumerated
13 state saving refund levels in favor of three at a 5 percent
14 higher level:

15 Twenty-five percent refund -- household income at or below
16 150 percent of the federal poverty level.

17 Twenty percent refund -- household income over 150 percent
18 but below 175 percent of the federal poverty level.

19 Fifteen percent refund -- household income from 175 percent
20 up to and including 200 percent of the federal poverty level.

21 This change will have a negligible budgetary impact
22 compared to the current refund levels.

23 Section 541A.4 is amended to eliminate the requirement that
24 the department of human services shall ensure that the family
25 income status of account holders at the time an account is
26 opened proportionately reflects the distribution of the
27 household income status of the state's population up to 200
28 percent of the federal poverty level. (On top of the other
29 administrative requirements, this will be almost impossible to
30 implement under the project as it has been enacted. This is a
31 hold-over requirement from an earlier version of the bill when
32 eligibility was open to all Iowans. Current law narrows
33 eligibility to household income under 200 percent of poverty.)

34 The accounting processes, quasi-trust requirements,
35 recordkeeping, and administrative complexity of the current

1 IDA statute make the IDA project unworkable. The suggested
2 amendments simplify the project by eliminating cumbersome
3 administrative and project barriers which are threatening the
4 viability of the project and make the pilots feasible for
5 organizations to implement and for the state to monitor and
6 facilitate.

7 Since the issuance of the IDA request for proposals (RFP)
8 and the selection of the four IDA operating organizations for
9 the first year of the IDA project, the department has received
10 strong comments of concern and criticism from community
11 organizations and banks about the complexity of account
12 management, recordkeeping, and accounting which they believe
13 will hinder operation of the pilots. They assert, and the
14 department agrees, that a disproportionate amount of time and
15 resources would be spent attempting to comply with these
16 requirements at the expense of working more productively to
17 expand the program through recruiting IDA account holders and
18 raising matching funds, which would happen if the law were
19 simplified.

20 The department distributed approximately 1,800 copies of
21 the RFP in May and June 1995. The department received letters
22 of intent from only 11 organizations, and only four submitted
23 proposals (all four were selected by DHS). According to
24 contacts made by the department, a major reason for the small
25 amount of interest and failure to submit proposals is the
26 complexity of the project and lack of compensation to
27 organizations to defray administrative expenses. In the last
28 few weeks, one of the four organizations has indicated it may
29 withdraw because of program complexity and lack of financial
30 resources. In the last few days, another organization has
31 notified DHS that it is considering a major "downsizing" of
32 its project due to the same reasons.

33 This year's input is consistent with input received last
34 year from similar organizations, financial institutions,
35 provider groups, and others during focus group meetings held

1 by the Iowa human investment policy/IDA work group prior to
2 the adoption of the IDA administrative rules.

3 Currently, no DHS funds have been budgeted for
4 administration or for grants or other payment for services to
5 selected operating organizations to operate local IDA pilots.
6 DHS field offices have virtually no IDA duties under the
7 current statute or under the proposed revision. The amendments
8 will have a major beneficial impact on the operation of the
9 project by simplifying the successful implementation of the
10 project and enabling the organizations to be more productive
11 in recruiting IDA account holders and focusing on fundraising
12 for matching contributions. The amendments will also make
13 state administration of the IDA project and facilitation of
14 operating organizations much more simple.

15 Division IV - Food Stamp Program. Iowa Code section
16 234.13, which addresses fraudulent practices relating to food
17 programs, required updating to include electronic benefit
18 transfer (EBT) as a food stamp issuance method.

19 Use of EBT is an effective and more secure benefit issuance
20 system but this system is not immune to fraudulent practices.
21 The statutory change is needed to insure that fraudulent
22 practices involving electronic benefit transfer cards and
23 benefits are defined to allow for prosecution of persons
24 engaged in such activities.

25 There is no expected cost associated with this proposal.
26 Changing statutory language to include a current benefit
27 issuance system should have little to no impact on existing
28 benefit issuance operations. This change includes improper
29 use of electronic benefit transfer technology in the
30 definition of fraudulent practices.

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SENATE FILE 2324

AN ACT

RELATING TO PUBLIC ASSISTANCE AND CERTAIN ASSOCIATED STATE TAX PROVISIONS INVOLVING THE FAMILY INVESTMENT PROGRAM, FAMILY DEVELOPMENT AND SELF-SUFFICIENCY COUNCIL, INDIVIDUAL DEVELOPMENT ACCOUNTS, FRAUDULENT PRACTICES INVOLVING THE FOOD STAMP PROGRAM, AND CHILD SUPPORT OBLIGATIONS OF MINORS, MAKING PENALTIES APPLICABLE, AND PROVIDING APPLICABILITY PROVISIONS AND EFFECTIVE DATES.

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

Division I -- Family Investment Program Waiver Request

Section 1. WAIVER REQUEST. The department of human services shall submit a waiver request to the United States department of health and human services as necessary to implement the policy change proposed by this section in the family investment program under chapter 239 and the job opportunities and basic skills (JOBS) program under chapter 249C. The waiver request shall be for the purpose of simplifying administration of the programs. The policy change applies to the family investment agreement of a family investment program participant. Under the policy to be changed on the effective date of this Act, a family investment agreement ends at the point cash assistance under the program is not provided to the participant and a new agreement is required if the participant reapplies for cash assistance. Under the policy change adopted pursuant to this Act, if the period without cash assistance is one month or less and the participant has not become exempt from JOBS program participation at the time the participant reapplies for cash assistance, the participant's family investment agreement would be reinstated at the time the participant reapplies. The reinstated agreement may be revised to accommodate

circumstances at the time of reapplication. For the purposes of this section, "participant" means a participant in the family investment program under chapter 239 and includes an individual whose income is considered in making eligibility and benefit determinations by the department of human services under the family investment program.

Sec. 2. CONTINGENCY PROVISION. The waiver request submitted by the department of human services pursuant to section 1 of this Act to the United States department of health and human services shall be to apply the provisions of section 1 statewide. If federal waiver approval of a provision of section 1 of this Act is granted, the department of human services shall implement the provision in accordance with the federal approval. If implementing a provision of section 1 of this Act is in conflict with a provision of chapter 239 or 249C, notwithstanding that provision in chapter 239 or 249C, the provision of section 1 shall be implemented. The department shall propose an amendment for the 1997 legislative session in accordance with the provisions of section 2.16 to chapter 239 or 249C to resolve the conflict and, as necessary to place the provisions of this division of this Act before the public in a codified statute.

Sec. 3. EMERGENCY RULES. The department of human services may adopt emergency rules under section 17A.4, subsection 2, and section 17A.5, subsection 2, paragraph "b", to implement the provisions of this division of this Act and the rules shall be effective immediately upon filing unless a later date is specified in the rules. If necessary to conform with federal waiver terms or to efficiently administer the provisions, the rules may apply additional policies and procedures which are consistent with the provisions of section 1 of this Act. Any rules adopted in accordance with this section shall also be published as a notice of intended action as provided in section 17A.4.

Sec. 4. APPLICABILITY. The effective date of the waiver provisions in section 1 of this Act granted by the federal government shall be July 1, 1996, unless federal approval is granted after that date, in which case the effective date shall be the beginning of either the first or second month following the month in which the federal approval is granted, as specified in administrative rules adopted by the department. If federal law is amended to permit the state to initiate any of the provisions in section 1 of this Act without a federal waiver before July 1, 1996, the department of human services shall proceed to implement the provisions on July 1, 1996.

Sec. 5. EFFECTIVE DATE. This division of this Act, being deemed of immediate importance, takes effect upon enactment. Division II -- Family Development and Self-Sufficiency Council

Sec. 6. Section 217.11, Code 1995, is amended by adding the following new subsection:

NEW SUBSECTION. 10. Two persons representing the business community, selected by the other members of the council.

Division III -- Individual Development Accounts

Sec. 7. Section 422.7, subsection 28, Code Supplement 1995, is amended to read as follows:

28. If the taxpayer is owner of an individual development account certified under chapter 541A at any time during the tax year, deductions of all of the following adjustments shall be made allowed:

~~a. -- Subtract, to the extent included, all of the following:~~

{1} a. Contributions made to the account by persons and entities, other than the taxpayer, as authorized in chapter 541A.

{2} b. The amount of any savings refund authorized under section 541A.3, subsection 1.

{3} c. Earnings from the account ~~to the extent not~~ withdrawn.

~~b. -- Add, to the extent not included, all of the following:~~

~~{1} -- Earnings from the account which are withdrawn;~~

~~{2} -- Amounts withdrawn which are not authorized by section 541A.2, subsection 4, paragraphs "a" and "b" and which are attributable to contributions by persons and entities, other than the taxpayer, as provided in section 541A.2, subsection 4;~~

~~{3} -- If the account is closed, amounts received by the taxpayer which have not previously been taxed under this division, except amounts that are redeposited in another individual development account, or the state human investment reserve pool as provided in section 541A.2, subsection 5, and including the total amount of any savings refund authorized under section 541A.3;~~

Sec. 8. Section 450.4, subsection 6, Code 1995, is amended to read as follows:

6. On property in an individual development account in the name of the decedent that passes to another individual development account, ~~up to ten thousand dollars,~~ or the state human investment reserve pool created in section 541A.4. For purposes of this subsection, "individual development account" means an account that has been certified as an individual development account pursuant to chapter 541A.

Sec. 9. Section 541A.2, subsection 2, paragraph d, Code 1995, is amended to read as follows:

d. A deposit made on behalf of the account holder by an individual or a charitable contributor. This type of deposit may include but is not limited to moneys to match the account holder's deposits. ~~A deposit made under this paragraph shall be held in trust for the account holder and shall only be used to earn income in the account or to be withdrawn by the account holder for a purpose provided in subsection 4.~~

Sec. 10. Section 541A.2, subsections 4, 5, 6, 7, and 8, Code 1995, are amended to read as follows:

4. During a calendar year, an account holder may withdraw without penalty from the account holder's account the sum of the following:

a. With the approval of the operating organization, amounts withdrawn for any of the following approved purposes:

- (1) Educational costs at an accredited institution of higher education.
- (2) Training costs for an accredited or licensed training program.
- (3) Purchase of a primary residence.
- (4) Capitalization of a small business start-up.
- (5) An improvement to a primary residence which increases the tax basis of the property.

(6) Emergency medical costs for the account holder or for a member of the account holder's family. However, a withdrawal for this purpose is limited to once during the life of the account and the amount of the withdrawal shall not exceed ten percent of the account balance at the time of the withdrawal. Amounts withdrawn for purposes of this paragraph shall be charged to the source of principal on a prorated basis. Moneys transferred from another individual development account shall be considered to be a deposit made by the account holder for purposes of charges to the source of principal.

b. At the adult account holder's discretion any income earned by the account. An account holder who is ten or more but less than eighteen years of age may withdraw any income earned by the account with the approval of the account holder's parent or guardian and of the operating organization. If the account holder is less than ten years of age, any income earned by the account may be withdrawn by the account holder's parent or guardian with the approval of the operating organization.

c. b. At the account holder's discretion, if the account holder is at least fifty-nine and one-half years of age, any amount.

5. If an An account holder is less than eighteen years of age, moneys shall not be withdrawn withdraw moneys from the

holder's account unless the withdrawal is authorized under subsection 4. If an account holder is eighteen or more years of age, any amount of the adjusted account holder deposits withdrawn during a calendar year which is not authorized under subsection 4, is subject to a penalty of fifteen percent. In addition, if at any time the cumulative amount withdrawn by the account holder over the life of the account that is not authorized under subsection 4 exceeds fifty percent of the amount of the adjusted account holder deposits, the contributions made by a charitable or individual contributor held in trust in the account holder's account shall be removed from the account and redeposited in another individual development account or the reserve pool as directed by the contributor and deposits made by the state of a savings refund authorized under section 541A.37, subsection 17, shall be withdrawn and deposited in the reserve pool. The amount of the adjusted account holder deposits is the amount remaining after subtracting from the cumulative moneys deposited by the account holder all amounts withdrawn pursuant to subsection 4, paragraph "a". At the time a charitable or individual contributor contributes moneys to an account the contributor shall indicate the contributor's directions for disposition of moneys which are removed. If the designated choice of the contributor does not exist the contributed moneys shall be withdrawn and deposited in the reserve pool.

6. Penalty amounts collected pursuant to subsection 5 shall be deposited in the reserve pool.

7. 6. An adult account holder may transfer all or part of the assets the adult account holder has deposited in the account to any other account holder's account. However, an An account holder who is less than eighteen years of age is prohibited from transferring account assets to any other account holder. Moneys contributed by a charitable or individual contributor are not subject to transfer except as authorized by the contributor. Amounts transferred in accordance with this subsection are not subject to a penalty.

7. An individual development account closed in accordance with this subsection is not subject to the limitations and benefits provided by this chapter but is subject to state tax in accordance with the provisions of section 422.7, subsection 28, and section 450.4, subsection 6. An individual development account may be closed for any of the following reasons:

a. The account's operating organization determines that the account holder has withdrawn moneys from the account for a purpose other than authorized under subsection 4.

b. The account's operating organization determines there has been no activity in the account during the preceding twelve months.

c. The account holder changes the account holder's place of primary residence to a new location outside the general geographic area served by the operating organization and an operating organization is not available in the new location.

d. The account's operating organization withdraws from involvement with the individual development account project and another operating organization is not available to operate the account.

8. If approved by the Subject to obtaining any necessary federal government waivers, the department of human services shall not consider moneys in an individual development account and any earnings on the moneys shall not be considered by the department of human services for in determining the eligibility or need of an individual for benefits or assistance or the amount of benefits or assistance under the family investment program under chapter 239, or the JOBS program under chapter 249C, or any other program administered by the department of human services.

Sec. 11. Section 541A.3, subsections 1 and 2, Code 1995, are amended to read as follows:

1. Payment by the state of a savings refund on amounts of up to two thousand dollars per calendar year that an account

holder deposits in the account holder's account. Moneys transferred to an individual development account from another account shall not be considered an account holder deposit for purposes of determining a savings refund. Payment shall be made directly to the account in the most appropriate manner as determined by the administrator. The state savings refund shall be the indicated percentage of the amount deposited:

a. For an account holder with a household income, as defined in section 425.17, subsection 6, which is ~~less than~~ one hundred fifty percent or less of the federal poverty level, ~~twenty~~ twenty-five percent.

b. For an account holder with a household income which is ~~more than~~ one hundred fifty percent or more but less than one hundred ~~sixty~~ seventy-five percent of the federal poverty level, ~~eighteen~~ twenty percent.

c. For an account holder with a household income which is one hundred ~~sixty~~ seventy-five percent or more but ~~less not~~ more than one two hundred ~~seventy~~ percent of the federal poverty level, ~~sixteen~~ fifteen percent.

~~d. For an account holder with a household income which is one hundred seventy percent or more but less than one hundred eighty percent of the federal poverty level, fourteen percent.~~

~~e. For an account holder with a household income which is one hundred eighty percent or more but less than one hundred ninety percent of the federal poverty level, twelve percent.~~

~~f. For an account holder with a household income which is one hundred ninety percent or more but less than two hundred percent of the federal poverty level, ten percent.~~

~~g. d.~~ For an account holder with a household income which is more than two hundred percent ~~or more~~ of the federal poverty level, zero percent.

2. Income earned by an individual development account is not subject to state tax until withdrawn, in accordance with the provisions of section 422.7, subsection 28.

Sec. 12. Section 541A.4, subsection 1, Code 1995, is amended to read as follows:

1. For During the five-year ~~pilot-phase~~ period beginning January 1, 1995, the total number of individual development accounts shall be limited to ten thousand accounts, with not more than five thousand new accounts opened in the ~~first any one~~ calendar year of the period, and to individuals with a household income which does not exceed two hundred percent of the federal poverty level. ~~The administrator shall ensure that the family income status of account holders at the time an account is opened proportionately reflects the distribution of the household income status of the state's population up to two hundred percent of the federal poverty level.~~

Sec. 13. Section 541A.4, subsection 2, paragraph g, subparagraph (3), Code 1995, is amended by striking the subparagraph.

Sec. 14. Section 541A.5, Code 1995, is amended to read as follows:

541A.5 RULES.

The administrator, in consultation with the department of revenue and finance, ~~may shall~~ adopt administrative rules to ~~implement the provisions of~~ administer this chapter. The rules adopted by the administrator shall include but are not limited to provision for transfer of an individual development account to a different financial institution than originally approved by the administrator, if the different financial institution has an agreement with the account's operating organization.

Division IV -- Food Stamp Program

Sec. 15. Section 234.13, Code 1995, is amended to read as follows:

234.13 FRAUDULENT PRACTICES RELATING TO FOOD PROGRAMS.

For the purposes of this section, unless the context otherwise requires, "benefit transfer instrument" means a food stamp coupon, authorization-to-purchase card, or electronic

benefits transfer card. A person ~~is guilty of~~ commits a fraudulent practice if that person does any of the following:

1. With intent to gain financial assistance to which that person is not entitled, knowingly makes or causes to be made a false statement or representation or knowingly fails to report to an employee of the department of human services any change in income, resources or other circumstances affecting that person's entitlement to such financial assistance; ~~or.~~

2. As a beneficiary of the food programs, transfers any food stamp coupons ~~or an authorization to purchase card~~ benefit transfer instrument to any other individual with intent that ~~such coupons or card~~ the benefit transfer instrument be used for the benefit of someone other than persons within the beneficiary's food stamp household as certified by the department of human services; ~~or.~~

3. Knowingly acquires, uses or attempts to use any food stamp ~~coupon or authorization to purchase card~~ benefit transfer instrument which was not issued for the benefit of that person's food stamp household by the department of human services, or by an agency administering food programs in another state.

4. Acquires, alters, transfers, or redeems a food stamp coupons benefit transfer instrument or possesses coupons a benefit transfer instrument, knowing that the coupons ~~have~~ benefit transfer instrument has been received, transferred, or used in violation of this section or the provisions of the federal food stamp program under 7 U.S.C. ch. 51 or the federal regulations issued pursuant to that chapter.

Division V -- Family Investment Program --

Immunization

Sec. 16. NEW SECTION. 239.10 IMMUNIZATION.

1. To the extent feasible, the department shall determine the immunization status of children receiving assistance under this chapter. The status shall be determined in accordance with the immunization recommendations adopted by the Iowa

department of public health under section 139.9, including the exemption provisions in section 139.9, subsection 4. If the department determines a child is not in compliance with the immunization recommendations, the department shall refer the child's parent or guardian to a local public health agency for immunization services for the child and other members of the child's family.

2. The department of human services shall cooperate with the Iowa department of public health to establish an interagency agreement allowing the sharing of pertinent client data, as permitted under federal law and regulation, for the purposes of determining immunization rates of recipients of assistance, evaluating family investment program efforts to encourage immunizations, and developing strategies to further encourage immunization of recipients of assistance.

Division VI -- Child Support

Sec. 17. Section 598.21, subsection 4, paragraph e, subparagraph (2), unnumbered paragraph 2, Code Supplement 1995, is amended to read as follows:

Failure to provide proof of compliance under this subparagraph or proof of compliance under section 598.21A is grounds for modification of the support order using the uniform child support guidelines and imputing an income to the parent equal to a forty-hour work week at the state minimum wage, unless the parent's education, experience, or actual earnings justify a higher income.

Sec. 18. NEW SECTION. 598.21A MINOR PARENT -- PARENTING CLASSES.

In any order or judgment entered under chapter 234, 252A, 252C, 252F, 598, or 600B or under any other chapter which provides for temporary or permanent support payments, if the parent ordered to pay support is less than eighteen years of age, one of the following shall apply:

1. If the child support recovery unit is providing services pursuant to chapter 252B, the court, or the

administrator as defined in section 252C.1, shall order the parent ordered to pay support to attend parenting classes which are approved by the department of human services.

2. If the child support recovery unit is not providing services pursuant to chapter 252B, the court may order the parent ordered to pay support to attend parenting classes which are approved by the court.

Sec. 19. EFFECTIVE DATE. This division of this Act takes effect July 1, 1997.

LEONARD L. BOSWELL
President of the Senate

RON J. CORBETT
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 2324, Seventy-sixth General Assembly.

JOHN F. DWYER
Secretary of the Senate

Approved *April 16*, 1996

TERRY E. BRANSTAD
Governor