

than an adjuster licensed in this state for the kinds of business for which the person is acting as an administrator, unless the person holds a current certificate of registration as an administrator issued by the commissioner of insurance. A certificate of registration as an administrator is renewable every three years. Failure to hold a certificate subjects the administrator to the sanctions set out in section 507B.7. The certificate shall be issued by the commissioner to an administrator unless the commissioner, after due notice and hearing, determines that the administrator is not competent, trustworthy, financially responsible, or of good personal and business reputation, or has had a previous application for an insurance license denied for cause within the preceding five years.

An application for registration shall be accompanied by a filing fee of one hundred dollars. After notice and hearing, the commissioner may impose any or all of the sanctions set out in section 507B.7, upon finding that either the administrator violated any of the requirements of section 515.134 and sections 515.161 through 515.176, or the administrator is not competent, trustworthy, financially responsible, or of good personal and business reputation.

Sec. 15. NEW SECTION. 515.177 WAIVING OF REQUIREMENTS.

The commissioner may waive the requirements of section 515.176 for any person or class of persons. The factors taken into account in granting a waiver shall include, but are not limited to whether:

1. The person acting as an administrator is primarily in a business other than that of administrator.
2. The financial strength and history of the organization indicates stability in its continuity of doing business.
3. The regular duties being performed as an administrator are such that the covered persons are not likely to be injured by a waiver of such requirements.

Approved May 26, 1989

CHAPTER 228

TAXATION OF RETIREMENT MONEYS

S.F. 539

AN ACT relating to the taxation of certain pensions, annuities, and retirement allowances received for purposes of the state individual income tax and providing a retroactive applicability date.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. Section 97A.12, Code 1989, is amended to read as follows:

97A.12 EXEMPTION FROM TAXATION AND EXECUTION.

The right of any person to a pension, annuity, or retirement allowance, to the return of contributions, the pension, annuity, or retirement allowance itself, any optional benefit or death benefit, any other right accrued or accruing to any person under the provisions of this chapter, and the moneys in the various funds created under this chapter, are hereby exempt from any tax of the state and shall not be subject to execution, garnishment, attachment, or any other process whatsoever, and shall be are unassignable except as in this chapter specifically provided.

Sec. 2. Section 97B.39, Code 1989, is amended to read as follows:

97B.39 RIGHTS NOT TRANSFERABLE — NOT TAXABLE.

The right of any person to any future payment under this chapter ~~shall~~ is not be transferable or assignable, at law or in equity, and ~~none of the moneys paid or payable or rights existing under this chapter shall be~~ are not subject to execution, levy, attachment, garnishment, or other legal process, or to the operation of any bankruptcy or insolvency law. ~~These moneys shall also be exempt from taxation, either as income or as personal property.~~

Sec. 3. Section 411.13, Code 1989, is amended to read as follows:

411.13 EXEMPTION FROM TAX AND EXECUTION.

The right of any person to a pension, annuity, or retirement allowance, to the return of contributions, the pension, annuity, or retirement allowance itself, any optional benefit or death benefit, any other right accrued or accruing to any person under the provisions of this chapter, and the moneys in the various funds created under this chapter, are ~~hereby exempt from any tax of the state and shall not be~~ are hereby exempt from subject to execution, garnishment, attachment, or any other process whatsoever, and ~~shall be~~ are unassignable except as in this chapter specifically provided.

Sec. 4. Section 422.5, subsection 6, Code 1989, is amended by striking the subsection.

Sec. 5. Section 422.5, subsection 7, Code 1989, is amended to read as follows:

7. Upon determination of the latest cumulative inflation factor, the director shall multiply each dollar amount set forth in subsection 1, paragraphs "a" and through "i" of this section, ~~and each dollar amount specified in this section as the maximum amount of annuities received which may be excluded in determining final taxable income,~~ by this cumulative inflation factor, shall round off the resulting product to the nearest one dollar, and shall incorporate the result into the income tax forms and instructions for each tax year.

Sec. 6. Section 422.7, subsection 14, Code 1989, is amended by striking the subsection.

Sec. 7. Section 422.7, Code 1989, is amended by adding the following new subsection:

NEW SUBSECTION. 19. For a person who is disabled, is fifty-five years of age or older or is the surviving spouse of an individual or survivor having an insurable interest in an individual who would have qualified for the exemption under this paragraph for this tax year, subtract, to the extent included, the total amount of pension, annuity, or retirement allowances received under the peace officers' retirement system under chapter 97A, the Iowa public employees' retirement system under chapter 97B, the Iowa police officers and firefighters retirement system under chapter 411, the judicial retirement system under chapter 602, article 9, and any federal retirement and disability system, as a result of being an officer or employee of the federal government, up to a maximum each tax year of two thousand five hundred dollars for a person who files a separate state income tax return and five thousand dollars for a husband and wife who file a joint state income tax return. However, a surviving spouse who is not disabled or sixty-two* years of age or older can only exclude the amount of annuities received as a result of the death of the other spouse.

Sec. 8. Section 602.9109, Code 1989, is amended to read as follows:

602.9109 PAYMENT OF ANNUITIES — TAX EXEMPTION.

Annuities granted under the terms of this article ~~shall be~~ are due and payable in monthly installments on the last business day of each month following the month or other period for which the annuity ~~shall have~~ has accrued and shall continue during the life of the annuitant; and payment of all annuities, refunds, and allowances granted ~~hereunder~~ under this article shall be made by checks or warrants drawn and issued by the director of revenue and finance. Applications for annuities shall be in such form as the director of revenue and finance may prescribe.

~~Annuities granted under this article are exempt from taxation either as income or as personal property.~~

*Fifty-five probably intended

Sec. 9. The legislative council is requested to study, review, and report to the general assembly by January 15, 1990, on the state income taxation of pensions.

Sec. 10. This Act applies retroactively to January 1, 1989, for tax years beginning on or after that date.

Sec. 11. Section 7 of this Act is repealed effective January 1, 1990, for tax years beginning on or after that date.

Approved May 26, 1989

CHAPTER 229

CHILDREN IN NEED OF ASSISTANCE

H.F. 688

AN ACT relating to the protection of children, by providing for the grounds and procedures for child in need of assistance and termination of parental rights proceedings.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. Section 232.2, subsection 1, Code 1989, is amended to read as follows:

1. "Abandonment of a child" means the ~~permanent~~ relinquishment or surrender, without reference to any particular person, of the parental rights, duties, or privileges inherent in the parent-child relationship. Proof of abandonment must include both the intention to abandon and the acts by which the intention is evidenced. The term does not require that the relinquishment or surrender be over any particular period of time.

Sec. 2. Section 232.2, subsection 6, paragraph a, Code 1989, is amended to read as follows:

a. Whose parent, guardian or other custodian has abandoned or deserted the child.

Sec. 3. Section 232.2, subsection 6, Code 1989, is amended by adding the following new paragraph:

NEW PARAGRAPH. n. Whose parent's or guardian's mental capacity or condition, imprisonment, or drug or alcohol abuse results in the child not receiving adequate care.

Sec. 4. Section 232.2, Code 1989, is amended by adding the following new subsection:

NEW SUBSECTION. 6A. "Desertion" means the relinquishment or surrender for a period in excess of six months of the parental rights, duties, or privileges inherent in the parent-child relationship. Proof of desertion need not include the intention to desert, but is evidenced by the lack of attempted contact with the child or by only incidental contact with the child.

Sec. 5. Section 232.88, Code 1989, is amended to read as follows:

232.88 SUMMONS, NOTICE, SUBPOENAS AND SERVICES.

After a petition has been filed the court shall issue and serve summons, notice, subpoenas, and other process in the same manner as for adjudicatory hearings in cases of juvenile delinquency as provided in section 232.37.

Sec. 6. Section 232.104, subsection 1, unnumbered paragraph 1, Code 1989, is amended to read as follows:

If custody of a child has been ~~transferred for placement pursuant to section 232.102~~ placed in foster care for a period of twelve months, or if the prior legal custodian of a child has abandoned efforts to regain custody of the child, the court shall, on its own motion, or upon application by any interested party, including the child's foster parent if the child has been placed