

February 23, 1951.
Passed on File.

House File 544
By SOCIAL SECURITY COMMITTEE.

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

A BILL FOR

An Act to amend chapter two hundred forty-nine (249), Code 1950, relating to elimination of statutory income restrictions and United States citizenship for eligibility for old age assistance; and increasing the efficiency of the administration of old age assistance by the State board of social welfare.

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

1 Section 1. That section two hundred forty-nine point
2 five (249.5), Code 1950, be stricken.

1 Sec. 2. That subsection three (3) of section two
2 hundred forty-nine point six (249.6), Code 1950, be stricken.

1 Sec. 3. That subsection six (6) of section two
2 hundred forty-nine point six (249.6), Code 1950, be stricken.

1 Sec. 4. That subsection eight (8) of section two
2 hundred forty-nine point six (249.6), Code 1950, be stricken.

1 Sec. 5. That section two hundred forty-nine point
2 eight (249.8), Code 1950, be stricken.

1 Sec. 6. That the first three (3) paragraphs, from
2 line one (1) to line fifty-one (51) inclusive, of Section
3 two hundred forty-nine point eleven (249.11), Code 1950, be
4 stricken and the following inserted in lieu thereof:

5 “Whenever the county board receives an application
6 for assistance under this chapter, an investigation
7 and record shall promptly be made of the circumstances
8 of the applicant in order to ascertain the facts
9 supporting the application, and in order to obtain
10 such information as may be required by the rules of
11 the state board.”

1 Sec. 7. That a period (.) be inserted following
2 the word, “recipients” and that the words, “in the county
3 from which the applicant applied and within the calendar
4 month following on which the application is approved by the
5 state department”, appearing in lines five (5), six (6),
6 seven (7) and eight (8) of section two hundred forty-nine
7 point seventeen (249.17), Code 1950, be stricken.

1 Sec. 8. That the words, “deceased recipient of”
2 following the word “funeral” in line six (6) of paragraph
3 three (3) of subsection four (4) of section two hundred forty-
4 nine point eighteen (249.18), Code 1950, be deleted, and the
5 following words, “person who has received” be inserted in
6 lieu thereof.

1 Sec. 9. That a period (.) be inserted following the
2 word “property” and that the words, “and an option to the
3 grantor and his heirs to purchase said property by repayment
4 of the total amount paid for the benefit of the recipient.
5 Said option insofar as the heirs are concerned shall be for
6 two years from the date of the death of the grantor or the

7 grantor's surviving spouse, if any, and shall include an
8 interest charge of three and one-half per cent during the period
9 of the option to the heirs." appearing in lines eleven (11) to
10 twenty (20) inclusive, of paragraph six (6) of section two
11 hundred forty-nine point twenty (249.20), Code 1950, be stricken.

1 Sec. 10. That the following sentence, "Upon tender
2 by the state board, the county auditor shall cancel the
3 outstanding certificate and issue a tax certificate in favor
4 of the state board, who shall then be entitled to tax deed."
5 be added at the end of paragraph nine (9) of section two hundred
6 forty-nine point twenty (249.20), Code 1950.

1 Sec. 11. That the words, "except as a patient in a
2 medical institution for treatment of tuberculosis or mental
3 disease, and is not an inmate of a private institution for
4 tuberculosis or mental disease" be added following the word
5 "tax-supported" in line four (4) of section two hundred
6 forty-nine point thirty-one (249.31), Code 1950.

1 Sec. 12. That the first paragraph of section two
2 hundred forty-nine point thirty-two (249.32), Code 1950, be
3 stricken, and the following inserted in lieu thereof:

4 "If the person applying for, or receiving,
5 old age assistance, on the testimony of reputable
6 citizens, is thought to be incapable of taking care
7 of himself or his money, the county board shall
8 direct the county attorney to petition the court
9 for the appointment of a guardian, and assistance

10 payments shall then be made to the duly appointed
 11 guardian.”

1 Sec. 13. That the words, “and who are citizens of
 2 the United States” appearing in lines eight (8) and nine (9)
 3 of section two hundred forty-nine point thirty-six (249.36),
 4 Code 1950, be stricken.

1 Sec. 14. That the words, “As a condition for
 2 obtaining assistance under this chapter and from this fund,
 3 satisfactory proof shall be furnished to the board or state
 4 department that the applicant has paid all taxes due to said fund.”
 5 appearing in lines sixty-eight (68) to seventy-three (73)
 6 inclusive, of section two hundred forty-nine point thirty-six
 7 (249.36) be stricken.

EXPLANATION OF H. F. 544

The legislative changes contained in the attached bill represents the results of a study conducted jointly between the county and state departments of social welfare. It is believed the passage of the Act will contribute substantially to a more efficient and effective administration of Chapter 249, 1950 Code, under the jurisdiction of the State Board of Social Welfare. The reasons for the recommended changes are cited below:

Sec. 1. Section 249.5, Code 1950

The Fiftieth General Assembly removed the maximum monthly payment in this program and the average monthly grant to old age assistance recipients is at this time in excess of \$45 per month. If interpreted literally, this section would discriminate against those persons having an income as against those persons having no income. This section is inconsistent with other state and federal statutes pertaining to the granting of old age assistance.

Sec. 2. Section 249.6, Code 1950

Subsection 3. It is believed that there would be better administration in the public assistance programs and that it would actually save money if the eligibility requirement pertaining to “citizenship” was deleted from the old age assistance act. We do not believe that such a change would mean an increase in the rolls, but we do believe that removal of this eligibility requirement would result in a saving in administrative expense.

Under the present writing of our law, it is usually necessary for the county in which an applicant applies to meet the total financial responsibility of caring for the individual from local funds when the requirement of citizenship does not make a grant of assistance possible.

Sec. 3. Section 249.6, Code 1950

Subsection 6. A review of circumstances contained in all applications for old age assistance in Iowa during the past two years has revealed that after devoting considerable time on each case, there was not one instance where an applicant was found to be ineligible for assistance due to not qualifying under this requirement in the law. Should we have found cases where assistance was denied, it would have meant the responsibility for meeting the person’s needs would have reverted as a local county expense without the benefit of matching funds.

Sec. 4. Subsection 249.6, Code 1950

Subsection 8. If this section were to be interpreted literally, persons with earned income in excess of three hundred dollars (\$300) per year would be ineligible for old age assistance. We do not believe this statute is consistent with recent changes in the old age assistance law and we do not believe the statute is consistent with other state and federal statutes which indicate that assistance is issued on the basis of actual need. The policy of the state department has been that actual needs are met by old age assistance payments of income is insufficient to meet such needs. Particularly during the last few years, old age assistance recipients have been able to earn small amounts but their earnings have been insufficient to meet their actual cost of living. We believe that it is wise to encourage such part-time employment.

Sec. 5. Section 249.8, Code 1950

In the beginning of the old age assistance program, this section had some meaning as a part of the mathematical formula used by the Old Age Assistance Commission to determine the amount of old age assistance to be granted. We believe this section is now inconsistent with other statutes pertaining to old age assistance and with some parts of the Federal Social Security Act. The present policies of the state department of social welfare which pertain to this matter are that the income of an applicant for or recipient of old age assistance is what the person is actually earning at the time the determination of the amount of grant is made, and is not based upon any retroactive period. In administering the old age assistance program, it has been found inadvisable to use income over a retroactive period as a basis to determine potential future income. The present policies of the state department indicate that adjustments should be made in the amount of old age assistance granted as the income of the applicant or recipient may change. Therefore, this section is inconsistent with present policies of the state department in that the old section deals with the method of determining income over a retroactive period when making a determination of old age assistance to be granted.

Sec. 6. Section 249.11, Code 1950

This change in the law is requested to enable the state to conform with the 1950 amendments of the Social Security Act which state that action on an application should be taken promptly. Our present Iowa law makes it possible to delay reaching a decision after application for a period of five months. This change would permit our state department to require that a decision on an old age assistance application be made and assistance paid in thirty (30) days after it is filed.

Sec. 7. Section 249.17, Code 1950

Present reading results in the delay of making assistance payments available to persons eligible and in need. The current reading of the law does not permit the state department to conform with, in all instances, the present intent of making payments promptly as set out in the 1950 amendments of the Social Security Act.

Sec. 8. Section 249.18, Code 1950

Under the present writing of the law, frequent misunderstandings exist where funeral claims which exceed three hundred dollars (\$300) have been submitted when at the time of death the recipient is not a recipient but a former recipient of old age assistance.

Sec. 9. Section 249.20, Code 1950

In the history of the old age assistance program, there has never, to our knowledge, been a case where the heirs have availed themselves of this option. Under the present writing of the law, the state department is prohibited from giving good title to these properties for two years following the death of the recipient. This quite frequently results in a loss of equity which the department would otherwise obtain.

Sec. 10. Section 249.20, Code 1950

Under the present writing of the law, the state board's position to take tax title has been questioned by title examiners. This uncertainty has delayed the liquidation of property and increased the administrative expenses of the state department.

Sec. 11. Section 249.31, Code 1950

This change is requested to enable the state department of social welfare to take advantage of making payments to recipients in certain cases where medical treatment is necessary and the recipient is an inmate of a public institution. At present, the law prohibits payment to recipients living in all tax-supported institutions.

Sec. 12. Section 249.32, Code 1950

It is not believed necessary by the department of social welfare to require by statute that the county department of social welfare send certain documents to the state department for analysis prior to taking action on the application for assistance.

Sec. 13 and 14. Section 249.36, Code 1950

Under the present writing of the law, those persons who are not citizens of the United States are not required to pay the tax which is required of every citizen who was a resident of the State of Iowa during the period the tax was assessed. There may have been some reason for this provision during the time that the old age assistance program was financed entirely by this tax. However, as funds for the program are now derived almost wholly from other sources, the payment of this tax does not

appear any more important insofar as old age assistance is concerned than the payment of any other tax. This eligibility requirement has caused difficulties in administration in both county and state departments of social welfare. It has sometimes made it necessary for individuals in need to receive general relief or assistance from other programs in order to pay this tax and thus qualify for old age assistance. We concur with the thinking in the present law that all persons should be required to pay the tax, but we do not believe that the payment of the tax should be a prerequisite to being eligible to receive assistance under the program.