

CHAPTER 21.

LIABILITY FIXED ON CONTRACTS ENTERED INTO WITH STATE OR ANY MUNICIPAL CORPORATION.

H. F. 380.

AN ACT to fix and declare the liability of persons, firms or private corporations, entering into contracts with the state of Iowa, or with any county, city, town, city organized under special charter, school corporation or with any municipal corporation now existing or hereafter created and to provide for immunity to witnesses in proceedings to establish such liability, and to fix and declare the measure of damages for violation of this act. [Additional to chapter nine (9) of title two (II) of the code relating to duties assigned to two or more officers and general regulations.]

Be it enacted by the General Assembly of the State of Iowa:

SECTION 1. Certain statutory terms in every contract—obtaining contracts by collusion prohibited—liquidated damages. The following provision shall be deemed and held to be a part of every contract hereafter entered into by any person, firm or private corporation with the state of Iowa, or with any county, city, town, city acting under special charter, cities acting under commission form of government, school corporation or with any municipal corporation, now or hereafter created, whether said provision be inserted in such contract or not, to-wit:

“The party to whom this contract has been awarded, hereby represents and guarantees that he has not, nor has any other person for or in his behalf, directly or indirectly, entered into any arrangement or agreement with any other bidder, or with any public officer, whereby he has paid or is to pay to any other bidder or public officer any sum of money or anything of value whatever in order to obtain this contract; and that he has not, nor has another person, for or in his behalf, directly or indirectly, entered into any agreement or arrangement with any other person, firm, corporation or association which tends to or does lessen or destroy free competition in the letting of this contract and agrees that the establishment of the falsity of these representations and guaranties, or any of them, and he hereby agrees that in case it hereafter be established that such representations or guaranties, or any of them, are false, he will forfeit and pay not less than five per cent (5%) of the contract price but in no event be less than three hundred dollars (\$300.00), as liquidated damages to the other contracting party.

SEC. 2. Witness required to testify—evidence not incriminating. In any action in any court wherein the falsity of such representations and guaranties are at issue, no witness shall be privileged from testifying to any matter or from producing any books, papers, or letters, on the ground that the same might or would tend to render such witness criminally liable, but such witness shall not be prosecuted for any offense whatever growing out of or connected with the matters and things so testified to or produced by him, provided such witness shall not be exempt from prosecution for perjury committed in so testifying.

Approved April 19 A. D. 1913.