

## CHAPTER 74

### ETHICS — CONFLICTS OF INTEREST IN GOVERNMENT CONTRACTS

S.F. 283

**AN ACT** relating to conflicts of interest in certain government public contracts.

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

Section 1. [Section 279.7A](#), Code 2019, is amended to read as follows:

**279.7A Interest in public contracts prohibited — exceptions.**

1. A member of the board of directors of a school corporation shall not have an interest, direct or indirect, in a contract for the purchase of goods, including materials and profits, and the performance of services for the director's school corporation. A contract entered into in violation of [this section](#) is void.

2. [This section](#) does not apply to contracts for the purchase of goods or services which benefit a director, or to compensation for part-time or temporary employment which benefits a director, if the benefit to the director does not exceed ~~two~~ six thousand ~~five hundred~~ dollars in a fiscal year, and contracts made by a school board, upon competitive bid in writing, publicly invited and opened.

3. [This section](#) does not apply to a contract that is a bond, note, or other obligation of a school corporation if the contract is not acquired directly from the school corporation, but is acquired in a transaction with a third party, who may or may not be the original underwriter, purchaser, or obligee of the contract, or to a contract in which a director has an interest solely by reason of employment if the contract is made by competitive bid in writing, publicly invited and opened, or if the remuneration of employment will not be directly affected as a result of the contract and the duties of employment do not directly involve the procurement or preparation of any part of the contract.

4. The competitive bid qualification of [this section](#) does not apply to a contract for professional services not customarily awarded by competitive bid.

Sec. 2. [Section 331.342, subsection 2](#), paragraph j, Code 2019, is amended to read as follows:

j. Contracts not otherwise permitted by [this section](#), for the purchase of goods or services by a county, which benefit a county officer or employee, if the purchases benefiting that officer or employee do not exceed a cumulative total purchase price of ~~one~~ six thousand ~~five hundred~~ dollars in a fiscal year.

Sec. 3. [Section 362.5, subsection 3](#), paragraph j, Code 2019, is amended to read as follows:

j. Contracts not otherwise permitted by [this section](#), for the purchase of goods or services by a city ~~having a population of more than two thousand five hundred~~, which benefit a city officer or employee, if the purchases benefiting that officer or employee do not exceed a cumulative total purchase price of ~~one~~ six thousand ~~five hundred~~ dollars in a fiscal year.

Sec. 4. [Section 362.5, subsection 3](#), paragraph k, Code 2019, is amended by striking the paragraph.

Approved May 3, 2019