

FILED MAR 6 1984

SENATE FILE **2317**

BY COMMITTEE ON ENERGY

(FORMERLY SSB 2235)

Approved 3/6 (p. 695)

Passed Senate, Date 3-17-84 (p. 904) Passed House, Date 3-24-84 (p. 1493)

Vote: Ayes 41 Nays 5 Vote: Ayes 97 Nays 0

Approved April 26, 1984

*2 Minutes to members (p. 910) w/d 3/20
Repassed Senate 4-3-84 (p. 1267)
44-2*

A BILL FOR

- 1 An Act relating to the purchase of Iowa coal by state and local
- 2 government institutions.
- 3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

SENATE FILE 2317

H-5827

- 1 Amend Senate File 2317 as passed by the Senate,
- 2 as follows:
- 3 1. Page 1, by striking line 23 and inserting in
- 4 lieu thereof the following: "in this state may be
- 5 granted up to a five percent preference over".

H-5827 FILED MARCH 23, 1984 BY COMMITTEE ON ENERGY
w/d 3/29 (p. 1493)

SENATE FILE 2317

H-5927

- 1 Amend Senate File 2317 as passed by the Senate
- 2 as follows:
- 3 1. Page 2, by inserting after line 1 the following:
- 4 "Sec. 2. This Act is repealed five years after
- 5 its effective date."

H-5927 FILED MARCH 28, 1984 BY VAN CAMP of Scott
Adopted 3/29 (p. 1493)

HOUSE AMENDMENT TO SENATE FILE 2317

S-5736

- 1 Amend Senate File 2317 as passed by the Senate,
- 2 as follows:
- 3 1. Page 1, by striking line 23 and inserting in
- 4 lieu thereof the following: "in this state may be
- 5 granted up to a five percent preference over".

S-5736 FILED
APRIL 2, 1984

RECEIVED FROM THE HOUSE

Senate concurred 4/3 (p. 1267)

1 Section 1. Section 73.7, Code 1983, is amended to read
2 as follows:

3 73.7 BIDS AND CONTRACTS. Before any user of coal
4 designated in section 73.6, whose annual consumption of coal
5 exceeds, in delivered value, the sum of three hundred dollars,
6 ~~shall-purchase~~ purchases any coal, it shall make request for
7 bids for ~~such~~ the coal by advertising in a newspaper published
8 in the county in which the purchaser has its principal office,
9 ~~and-such.~~ The advertisement shall, ~~-among-other-things-~~ state
10 the date, time and place ~~such~~ the bids shall be received,
11 which ~~date-and-time~~ shall not be less than fifteen days after
12 publication, and the advertisement shall contain the
13 approximate quantity and description of coal to be purchased,
14 ~~and-the.~~ The bids for ~~such~~ the coal shall be opened in public
15 at the time, date and place indicated in the ~~said~~ advertisement
16 and, unless the purchasing body ~~shall-determine~~ determines
17 that the general good of the state, including the best
18 interests of the taxpayer and the employment of labor, the
19 adaptability of the coal offered, or the efficiency and cost
20 of operation of the purchaser's plant makes it advisable to
21 do otherwise, the contract shall be let to the lowest
22 responsible bidder, ~~-but-any.~~ However coal mined or produced
23 in this state shall be granted a five percent preference over
24 coal mined or produced outside this state on the delivered
25 cost per unit of heat produced. Any and all bids may be
26 rejected; however, if all bids are rejected, then an
27 advertisement for bids shall again be made ~~as-hereinbefore~~
28 ~~provided.~~ After any a bid is accepted, a written contract
29 shall be entered into and the successful bidder shall furnish
30 a good and sufficient bond with qualified sureties for the
31 faithful performance of the contract. Any contract for
32 purchase of coal provided for in sections 73.6 to 73.9 may
33 contain the provision that the purchaser may, in the event
34 of an emergency, purchase coal elsewhere without advertising
35 for bids in any year, for not more than ten percent of ~~said~~

1 the purchaser's annual coal requirements.

2 EXPLANATION

3 This bill provides that Iowa coal is to be given a five
4 percent preference over non-Iowa coal in the delivered cost
5 per unit of heat produced in purchases by governmental
6 agencies.

7 The bill takes effect July 1 following enactment.

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10 SENATE FILE 2317
11 FISCAL NOTE

12 REQUESTED BY SENATOR VAN GILST

13 In compliance with a written request there is hereby submitted a
14 Fiscal Note for Senate File 2317 pursuant to Joint Rule 17.

15 Senate File 2317 would provide that Iowa coal would be given a 5%
16 preference over non-Iowa coal in the delivered cost per unit of
17 heat.

18 The University of Iowa and University of Northern Iowa are the
19 major institutions which would be involved in the purchase of coal
20 in the next few years. Iowa State has a contract for the next
21 five years. Because there is competition among Iowa coal com-
22 panies, it is estimated that the bid would be approximately 3%
23 over imported coal.

24 FISCAL IMPACT: It is estimated that this would increase the cost
25 of coal at the two universities approximately \$141,750 per year.
26 There would be some increased economic activity in the state as a
27 result of this bill, but the fiscal impact cannot be estimated.

28 Source: Energy Policy Council (4053S, 84-221E, AHS)

29 FILED:
30 MARCH 15, 1984

31 BY DENNIS C. PROUTY, DIRECTOR
32 LEGISLATIVE FISCAL BUREAU

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SENATE FILE 2317

AN ACT

RELATING TO THE PURCHASE OF IOWA COAL BY STATE AND LOCAL GOVERNMENT INSTITUTIONS.

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

Section 1. Section 73.7, Code 1983, is amended to read as follows:

73.7 BIDS AND CONTRACTS. Before any user of coal designated in section 73.6, whose annual consumption of coal exceeds, in delivered value, the sum of three hundred dollars, ~~shall purchase~~ purchases any coal, it shall make request for bids for ~~such~~ the coal by advertising in a newspaper published in the county in which the purchaser has its principal office, ~~and such~~. The advertisement shall, ~~among other things~~, state the date, time and place ~~such~~ the bids shall be received, which ~~date and time~~ shall not be less than fifteen days after publication, and the advertisement shall contain the approximate quantity and description of coal to be purchased, ~~and the~~. The bids for ~~such~~ the coal shall be opened in public at the time, date and place indicated in the ~~said~~ advertisement and, unless the purchasing body ~~shall determine~~ determines that the general good of the state, including the best interests of the taxpayer and the employment of labor, the adaptability of the coal offered, or the efficiency and cost of operation of ~~the~~ purchaser's plant makes it advisable to do otherwise, the contract shall be let to the lowest responsible bidder, ~~but any~~. However coal mined or produced in this state may be granted up to a five percent preference over coal mined or produced outside this state on the delivered cost per unit of heat produced. Any and all bids may be rejected; however, if all bids are rejected, then an advertisement for bids shall again be made ~~as heretofore~~

provided. After any a bid is accepted, a written contract shall be entered into and the successful bidder shall furnish a good and sufficient bond with qualified sureties for the faithful performance of the contract. Any contract for purchase of coal provided for in sections 73.6 to 73.9 may contain the provision that the purchaser may, in the event of an emergency, purchase coal elsewhere without advertising for bids in any year, for not more than ten percent of ~~said~~ the purchaser's annual coal requirements.

ROBERT T. ANDERSON
President of the Senate

DONALD D. AVENSON
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 2317, Seventieth General Assembly.

K. MARIE THAYER
Secretary of the Senate

Approved [Signature] 1984

TERRY E. BRANSTAD
Governor