

73A.21 Reciprocal resident bidder and resident labor force preference by state, its agencies, and political subdivisions — penalties.

1. For purposes of this section:
 - a. “*Commissioner*” means the labor commissioner appointed pursuant to section 91.2, or the labor commissioner’s designee.
 - b. “*Division*” means the division of labor of the department of workforce development.
 - c. “*Nonresident bidder*” means a person or entity who does not meet the definition of a resident bidder.
 - d. “*Public body*” means the state and any of its political subdivisions, including a school district, public utility, or the state board of regents.
 - e. “*Public improvement*” means a building or other construction work to be paid for in whole or in part by the use of funds of the state, its agencies, and any of its political subdivisions and includes road construction, reconstruction, and maintenance projects.
 - f. “*Public utility*” includes municipally owned utilities and municipally owned waterworks.
 - g. “*Resident bidder*” means a person or entity authorized to transact business in this state and having a place of business for transacting business within the state at which it is conducting and has conducted business for at least three years prior to the date of the first advertisement for the public improvement. If another state or foreign country has a more stringent definition of a resident bidder, the more stringent definition is applicable as to bidders from that state or foreign country.
 - h. “*Resident labor force preference*” means a requirement in which all or a portion of a labor force working on a public improvement is a resident of a particular state or country.
2. Notwithstanding this chapter, chapter 73, chapter 309, chapter 310, chapter 331, or chapter 384, when a contract for a public improvement is to be awarded to the lowest responsible bidder, a resident bidder shall be allowed a preference as against a nonresident bidder from a state or foreign country if that state or foreign country gives or requires any preference to bidders from that state or foreign country, including but not limited to any preference to bidders, the imposition of any type of labor force preference, or any other form of preferential treatment to bidders or laborers from that state or foreign country. The preference allowed shall be equal to the preference given or required by the state or foreign country in which the nonresident bidder is a resident. In the instance of a resident labor force preference, a nonresident bidder shall apply the same resident labor force preference to a public improvement in this state as would be required in the construction of a public improvement by the state or foreign country in which the nonresident bidder is a resident.
3. If it is determined that this may cause denial of federal funds which would otherwise be available, or would otherwise be inconsistent with requirements of any federal law or regulation, this section shall be suspended, but only to the extent necessary to prevent denial of the funds or to eliminate the inconsistency with federal requirements.
4. The public body involved in a public improvement shall require a nonresident bidder to specify on all project bid specifications and contract documents whether any preference as described in subsection 2 is in effect in the nonresident bidder’s state or country of domicile at the time of a bid submittal.
5. The commissioner and the division shall administer and enforce this section, and the commissioner shall adopt rules for the administration and enforcement of this section as provided in section 91.6.
6. The commissioner shall have the following powers and duties for the purposes of this section:
 - a. The commissioner may hold hearings and investigate charges of violations of this section.
 - b. The commissioner may, consistent with due process of law, enter any place of employment to inspect records concerning labor force residency, to question an employer or employee, and to investigate such facts, conditions, or matters as are deemed appropriate in determining whether any person has violated the provisions of this section. The commissioner shall only make such an entry in response to a written complaint.
 - c. The commissioner shall develop a written complaint form applicable to this section

and make it available in division offices and on the department of workforce development's internet site.

d. The commissioner may sue for injunctive relief against the awarding of a contract, the undertaking of a public improvement, or the continuation of a public improvement in response to a violation of this section.

e. The commissioner may investigate and ascertain the residency of a worker engaged in any public improvement in this state.

f. The commissioner may administer oaths, take or cause to be taken deposition of witnesses, and require by subpoena the attendance and testimony of witnesses and the production of all books, registers, payrolls, and other evidence relevant to a matter under investigation or hearing.

g. The commissioner may employ qualified personnel as are necessary for the enforcement of this section. Such personnel shall be employed pursuant to the merit system provisions of chapter 8A, subchapter IV.

h. The commissioner shall require a contractor or subcontractor to file, within ten days of receipt of a request, any records enumerated in subsection 7. If the contractor or subcontractor fails to provide the requested records within ten days, the commissioner may direct, within fifteen days after the end of the ten-day period, that the fiscal or financial office charged with the custody and disbursement of funds of the public body that contracted for construction of the public improvement or undertook the public improvement, to immediately withhold from payment to the contractor or subcontractor up to twenty-five percent of the amount to be paid to the contractor or subcontractor under the terms of the contract or written instrument under which the public improvement is being performed. The amount withheld shall be immediately released upon receipt by the public body of a notice from the commissioner indicating that the request for records as required by this section has been satisfied.

7. While participating in a public improvement, a nonresident bidder domiciled in a state or country that has established a resident labor force preference shall make and keep, for a period of not less than three years, accurate records of all workers employed by the contractor or subcontractor on the public improvement. The records shall include each worker's name, address, telephone number when available, social security number, trade classification, and the starting and ending time of employment.

8. Any person or entity that violates the provisions of this section is subject to a civil penalty in an amount not to exceed one thousand dollars for each violation found in a first investigation by the division, not to exceed five thousand dollars for each violation found in a second investigation by the division, and not to exceed fifteen thousand dollars for a third or subsequent violation found in any subsequent investigation by the division. Each violation of this section for each worker and for each day the violation continues constitutes a separate and distinct violation. In determining the amount of the penalty, the division shall consider the appropriateness of the penalty to the person or entity charged, upon determination of the gravity of the violations. The collection of these penalties shall be enforced in a civil action brought by the attorney general on behalf of the division.

9. A party seeking review of the division's determination pursuant to this section may file a written request for an informal conference. The request must be received by the division within fifteen days after the date of issuance of the division's determination. During the conference, the party seeking review may present written or oral information and arguments as to why the division's determination should be amended or vacated. The division shall consider the information and arguments presented and issue a written decision advising all parties of the outcome of the conference.

84 Acts, ch 1045, §1; 85 Acts, ch 67, §5

C85, §23.21

C93, §73A.21

2008 Acts, ch 1031, §86; 2011 Acts, ch 133, §7, 10, 11

[P] See also §8A.311

[SP] 2011 amendment to this section takes effect September 1, 2011, and applies to all public improvement, public works, and public road projects, and to contracts for public improvement, public works, and public road projects entered into on or after that date; 2011 Acts, ch 133, §10, 11