

**Fiscal Services Division**  
**Legislative Services Agency**  
**Fiscal Note**

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HF 321 - Competitive Bidding, Government Projects (LSB 2004 HH)  
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Fiscal Note Version - New

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**Description**

House File 321 changes the bid threshold requirement for advertising for bids by various named governmental bodies for a contract for a public improvement from a cost of \$25,000 to a minimum cost of \$50,000. This change also applies to the threshold amount requirement to the bond requirement for construction of public improvements pursuant to Section 273.2, Code of Iowa.

**Assumptions**

1. House File 321 changes to various Sections of the Code of Iowa relate only to the amount of bid threshold requiring advertising for bids or bond requirement for construction of public improvements.
2. The Bill provides savings due to reduced people time, less advertising costs, and less required reporting.
3. The Bill may enable small capital improvement projects to be completed more timely, at less cost, and attract more small contractors.

**Fiscal Impact**

House File 321 will reduce costs associated with bidding requirements. The amount of total savings in State and local funds cannot be determined. The State Board of Regents estimates that the effects of this Bill will reduce its costs by \$215,000 for FY 2006 and FY 2007 based on an average of 66 construction bids per year for Regent institutions.

**Source**

State Board of Regents

/s/ Holly M. Lyons

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March 21, 2005

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The fiscal note and correctional impact statement for this bill was prepared pursuant to Joint Rule 17 and pursuant to Section 2.56, Code of Iowa. Data used in developing this fiscal note and correctional impact statement are available from the Fiscal Services Division, Legislative Services Agency to members of the Legislature upon request.

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