



THOMAS J. VILSACK  
GOVERNOR

**OFFICE OF THE GOVERNOR**

SALLY J. PEDERSON  
LT. GOVERNOR

April 17, 2003

The Honorable Chester Culver  
Secretary of State  
State Capitol Building  
LOCAL

Dear Mr. Secretary:

I hereby transmit:

**Senate File 272**, an Act relating to conflicts of interest in public contracts.

The above Senate File is hereby approved this date.

Sincerely,

A handwritten signature in black ink, appearing to read "T. Vilsack", written over the printed name.

Thomas J. Vilsack  
Governor

TJV:jmc

cc: Secretary of the Senate  
Chief Clerk of the House





SENATE FILE 272

AN ACT

RELATING TO CONFLICTS OF INTEREST IN PUBLIC CONTRACTS.

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

Section 1. Section 279.7A, Code 2003, is amended to read as follows:

279.7A INTEREST IN PUBLIC CONTRACTS PROHIBITED --  
EXCEPTIONS.

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. 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 thousand five hundred dollars in a fiscal year, and contracts made by a school board, upon competitive bid in writing, publicly invited and opened. 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. 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 4, Code 2003, is amended to read as follows:

4. Contracts in which a county officer or employee has an interest solely by reason of employment, or a stock interest of the kind described in subsection 8, or both, if the contracts are made by competitive bid, publicly invited and opened, and 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. The competitive bid qualification of this subsection does not apply to a contract for professional services not customarily awarded by competitive bid.

Sec. 3. Section 331.342, Code 2003, is amended by adding the following new subsection:

NEW SUBSECTION. 11. A contract that is a bond, note, or other obligation of the county and the contract is not acquired directly from the county, 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.

Sec. 4. Section 362.5, subsection 5, Code 2003, is amended to read as follows:

5. Contracts in which a city officer or employee has an interest solely by reason of employment, or a stock interest of the kind described in subsection 9, or both, if the contracts are 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. The competitive bid qualification of this subsection does not apply to a contract ~~is~~ for professional services not customarily awarded by competitive bid~~7-if-the-remuneration-of-employment-will-not be-directly-affected-as-a-result-of-the-contract7-and-if-the duties-of-employment-do-not-directly-involve-the-procurement or-preparation-of-any-part-of-the-contract.~~

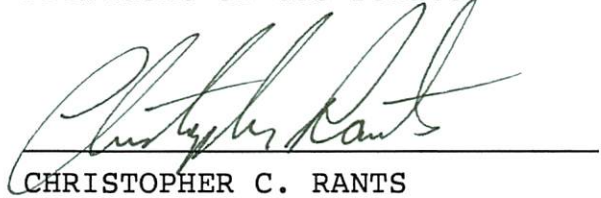
Sec. 5. Section 362.5, Code 2003, is amended by adding the following new subsection:

NEW SUBSECTION. 13. A contract that is a bond, note, or other obligation of the city and the contract is not acquired directly from the city, 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.



MARY E. KRAMER

President of the Senate



CHRISTOPHER C. RANTS

Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 272, Eightieth General Assembly.



MICHAEL E. MARSHALL

Secretary of the Senate

Approved April 17, 2003



THOMAS J. VILSACK

Governor