

JAN 26 1971

HOUSE FILE 112

Commerce *Pass for committee amendment 2/18*
Sen. " 3/10, Pass 3/29

BY KEHE, MILLEN, EDELEN,
GOODE, WELDEN, and
MENDENHALL

Passed House, Date 3-8-71 Passed Senate, Date 4-2-71

Vote: Ayes 77 Nays 0 Vote: Ayes 32 Nays 1

Approved April 15, 1971

A BILL FOR

1 An Act authorizing the use of bid bonds in lieu of certified
2 or cashiers' checks.

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

4 Section 1. Chapter twenty-three (23), Code 1971, is
5 amended by adding the following new section:

6 "BID BONDS. Any contracting authority may authorize the
7 use of bid bonds executed by corporations authorized to
8 contract as surety in Iowa and on a form prescribed by the
9 contracting authority, in lieu of certified or cashiers'
10 checks or any other form of security otherwise required of a
11 bidder to accompany his bid on a public improvement project.
12 The full amount of the bid bond shall be forfeited to the
13 contracting authority in liquidation of damages sustained in
14 the event that the bidder fails to execute the contract as
15 provided in the specifications or by law in the same manner
16 and amount as other forms of authorized security."

EXPLANATION

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18 This bill provides that bonds may be posted as security
19 on public contracts in lieu of cashier checks or any other
20 form of security.

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1 Amend House File 112, page 1, line 6, by striking
2 the word "Any" and inserting in lieu thereof the
3 following: "Notwithstanding any other provisions
4 of the Code, any".

Filed *Adopted 3/8*
February 18, 1971

By COMMITTEE ON COMMERCE
FISCHER, Chairman