

See Local Gov 3/12
Amended from 54284
Do Pass 3/16 (7892)

FEB 28 1984

HOUSE FILE 2389

Place On Calendar

BY COMMITTEE ON LOCAL GOVERNMENT

(Formerly Study Bill 706)

Passed House, Date 3-7-84 (7807) Passed Senate, Date 3-26-84 (71022)

Vote: Ayes 96 Nays 2 Vote: Ayes 46 Nays 0

Approved May 4, 1984

Re-passed House 4-4-84 (71653)
98-0

Re-passed Senate 4-9-84 (71389)
46-0

A BILL FOR

1 An Act relating to the interest of an elected city officer
2 or employee in contracts for the purchase of goods and
3 services by a city.

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

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HF 2389

1 Section 1. Section 362.5, Code 1983, is amended by add-
2 ing the following new subsection:

3 NEW SUBSECTION. 11. Contracts for the purchase of goods
4 or services by a city, which benefit an elected city officer
5 or employee, if the purchases benefiting that officer or
6 employee do not exceed a cumulative total purchase price of
7 one thousand dollars in a fiscal year.

8 EXPLANATION

9 Section 362.5 generally prohibits a city officer or city
10 employee from having a financial interest in contracts for
11 goods or services sold to the officer's or employee's city.
12 The section provides ten exceptions to this general rule.
13 The bill provides an additional exception which allows con-
14 tracts for cumulative total purchases of up to one thousand
15 dollars per fiscal year that benefit directly or indirectly
16 a single elected officer or employee. The bill takes effect
17 July 1 following enactment.

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S-5428

1 Amend House File 2389 as passed by the House, as
2 follows:

3 1. By striking everything after the enacting
4 clause and inserting in lieu thereof the following:
5 "Section 1. Section 362.5, unnumbered paragraph
6 2, subsections 1, 5, 7, and 9, Code 1983, are amended
7 to read as follows:

8 A city officer ~~ex-employee~~ shall not have an
9 interest, direct or indirect, in any contract or job
10 of work or material or the profits thereof or services
11 to be furnished or performed for the officer's ~~ex~~
12 ~~employee's~~ city. A contract entered into in violation
13 of this section is void. ~~The-provisions-of-this~~ This
14 section ~~do~~ does not apply to:

15 1. The payment of lawful compensation of a city
16 officer ~~ex-employee~~ holding more than one city office
17 ~~ex-positiion~~, the holding of which is not incompatible
18 with another public office or is not prohibited by
19 law.

20 5. Contracts in which a city officer ~~ex-employee~~
21 has an interest solely by reason of employment, or
22 a stock interest of the kind described in subsection
23 9, or both, if the contracts are made by competitive
24 bid, publicly invited and opened, and if the
25 remuneration of employment will not be directly
26 affected as a result of the contract and the duties
27 of employment do not directly involve the procurement
28 or preparation of any part of the contract. The
29 competitive bid requirement of this subsection shall
30 not be required for any contract for professional
31 services not customarily awarded by competitive bid.

32 7. A contract in which a city officer ~~ex-employee~~
33 has an interest if the contract was made before the
34 time ~~he~~ the officer was elected or appointed, but
35 the contract may not be renewed.

36 9. A contract with a corporation in which a city
37 officer ~~ex-employee~~ has an interest by reason of
38 stockholdings when less than five percent of the
39 outstanding stock of the corporation is owned or
40 controlled directly or indirectly by the officer ~~ex~~
41 ~~employee~~ or the spouse or immediate family of ~~such~~
42 the officer ex-employee.

43 Sec. 2. Section 362.5, Code 1983, is amended by
44 adding the following new subsection:

45 NEW SUBSECTION. 11. Contracts for the purchase
46 of goods or services by a city having a population
47 of less than ten thousand, which benefit a city
48 officer, if the purchases benefiting that officer
49 do not exceed a cumulative total purchase price of
50 one thousand dollars in a fiscal year."

2. Amend the title, line 1, by striking the words
"an elected" and inserting in lieu thereof the word
"a".

S-5428 FILED
MARCH 16, 1984
Adopted 3/26 (p. 1622)

BY COMMITTEE ON LOCAL GOVERNMENT
ALVIN V. MILLER, CHAIR

SENATE AMENDMENT TO HOUSE FILE 2389

H-5923

1 Amend House File 2389 as passed by the House, as
2 follows:

3 1. By striking everything after the enacting
4 clause and inserting in lieu thereof the following:
5 "Section 1. Section 362.5, unnumbered paragraph
6 2, subsections 1, 5, 7, and 9, Code 1983, are amended
7 to read as follows:

8 A city officer ~~or-employee~~ shall not have an
9 interest, direct or indirect, in any contract or job
10 of work or material or the profits thereof or services
11 to be furnished or performed for the officer's ~~or~~
12 ~~employee's~~ city. A contract entered into in violation
13 of this section is void. ~~The-provisions-of-this~~ This
14 section ~~do~~ does not apply to:

15 1. The payment of lawful compensation of a city
16 officer ~~or-employee~~ holding more than one city office
17 ~~or-positon~~, the holding of which is not incompatible
18 with another public office or is not prohibited by
19 law.

20 5. Contracts in which a city officer ~~or-employee~~
21 has an interest solely by reason of employment, or
22 a stock interest of the kind described in subsection
23 9, or both, if the contracts are made by competitive
24 bid, publicly invited and opened, and if the
25 remuneration of employment will not be directly
26 affected as a result of the contract and the duties
27 of employment do not directly involve the procurement
28 or preparation of any part of the contract. The
29 competitive bid requirement of this subsection shall
30 not be required for any contract for professional
31 services not customarily awarded by competitive bid.

32 7. A contract in which a city officer ~~or-employee~~
33 has an interest if the contract was made before the
34 time ~~he~~ the officer was elected or appointed, but
35 the contract may not be renewed.

36 9. A contract with a corporation in which a city
37 officer ~~or-employee~~ has an interest by reason of
38 stockholdings when less than five percent of the
39 outstanding stock of the corporation is owned or
40 controlled directly or indirectly by the officer ~~or~~
41 ~~employee~~ or the spouse or immediate family of such
42 the officer or-employee.

43 Sec. 2. Section 362.5, Code 1983, is amended by
44 adding the following new subsection:

45 NEW SUBSECTION. 11. Contracts for the purchase
46 of goods or services by a city having a population
47 of less than ten thousand, which benefit a city
48 officer, if the purchases benefiting that officer
49 do not exceed a cumulative total purchase price of
50 one thousand dollars in a fiscal year."

Page Two

1 2. Amend the title, line 1, by striking the words
2 "an elected" and inserting in lieu thereof the word
3 "a".

H-5923 FILED MARCH 28, 1984

RECEIVED FROM THE SENATE

House Amended (6066) & Concurred 4/4 (p. 16.53)

HOUSE FILE 2389

H-6066

1 Amend the Senate amendment, H-5923, to House File
2 2389, as passed by the House, as follows:

3 1. Page 1, by striking lines 5 through 50 and
4 inserting in lieu thereof the following:

5 "Section 1. Section 362.5, subsection 4, Code
6 1983, is amended to read as follows:

7 4. Contracts made by a city ~~of less than ten~~
8 ~~thousand population~~, upon competitive bid in writing,
9 publicly invited and opened.

10 Sec. 2. Section 362.5, Code 1983, is amended by
11 adding the following new subsection:

12 NEW SUBSECTION. 11. Contracts not otherwise
13 permitted by this section, for the purchase of goods
14 or services by a city having a population of less
15 than ten thousand, which benefit a city officer or
16 employee, if the purchases benefiting that officer
17 or employee do not exceed a cumulative total purchase
18 price of one thousand dollars in a fiscal year."

H-6066 FILED APRIL 3, 1984 BY COOPER of Lucas

Adopted 4/4 (p. 1653)

HOUSE AMENDMENT TO SENATE AMENDMENT
TO HOUSE FILE 2389

S-5815

1 Amend the Senate amendment, H-5923, to House File
2 2389, as passed by the House, as follows:

3 1. Page 1, by striking lines 5 through 50 and
4 inserting in lieu thereof the following:

5 "Section 1. Section 362.5, subsection 4, Code
6 1983, is amended to read as follows:

7 4. Contracts made by a city ~~of less than ten~~
8 ~~thousand population~~, upon competitive bid in writing,
9 publicly invited and opened.

10 Sec. 2. Section 362.5, Code 1983, is amended by
11 adding the following new subsection:

12 NEW SUBSECTION. 11. Contracts not otherwise
13 permitted by this section, for the purchase of goods
14 or services by a city having a population of less
15 than ten thousand, which benefit a city officer or
16 employee, if the purchases benefiting that officer
17 or employee do not exceed a cumulative total purchase
18 price of one thousand dollars in a fiscal year."

S-5815 FILED
APRIL 6, 1984

RECEIVED FROM THE HOUSE

Senate concurred 4/4 (p. 1388)

benefit a city officer or employee, if the purchases benefiting that officer or employee do not exceed a cumulative total purchase price of one thousand dollars in a fiscal year.

HOUSE FILE 2389

AN ACT
RELATING TO THE INTEREST OF A CITY OFFICER OR EMPLOYEE IN
CONTRACTS FOR THE PURCHASE OF GOODS AND SERVICES BY A
CITY.

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

Section 1. Section 362.5, subsection 4, Code 1983, is amended to read as follows:

4. Contracts made by a city of ~~less than ten thousand~~ population, upon competitive bid in writing, publicly invited and opened.

Sec. 2. Section 362.5, Code 1983, is amended by adding the following new subsection:

NEW SUBSECTION. 11. Contracts not otherwise permitted by this section, for the purchase of goods or services by a city having a population of less than ten thousand, which

DONALD D. AVENSON
Speaker of the House

CHARLES P. MILLER
President Pro Tempore of the
Senate

I hereby certify that this bill originated in the House and is known as House File 2389, Seventieth General Assembly.

JOSEPH O'HERN
Chief Clerk of the House

Approved May 4, 1984

TERRY E. BRANSTAD
Governor

H.F. 2389