

Reprinted

JAN 11 1990

LOCAL GOVERNMENT

Amended from Senate File 47 to House File 222

HOUSE FILE 2057

BY VAN MAANEN

Passed House, Date 1-2-90 (1282) Passed Senate, Date 3/13/90 (P.1039)  
Vote: Ayes 96 Nays 0 Vote: Ayes 33 Nays 10  
Approved April 27, 1990

A BILL FOR

1 An Act relating to prohibited interests in public contracts.  
2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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HF 2057

50467

1 Section 1. Section 362.5, subsection 10, Code 1989, is  
2 amended to read as follows:

5044

5044

3 10. Contracts not otherwise permitted by this section, for  
4 the purchase of goods or services by a city having a  
5 population of more than two thousand five hundred but less  
6 than ~~ten~~ fifteen thousand, which benefit a city officer or  
7 employee, if the purchases benefiting that officer or employee  
8 do not exceed a cumulative total purchase price of one  
9 thousand dollars in a fiscal year.

S-542010

EXPLANATION

11 Current law allows a city officer or employee to have a  
12 \$1,000 maximum interest in a public contract for the purchase  
13 of goods or services by a city having a population of more  
14 than 2,500 but less than 10,000. This bill allows such an  
15 interest for cities with a population of more than 2,500 but  
16 less than 15,000.

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HOUSE FILE 2057

H-5059

1 Amend amendment, H-5044, to House File 2057 as  
2 follows:  
3 1. Page 1, by striking lines 2 through 4 and  
4 inserting the following:  
5 "\_\_\_\_. Page 1, by striking lines 4 through 6 and  
6 inserting the following: "the purchase of goods or  
7 services by a city having-a-population-of-more-than  
8 two-thousand-five-hundred-but-less-than-ten-thousand,  
9 which benefit a city officer or".  
10 \_\_\_\_\_. Page 1, lines 8 and 9, by striking the words  
11 "one thousand" and inserting the following: "one two  
12 thousand five hundred".  
13 \_\_\_\_\_. Page 1, by inserting after line 9 the  
14 following:  
15 "Sec. \_\_\_\_\_. Section 362.5, subsection 11, Code  
16 1989, is amended by striking the subsection.""

By SPEAR of Lee

H-5059 FILED JANUARY 31, 1990

*Adopted 2/2 (9-20-)*

HOUSE FILE 2057

H-5044

- 1 Amend House File 2057 as follows:
- 2 1. Page 1, lines 5 and 6, by striking the words
- 3 "but less than ~~ten~~ fifteen thousand" and inserting the
- 4 following: "~~but-less-than-ten-thousand~~".

By COMMITTEE ON LOCAL GOVERNMENT  
FOGARTY of Palo Alto, Chairperson

H-5044 FILED JANUARY 26, 1990

*Adopted as amended by 5057 2/2 (p. 282)*

HOUSE FILE 2057

H-5046

- 1 Amend House File 2057 as follows:
- 2 1. Page 1, by inserting before line 1, the
- 3 following:
- 4 "Section 1. NEW SECTION. 279.7A INTEREST IN
- 5 PUBLIC CONTRACTS PROHIBITED -- EXCEPTION.
- 6 A board of directors of a school corporation shall
- 7 not have an interest, direct or indirect, in a
- 8 contract for the purchase of goods, including
- 9 materials and profits, and the performance of services
- 10 for the director's school corporation. A contract
- 11 entered into in violation of this section is void.
- 12 This section does not apply to contracts for the
- 13 purchase of goods or services, which benefit a
- 14 director, if the benefit to the director does not
- 15 exceed one thousand dollars in a fiscal year."
- 16 2. By numbering and renumbering as necessary.

By SPEAR of Lee

H-5046 FILED JANUARY 29, 1990

*Adopted as amended by 5055 2/2 (p. 282)*

HOUSE FILE 2057

H-5055

- 1 Amend amendment, H-5046, to House File 2057 as
- 2 follows:
- 3 1. Page 1, line 15, by striking the words "one
- 4 thousand" and inserting the following: "two thousand
- 5 five hundred".

By SPEAR of Lee

H-5055 FILED JANUARY 31, 1990

*Adopted 2/2 (p. 282)*

Sen. Green Book 26  
Amended per 54204 & Pass 3/8 (p. 955)

HOUSE FILE 2057  
BY VAN MAANEN

(As Amended and Passed by the House February 2, 1990)

Re Passed House, Date 3/21/90 (p. 1268) Passed Senate, Date 3/13/90 (p. 1039)  
Vote: Ayes 97 Nays 0 Vote: Ayes 33 Nays 10

Approved April 27, 1990

Motion to Reconsider 3/22 (p. 1344)  
prevalent 3/28 (p. 1529)

Repassed Senate per 5758 4/7/90 (p. 1678)  
47-0

House amended & concurred  
3/28/90 (p. 1529)  
94-0

A BILL FOR

1 An Act relating to prohibited interests in public contracts.  
2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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House Amendments \_\_\_\_\_

1 Section 1. NEW SECTION. 279.7A INTEREST IN PUBLIC

2 CONTRACTS PROHIBITED -- EXCEPTION.

3 A board of directors of a school corporation shall not have  
4 an interest, direct or indirect, in a contract for the  
5 purchase of goods, including materials and profits, and the  
6 performance of services for the director's school corporation.  
7 A contract entered into in violation of this section is void.  
8 This section does not apply to contracts for the purchase of  
9 goods or services, which benefit a director, if the benefit to  
10 the director does not exceed two thousand five hundred dollars  
11 in a fiscal year.

12 Sec. 2. Section 362.5, subsection 10, Code 1989, is  
13 amended to read as follows:

14 10. Contracts not otherwise permitted by this section, for  
15 the purchase of goods or services by a city having-a  
16 population-of-more-than-two-thousand-five-hundred-but-less  
17 than-ten-thousand, which benefit a city officer or employee,  
18 if the purchases benefiting that officer or employee do not  
19 exceed a cumulative total purchase price of one two thousand  
20 five hundred dollars in a fiscal year.

21 Sec. 3. Section 362.5, subsection 11, Code 1989, is  
22 amended by striking the subsection.

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HOUSE FILE 2057

S-5420

1 Amend House File 2057, as amended, passed, and  
2 reprinted by the House, as follows:  
3 1. Page 1, line 10, by striking the word "two"  
4 and inserting the following: "one".  
5 2. Page 1, by striking line 11 and inserting the  
6 following: "in a fiscal year, and contracts made by a  
7 school board, upon competitive bid in writing,  
8 publicly invited and opened."  
9 3. Page 1, by inserting after line 11 the  
10 following:  
11 "Sec. \_\_\_\_ . Section 331.342, subsection 3, Code  
12 1989, is amended to read as follows:  
13 3. Contracts made by a county ~~of-less-than-ten~~  
14 ~~thousand-population~~, upon competitive bid in writing,  
15 publicly invited and opened.  
16 Sec. \_\_\_\_ . Section 331.342, Code 1989, is amended  
17 by adding the following new subsection:  
18 NEW SUBSECTION. 10. Contracts not otherwise  
19 permitted by this section, for the purchase of goods  
20 or services by a county, which benefit a county  
21 officer or employee, if the purchases benefitting that  
22 officer or employee do not exceed a cumulative total  
23 purchase price of one thousand five hundred dollars in  
24 a fiscal year."  
25 4. Page 1, line 19, by striking the words "one  
26 two" and inserting the following: "one".

By COMMITTEE ON LOCAL GOVERNMENT  
ALVIN V. MILLER, Chairperson

S-5420 FILED MARCH 8, 1990

*Adopted 3/13 (p 10.34)*

HOUSE AMENDMENT TO SENATE AMENDMENT TO  
HOUSE FILE 2057

S-5758

1 Amend amendment, H-5667, to House File 2057, as  
2 amended, passed, and reprinted by the House, as  
3 follows:

4 1. Page 1, by inserting after line 2, the  
5 following:

6 " . Page 1, by inserting before line 1, the  
7 following:

8 "Section 1. Section 68B.4, Code 1989, is amended  
9 to read as follows:

10 68B.4 WHEN SALES PROHIBITED.

11 No An official or employee of any regulatory agency  
12 shall not sell, either directly or indirectly, any  
13 goods or services to individuals, associations, or  
14 corporations subject to the regulatory authority of  
15 the agency of which the person is an official or  
16 employee, except when the official or employee has met  
17 all of the following conditions:

18 1. The consent of the regulatory agency for which  
19 the person is an official or employee is obtained and  
20 the person is not the official or employee with the  
21 authority to determine whether agency consent is to be  
22 given under this section.

23 2. The duties or functions performed by the  
24 official or employee for the regulatory agency are not  
25 related to the regulatory authority of the agency over  
26 the individual, association, or corporation, or the  
27 selling of goods or services by the official or  
28 employee to the individuals, associations, or  
29 corporations does not affect the official's or  
30 employee's duties or functions at the regulatory  
31 agency.

32 3. The selling of any goods or services by the  
33 official or employee to an individual, association, or  
34 corporation does not include advocacy on behalf of the  
35 individual, association, or corporation to the  
36 regulatory agency in which the person is an official  
37 or employee.

38 4. The selling of any goods or services by the  
39 official or employee to an individual, association, or  
40 corporation does not cause the official or employee to  
41 sell goods or services to the regulatory agency on  
42 behalf of the individual, association, or corporation.

43 Each regulatory agency shall adopt rules specifying  
44 the method by which agency consent under this section  
45 may be obtained."

46 2. By renumbering as necessary.

RECEIVED FROM THE HOUSE

S-5758 FILED MARCH 28, 1990

*Senate Concurred 4/7 (p 1698)*



## HOUSE FILE 2057

H-5859

1 Amend amendment, H-5667, to House File 2057, as  
2 amended, passed, and reprinted by the House, as  
3 follows:

4 1. Page 1, by inserting after line 2, the  
5 following:

6 " ". Page 1, by inserting before line 1, the  
7 following:

8 "Section 1. Section 68B.4, Code 1989, is amended  
9 to read as follows:

10 68B.4 WHEN SALES PROHIBITED.

11 No An official or employee of any regulatory agency  
12 shall not sell, either directly or indirectly, any  
13 goods or services to individuals, associations, or  
14 corporations subject to the regulatory authority of  
15 the agency of which the person is an official or  
16 employee, except when the official or employee has met  
17 all of the following conditions:

18 1. The consent of the regulatory agency for which  
19 the person is an official or employee is obtained and  
20 the person is not the official or employee with the  
21 authority to determine whether agency consent is to be  
22 given under this section.

23 2. The duties or functions performed by the  
24 official or employee for the regulatory agency are not  
25 related to the regulatory authority of the agency over  
26 the individual, association, or corporation, or the  
27 selling of goods or services by the official or  
28 employee to the individuals, associations, or  
29 corporations does not affect the official's or  
30 employee's duties or functions at the regulatory  
31 agency.

32 3. The selling of any goods or services by the  
33 official or employee to an individual, association, or  
34 corporation does not include advocacy on behalf of the  
35 individual, association, or corporation to the  
36 regulatory agency in which the person is an official  
37 or employee.

38 4. The selling of any goods or services by the  
39 official or employee to an individual, association, or  
40 corporation does not cause the official or employee to  
41 sell goods or services to the regulatory agency on  
42 behalf of the individual, association, or corporation.

43 Each regulatory agency shall adopt rules specifying  
44 the method by which agency consent under this section  
45 may be obtained."

46 2. By renumbering as necessary.

By BEATTY of Warren

H-5859 FILED MARCH 23, 1990

*Rule not germane, Rule suspended,  
Adopted 3/28 (p. 1529)*

SENATE AMENDMENT TO HOUSE FILE 2057

H-5667

- 1 Amend House File 2057, as amended, passed, and  
2 reprinted by the House, as follows:  
3 1. Page 1, line 10, by striking the word "two"  
4 and inserting the following: "one".  
5 2. Page 1, by striking line 11 and inserting the  
6 following: "in a fiscal year, and contracts made by a  
7 school board, upon competitive bid in writing,  
8 publicly invited and opened."  
9 3. Page 1, by inserting after line 11 the  
10 following:  
11 "Sec. \_\_\_\_ . Section 331.342, subsection 3, Code  
12 1989, is amended to read as follows:  
13 3. Contracts made by a county of ~~less than ten~~  
14 ~~thousand population~~, upon competitive bid in writing,  
15 publicly invited and opened.  
16 Sec. \_\_\_\_ . Section 331.342, Code 1989, is amended  
17 by adding the following new subsection:  
18 NEW SUBSECTION. 10. Contracts not otherwise  
19 permitted by this section, for the purchase of goods  
20 or services by a county, which benefit a county  
21 officer or employee, if the purchases benefitting that  
22 officer or employee do not exceed a cumulative total  
23 purchase price of one thousand five hundred dollars in  
24 a fiscal year."  
25 4. Page 1, line 19, by striking the words "one  
26 two" and inserting the following: "one".

RECEIVED FROM THE SENATE

H-5667 FILED MARCH 14, 1990

*House concurred 3/21 (p. 1268)*

*Reconsidered, amended (5859) & Concurred 3/28 (p. 1529)*

HOUSE FILE 2057

AN ACT

RELATING TO PROHIBITED INTERESTS IN PUBLIC CONTRACTS.

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

Section 1. Section 68B.4, Code 1989, is amended to read as follows:

68B.4 WHEN SALES PROHIBITED.

No An official or employee of any regulatory agency shall not sell, either directly or indirectly, any goods or services to individuals, associations, or corporations subject to the regulatory authority of the agency of which the person is an official or employee, except when the official or employee has met all of the following conditions:

1. The consent of the regulatory agency for which the person is an official or employee is obtained and the person is not the official or employee with the authority to determine whether agency consent is to be given under this section.

2. The duties or functions performed by the official or employee for the regulatory agency are not related to the regulatory authority of the agency over the individual, association, or corporation, or the selling of goods or services by the official or employee to the individuals, associations, or corporations does not affect the official's or employee's duties or functions at the regulatory agency.

3. The selling of any goods or services by the official or employee to an individual, association, or corporation does not include advocacy on behalf of the individual, association, or corporation to the regulatory agency in which the person is an official or employee.

4. The selling of any goods or services by the official or employee to an individual, association, or corporation does

not cause the official or employee to sell goods or services to the regulatory agency on behalf of the individual, association, or corporation.

Each regulatory agency shall adopt rules specifying the method by which agency consent under this section may be obtained.

Sec. 2. NEW SECTION. 279.7A INTEREST IN PUBLIC CONTRACTS PROHIBITED -- EXCEPTION.

A 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, if the benefit to the director does not exceed one thousand five hundred dollars in a fiscal year, and contracts made by a school board, upon competitive bid in writing, publicly invited and opened.

Sec. 3. Section 331.342, subsection 3, Code 1989, is amended to read as follows:

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

Sec. 4. Section 331.342, Code 1989, is amended by adding the following new subsection:

NEW SUBSECTION. 10. Contracts not otherwise permitted by this section, for the purchase of goods or services by a county, which benefit a county officer or employee, if the purchases benefiting that officer or employee do not exceed a cumulative total purchase price of one thousand five hundred dollars in a fiscal year.

Sec. 5. Section 362.5, subsection 10, Code 1989, is amended to read as follows:

10. Contracts not otherwise permitted by this section, for the purchase of goods or services by a city ~~having a~~

~~population-of-more-than-two-thousand-five-hundred-but-less than-ten-thousand~~, which 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 five hundred dollars in a fiscal year.

Sec. 6. Section 362.5, subsection 11, Code 1989, is amended by striking the subsection.

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DONALD D. AVENSON  
Speaker of the House

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JO ANN ZIMMERMAN  
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 2057, Seventy-third General Assembly.

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JOSEPH O'HERN  
Chief Clerk of the House

Approved April 27, 1990

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TERRY E. BRANSTAD  
Governor