

FEB 15 1996  
STATE GOVERNMENT

HOUSE FILE 2231  
BY ARNOLD

Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

A BILL FOR

1 An Act relating to bond requirements for contracts for public  
2 improvements.

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

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HF 2231

1 Section 1. Section 573.2, unnumbered paragraph 1, Code  
2 1995, is amended to read as follows:

3 Contracts for the construction of a public improvement  
4 shall, when the contract price equals or exceeds twenty-five  
5 fifty thousand dollars, be accompanied by a bond, with surety,  
6 conditioned for the faithful performance of the contract, and  
7 for the fulfillment of other requirements as provided by law.  
8 The bond may also be required when the contract price does not  
9 equal that amount. However, if a contractor provides a  
10 performance or maintenance bond as required by a public  
11 improvement contract governed by this chapter and subsequently  
12 the surety company becomes insolvent and the contractor is  
13 required to purchase a new bond, the contractor may apply for  
14 reimbursement from the governmental agency that required a  
15 second bond and the claims shall be reimbursed from funds  
16 allocated for road construction purposes.

17 EXPLANATION

18 This bill increases from \$25,000 to \$50,000 the threshold  
19 contract price amount for requiring a bond on a contract for  
20 the construction of a public improvement.

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