

HSB 40

STATE GOVERNMENT

Bradley, chair
Metcalf
Falck

HOUSE FILE ^{Successor by} SE 712 686
BY (PROPOSED COMMITTEE ON
STATE GOVERNMENT BILL BY
CHAIRPERSON METCALF)

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to provision of notice by state agencies prior to
2 providing new products or services.

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

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1 Section 1. NEW SECTION. 23A.2A STATE AGENCIES NOT TO
2 PROVIDE NEW PRODUCTS OR SERVICES WITHOUT PRIOR NOTICE.

3 A state agency shall not, unless specifically authorized by
4 statute, rule, ordinance, or regulation, engage in any new
5 program of manufacturing, processing, sale, offering for sale,
6 rental, leasing, delivery, dispensing, distributing, or
7 advertising of goods or services to the public without
8 providing prior notice in the Iowa administrative bulletin not
9 less than sixty days prior to commencing the program or
10 expending funds in anticipation of commencement of the
11 program. The notice shall describe the program in detail and
12 provide a statement of costs and expenses attributable to the
13 program which is compiled in accordance with generally
14 accepted accounting principles. The notice shall either
15 include a request for proposals to have the program performed
16 by private enterprise or advise how a request for proposals
17 may be obtained. The notice shall also include a
18 certification by the agency head that the program will not
19 violate section 23A.2. Before commencing the program as an
20 agency program, the agency head shall cause to be published in
21 the Iowa administrative bulletin the agency's valuation of any
22 submissions received in response to the request for proposals,
23 and the agency's reasons for commencing the program, and shall
24 identify for public inspection any documentation supporting
25 the agency's decision to commence with the program.

26 EXPLANATION

27 This bill amends Code chapter 23A by adding a new section
28 providing that state agencies shall not provide new products
29 or services without giving prior notice in the Iowa
30 administrative bulletin which describes the proposed program
31 in detail and provides a statement of expected costs and
32 expenses. The notice must also include a request for proposal
33 to have the program performed by private enterprise or tell
34 how a request for proposals can be obtained. The notice shall
35 also certify that the program will not violate Code section

1 23A.2 by competing with private enterprise. Before commencing
2 the program, the agency head must also publish in the Iowa
3 administrative bulletin the agency's valuation of any
4 responses to the request for proposals, reasons for proceeding
5 with the program, and make available for public inspection any
6 documentation supporting the agency's decision.

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5-3/28/01 State Gov.
5-4/5/01 Do Pass

5-4/12/01 UNFINISHED BUSINESS CALENDAR

MAR 22 2001

Place On Calendar

HOUSE FILE 686

BY COMMITTEE ON STATE GOVERNMENT

(SUCCESSOR TO HSB 40)

Passed House, ^(P.967) Date 3-28-01 Passed Senate, ^(P.1127) Date 4-16-01
Vote: Ayes 95 Nays 1 Vote: Ayes 49 Nays 0
Approved April 23, 2001

A BILL FOR

1 An Act relating to provision of notice prior to the provision of
2 products or services by state agencies or political
3 subdivisions.

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

HF 686

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1 Section 1. NEW SECTION. 17A.34 COMPETITION WITH PRIVATE
2 ENTERPRISE -- NOTATION IN RULES.

3 When a rule is proposed, the administrative rules
4 coordinator shall make an initial determination of whether the
5 rule may cause a service or product to be offered for sale to
6 the public by a state agency that competes with private
7 enterprise. If such a service or product may be offered as a
8 result of the proposed rule, that fact shall be included in
9 the notice of intended action of the rule.

10 Sec. 2. NEW SECTION. 23A.2A COMPETITION WITH PRIVATE
11 INDUSTRY -- NOTATION IN ACTS.

12 When a bill or joint resolution is requested, the
13 legislative service bureau shall make an initial determination
14 of whether the bill or joint resolution may cause a service or
15 product to be offered for sale to the public by a state agency
16 or political subdivision that competes with private
17 enterprise. If such a service or product may be offered as a
18 result of the bill or resolution, that fact shall be included
19 in the explanation of the bill or joint resolution.

20 EXPLANATION

21 This bill amends Code chapter 17A by adding a new section
22 providing that when an administrative rule is proposed, the
23 administrative rules coordinator shall make an initial
24 determination of whether the rule may cause a service or
25 product to be offered for sale to the public by a state agency
26 that competes with private enterprise and that fact must be
27 included in the notice of intended action of the rule.

28 The bill also amends Code chapter 23A by adding a new
29 section providing that when a bill or joint resolution is
30 requested, the legislative service bureau shall make an
31 initial determination of whether the bill or joint resolution
32 may cause a service or product to be offered for sale to the
33 public by a state agency or political subdivision that
34 competes with private enterprise. If so, that fact must be
35 included in the explanation of the bill or joint resolution.

**HOUSE FILE 686
FISCAL NOTE**

A fiscal note for **House File 686** is hereby submitted pursuant to Joint Rule 17. Data used in developing this fiscal note is available from the Legislative Fiscal Bureau to members of the Legislature upon request.

House File 686 requires the Administrative Rules Coordinator to make an initial determination of whether a proposed Administrative Rule may cause a service or product to be offered for sale to the public by a State agency that competes with private enterprise. The finding must be included in the notice of intended action of the rule. House File 686 also provides for the Legislative Service Bureau to make an initial determination of whether the bill or joint resolution may cause a service or product to be offered for sale to the public by a state agency or political subdivision that competes with private enterprise. If so, that fact must be included in the explanation of the bill or joint resolution.

ASSUMPTIONS

1. The Administrative Rules Coordinator will require agencies to identify whether or not the State-supplied service would compete with private industry.
2. The Legislative Service Bureau, as a part of their current review of bills, will make an initial determination on a resolution or bill that may put State-supplied services in competition with private industry.

FISCAL IMPACT

House File 686 is not expected to have a significant fiscal impact on the State General Fund.

SOURCES

Administrative Rules Coordinator
Legislative Service Bureau

(LSB 1684hv, CRS)

FILED MARCH 28, 2001

BY DENNIS PROUTY, FISCAL DIRECTOR

result of the bill or resolution, that fact shall be included in the explanation of the bill or joint resolution.

HOUSE FILE 686

AN ACT
RELATING TO PROVISION OF NOTICE PRIOR TO THE PROVISION OF
PRODUCTS OR SERVICES BY STATE AGENCIES OR POLITICAL
SUBDIVISIONS.

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

Section 1. NEW SECTION. 17A.34 COMPETITION WITH PRIVATE
ENTERPRISE -- NOTATION IN RULES.

When a rule is proposed, the administrative rules coordinator shall make an initial determination of whether the rule may cause a service or product to be offered for sale to the public by a state agency that competes with private enterprise. If such a service or product may be offered as a result of the proposed rule, that fact shall be included in the notice of intended action of the rule.

Sec. 2. NEW SECTION. 23A.2A COMPETITION WITH PRIVATE
INDUSTRY -- NOTATION IN ACTS.

When a bill or joint resolution is requested, the legislative service bureau shall make an initial determination of whether the bill or joint resolution may cause a service or product to be offered for sale to the public by a state agency or political subdivision that competes with private enterprise. If such a service or product may be offered as a

BRENT SIEGRIST
Speaker of the House

MARY E. KRAMER
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 686, Seventy-ninth General Assembly.

MARGARET THOMSON
Chief Clerk of the House

Approved *April 23*, 2001

THOMAS J. VILSACK
Governor