

Withdrawn

4/9/03

MAR 17 2003

Place On Calendar

SF 272 substituted

HOUSE FILE

597

BY COMMITTEE ON LOCAL
GOVERNMENT

(SUCCESSOR TO HSB 205)

Passed House, Date _____ Passed Senate, Date _____

Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____

Approved _____

A BILL FOR

1 An Act relating to conflicts of interest in public contracts.

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

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HF 597

1 Section 1. Section 279.7A, Code 2003, is amended to read
2 as follows:

3 279.7A INTEREST IN PUBLIC CONTRACTS PROHIBITED --
4 EXCEPTIONS.

5 A member of the board of directors of a school corporation
6 shall not have an interest, direct or indirect, in a contract
7 for the purchase of goods, including materials and profits,
8 and the performance of services for the director's school
9 corporation. A contract entered into in violation of this
10 section is void. This section does not apply to contracts for
11 the purchase of goods or services which benefit a director, or
12 to compensation for part-time or temporary employment which
13 benefits a director, if the benefit to the director does not
14 exceed two thousand five hundred dollars in a fiscal year, and
15 contracts made by a school board, upon competitive bid in
16 writing, publicly invited and opened. This section does not
17 apply to a contract that is a bond, note, or other obligation
18 of a school corporation if the contract is not acquired
19 directly from the school corporation, but is acquired in a
20 transaction with a third party, who may or may not be the
21 original underwriter, purchaser, or obligee of the contract,
22 or to a contract in which a director has an interest solely by
23 reason of employment if the contract is made by competitive
24 bid in writing, publicly invited and opened, or if the
25 remuneration of employment will not be directly affected as a
26 result of the contract and the duties of employment do not
27 directly involve the procurement or preparation of any part of
28 the contract. The competitive bid qualification of this
29 section does not apply to a contract for professional services
30 not customarily awarded by competitive bid.

31 Sec. 2. Section 331.342, subsection 4, Code 2003, is
32 amended to read as follows:

33 4. Contracts in which a county officer or employee has an
34 interest solely by reason of employment, or a stock interest
35 of the kind described in subsection 8, or both, if the

1 contracts are made by competitive bid, publicly invited and
2 opened, and or if the remuneration of employment will not be
3 directly affected as a result of the contract and the duties
4 of employment do not directly involve the procurement or
5 preparation of any part of the contract. The competitive bid
6 qualification of this subsection does not apply to a contract
7 for professional services not customarily awarded by
8 competitive bid.

9 Sec. 3. Section 331.342, Code 2003, is amended by adding
10 the following new subsection:

11 NEW SUBSECTION. 11. A contract that is a bond, note, or
12 other obligation of the county and the contract is not
13 acquired directly from the county, but is acquired in a
14 transaction with a third party, who may or may not be the
15 original underwriter, purchaser, or obligee of the contract.

16 Sec. 4. Section 362.5, subsection 5, Code 2003, is amended
17 to read as follows:

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

32 Sec. 4. Section 362.5, Code 2003, is amended by adding the
33 following new subsection:

34 NEW SUBSECTION. 13. A contract that is a bond, note, or
35 other obligation of the city and the contract is not acquired

1 directly from the city, but is acquired in a transaction with
2 a third party who may or may not be the original underwriter,
3 purchaser, or obligee of the contract.

4 EXPLANATION

5 This bill relates to conflicts of interest in public
6 contracts by persons who hold certain public offices or
7 employment. The bill provides that members of school boards,
8 and city and county officers and employees are not prohibited
9 from serving in that capacity because of an interest, direct
10 or indirect, in certain contracts if the contracts are made by
11 competitive bid, publicly invited and opened, or if the
12 remuneration of employment for the person is not directly
13 affected as a result of the contract and the duties of the
14 person's employment do not directly involve the procurement or
15 preparation of any part of the contract.

16 The conflict of interest provisions also do not apply to
17 contracts in which a member of a school board, or a city or
18 county officer or employee has a direct or indirect interest,
19 when the contracts are bonds, notes, or other obligations of
20 the school corporation, county, or city that are not acquired
21 directly from that body but instead are acquired in
22 transactions with a third party, who may or may not be the
23 original underwriter, purchaser, or obligee of the contract.

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Rep UE

Schickel
Bral,
Lensing

Succeeded By
SF 597

HSB 205

LOCAL GOVERNMENT

HOUSE FILE _____

BY (PROPOSED COMMITTEE ON LOCAL
GOVERNMENT BILL BY
CHAIRPERSON VAN ENGELNHOVEN)

Passed House, Date _____

Passed Senate, Date _____

Vote: Ayes _____ Nays _____

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S.F. _____

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22 or to a contract in which a director has an interest solely by
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25 or preparation of any part of the contract. The competitive
26 bid qualification of this subsection does not apply to a
27 contract ~~is~~ for professional services not customarily awarded
28 by competitive bid~~7-if-the-remuneration-of-employment-will-not~~
29 ~~be-directly-affected-as-a-result-of-the-contract7-and-if-the~~
30 ~~duties-of-employment-do-not-directly-involve-the-procurement~~
31 ~~or-preparation-of-any-part-of-the-contract.~~

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33 following new subsection:

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