

FILED FEB 08 2006

SENATE FILE 2177

BY QUIRMBACH

EDUCATION

Passed Senate, Date _____

Passed House, Date _____

Vote: Ayes _____ Nays _____

Vote: Ayes _____ Nays _____

Approved _____

A BILL FOR

1 An Act relating to a school board member's interest in a school
2 district contract for the performance of services and
3 providing an exemption.

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

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EDUCATION SF 2177

1 Section 1. Section 277.27, Code 2005, is amended to read
2 as follows:

3 277.27 QUALIFICATION.

4 A member of the board shall, at the time of election or
5 appointment, be an eligible elector of the corporation or
6 subdistrict. Notwithstanding any contrary provision of the
7 Code, a member of the board of directors of a school district
8 shall not receive compensation directly from the school board
9 unless the compensation is for part-time or temporary
10 employment and does not exceed the limitation set forth in
11 section 279.7A, subsection 2, or unless the board member is
12 employed as a substitute teacher in accordance with section
13 279.7A, subsection 4.

14 Sec. 2. Section 279.7A, Code 2005, is amended to read as
15 follows:

16 279.7A INTEREST IN PUBLIC CONTRACTS PROHIBITED --
17 EXCEPTIONS.

18 1. A member of the board of directors of a school
19 corporation shall not have an interest, direct or indirect, in
20 a contract for the purchase of goods, including materials and
21 profits, and the performance of services for the director's
22 school corporation. A contract entered into in violation of
23 this section is void.

24 2. This section does not apply to contracts for the
25 purchase of goods or services which benefit a director, or to
26 compensation for part-time or temporary employment which
27 benefits a director, if the benefit to the director does not
28 exceed two thousand five hundred dollars in a fiscal year, and
29 contracts made by a school board, upon competitive bid in
30 writing, publicly invited and opened.

31 3. This section does not apply to a contract that is a
32 bond, note, or other obligation of a school corporation if the
33 contract is not acquired directly from the school corporation,
34 but is acquired in a transaction with a third party, who may
35 or may not be the original underwriter, purchaser, or obligee

1 of the contract, or to a contract in which a director has an
2 interest solely by reason of employment if the contract is
3 made by competitive bid in writing, publicly invited and
4 opened, or if the remuneration of employment will not be
5 directly affected as a result of the contract and the duties
6 of employment do not directly involve the procurement or
7 preparation of any part of the contract. The competitive bid
8 qualification of this section does not apply to a contract for
9 professional services not customarily awarded by competitive
10 bid.

11 4. This section does not apply to contracts for the
12 employment of a board member as a substitute teacher if the
13 salary specified in the board member's substitute teacher
14 contract is determined pursuant to the salary schedule adopted
15 by the board of directors of the school district or negotiated
16 under chapter 20.

17 EXPLANATION

18 This bill exempts a school board member who is under
19 contract with the school district as a substitute teacher from
20 the Code provision which states that a member of the board of
21 directors of a school corporation shall not have an interest,
22 direct or indirect, in a contract for the performance of
23 services for the director's school corporation. The salary
24 specified in the person's substitute teaching contract must be
25 as determined in the salary schedule adopted by the school
26 board or negotiated under Code chapter 20.

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