

Senate Study Bill 1176

SENATE/HOUSE FILE _____
BY (PROPOSED IOWA
TELECOMMUNICATIONS AND
TECHNOLOGY COMMISSION
BILL)

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

A BILL FOR

1 An Act relating to expenditure approval requirements applicable
2 to the purchase of telecommunications equipment or services by
3 the Iowa communications network.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
5 TLSB 1274XD 82
6 rn/je/5

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1 1 Section 1. Section 8D.11, subsection 1, Code 2007, is
1 2 amended to read as follows:
1 3 1. The commission may purchase, lease, and improve
1 4 property, equipment, and services for telecommunications for
1 5 public and private agencies and may dispose of property and
1 6 equipment when not necessary for its purposes. ~~However, the~~
1 7 ~~The~~ commission ~~shall not may~~ enter into a contract for the
1 8 purchase, lease, or improvement of property, equipment, or
1 9 services for telecommunications pursuant to this subsection in
1 10 an amount not greater than ~~one two~~ million dollars without
1 11 prior authorization by a constitutional majority of each house
1 12 of the general assembly, or approval by the legislative
1 13 council if the general assembly is not in session. A contract
1 14 in an amount exceeding two million dollars shall require prior
1 15 authorization or approval. This authorized contractual limit
1 16 shall be adjusted annually pursuant to subsection 1A. The
1 17 commission shall not issue any bonding or other long-term
1 18 financing arrangements as defined in section 12.30, subsection
1 19 1, paragraph "b". Real or personal property to be purchased
1 20 by the commission through the use of a financing agreement
1 21 shall be done in accordance with the provisions of section
1 22 12.28, provided, however, that the commission ~~shall not may~~
1 23 purchase property, equipment, or services for
1 24 telecommunications pursuant to ~~this subsection a financing~~
1 25 agreement in an amount not greater than ~~one two~~ million
1 26 dollars without prior authorization by a constitutional
1 27 majority of each house of the general assembly, or approval by
1 28 the legislative council if the general assembly is not in
1 29 session. A contract in an amount exceeding two million
1 30 dollars shall require prior authorization or approval. This
1 31 authorized limit for purchases pursuant to a financing
1 32 arrangement shall be adjusted annually pursuant to subsection
1 33 1A.

1 34 Sec. 2. Section 8D.11, Code 2007, is amended by adding the
1 35 following new subsection:

2 1 NEW SUBSECTION. 1A. Beginning July 1, 2008, and each
2 2 succeeding July 1 thereafter, the director shall by rule
2 3 adjust the authorized contracted limitation set out in
2 4 subsection 1 to be applicable for the twelve-month period
2 5 commencing on September 1 of the year in which the adjustment
2 6 is made. The adjusted limitation shall be published annually
2 7 as a notice in the Iowa administrative bulletin prior to
2 8 September 1. The adjusted limitation shall be calculated by
2 9 applying the percentage change in the consumer price index for
2 10 all urban consumers for the most recent available twelve-month
2 11 period published in the federal register by the United States
2 12 department of labor, bureau of labor statistics, to the
2 13 existing limitation as an increase or decrease, rounded to the
2 14 nearest one-tenth of a cent. The calculation and publication
2 15 of the adjusted limitation by the director are exempt from the
2 16 provisions of chapter 17A.

EXPLANATION

2 17
2 18 This bill increases existing limitations on amounts which
2 19 may be expended by the Iowa communications network for
2 20 purchasing equipment or services for telecommunications
2 21 without prior authorization by the general assembly or
2 22 legislative council. The limitations are increased from \$1
2 23 million to \$2 million for amounts expended by the network
2 24 pursuant to a contract for the purchase, lease, or improvement
2 25 of property, equipment, or services for telecommunications, or
2 26 for the purchase of property, equipment, or services for
2 27 telecommunications pursuant to a financing agreement. The
2 28 bill provides that the increased authorized limitation shall
2 29 be adjusted annually to reflect increases in the consumer
2 30 price index for all urban consumers, as published in the
2 31 federal register by the United States department of labor,
2 32 bureau of labor statistics.
2 33 The bill specifies that the adjustment shall be made by the
2 34 executive director of the telecommunications and technology
2 35 commission beginning July 1, 2008, and each succeeding July 1
3 1 thereafter, prescribes a method of computation, states that
3 2 the adjustments shall be applicable for the 12-month period
3 3 commencing on September 1 of the year in which made, and
3 4 provides for publication as a notice in the Iowa
3 5 administrative bulletin prior to the September 1 date.
3 6 LSB 1274XD 82
3 7 rn:rj/je/5.1