

Senate File 2055 - Introduced

SENATE FILE 2055
BY BEALL

A BILL FOR

- 1 An Act relating to financing work within drainage or levee
- 2 districts.
- 3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 468.100, Code 2014, is amended to read
2 as follows:

3 **468.100 Monthly estimate — payment.**

4 1. The supervising engineer shall, on or before the tenth
5 day of each calendar month, furnish the contractor and file
6 with the auditor estimates for work done during the preceding
7 calendar month under the contract on each section, and the
8 auditor shall at once draw warrants in favor of such contractor
9 on the drainage funds of the district or give the contractor
10 an order directing the county treasurer to deliver to the
11 contractor or contractors improvement certificates, or drainage
12 bonds as the case may be, for ninety percent of the estimate
13 on work done. Such monthly estimates shall remain on file in
14 the office of the auditor as a part of the permanent records of
15 the district to which they relate. Drainage warrants, bonds,
16 or improvement certificates when so issued shall be in such
17 amounts as the auditor determines, not however, in amounts in
18 excess of one five thousand dollars.

19 2. All of the provisions of this section shall, when
20 applicable, apply to repair work and improvement work in the
21 same force and effect as to original construction.

22 Sec. 2. Section 468.291, Code 2014, is amended to read as
23 follows:

24 **468.291 Monthly estimate — payment.**

25 The engineer in charge of the work shall furnish the
26 contractor a monthly statement estimating the amount of work
27 done on each section and in each county. A duplicate copy of
28 the statement shall be filed with the auditor of each county
29 where the work is done. When the auditor files the statement,
30 the auditor shall draw a warrant for the contractor or give the
31 contractor an order directing the treasurer to deliver to the
32 contractor improvement certificates or drainage bonds, as the
33 case may be, in favor of the contractor for ninety percent of
34 the amount due from the auditor's county. Drainage warrants,
35 bonds, or improvement certificates when so issued shall be in

1 such amounts as the auditor determines, but shall not be in
2 amounts in excess of one five thousand dollars.

3 EXPLANATION

4 The inclusion of this explanation does not constitute agreement with
5 the explanation's substance by the members of the general assembly.

6 BILL'S PROVISIONS — INCREASE IN CEILING AMOUNT FOR PAYMENT
7 OF CONSTRUCTION WORK. This bill increases the ceiling amount
8 for drainage warrants, bonds, or improvement certificates
9 issued for purposes of paying contractors for work performed
10 within a drainage or levee district (district), as approved by
11 a supervising engineer appointed by the district's governing
12 board. The amount of the ceiling is increased from \$1,000 to
13 \$5,000.

14 BACKGROUND — GOVERNANCE. Under Code chapter 468, drainage
15 or levee districts are established and managed by different
16 forms of governing boards. An intracounty district is
17 established and managed by a county board of supervisors in
18 the county where the district is located (Subchapter I, Part
19 1 — Code sections 468.1 through 468.200). An intercounty
20 district may be established in two or more counties and managed
21 by a joint board of supervisors (Subchapter II, Part 1 — Code
22 sections 468.270 through 468.304), and two or more intracounty
23 districts located in more than one county may be converted into
24 an intercounty district and again managed by a joint board of
25 supervisors (Subchapter II, Part 2 — Code sections 468.305
26 through 468.314). A drainage district may also be placed under
27 the management of a board of trustees (Subchapter III, Parts 1
28 through 3 — Code sections 468.500 through 468.539).

29 BACKGROUND — CONTRACTING FOR WORK. The governing board
30 is required to appoint an engineer to supervise work projects
31 in the district, sometimes referred to as a "supervising
32 engineer" (Code sections 468.33 and 468.287). When a district
33 is established the governing board must award a contract or
34 contracts to contractors bidding on the project according to
35 specific procedures (Code section 468.35). After the district

1 is established, the governing board may order repairs to the
2 district or order an improvement to be made to the district
3 in a manner that expands, enlarges or otherwise increases its
4 capacity (Code section 468.126). The governing board must
5 award a contract or contracts to contractors bidding on the
6 project according to specific procedures (Code section 468.35).

7 BACKGROUND — PAYMENT. A district contracting for
8 construction work may pay a contractor for construction costs
9 by drawing a warrant or issuing a bond or drainage certificate
10 (Code sections 468.74, 468.145, and 468.285). The warrants may
11 be, and the bonds or certificates are, payable at a future date
12 with accrued interest. During construction the supervising
13 engineer must provide the county auditor with a monthly
14 estimate of work completed and payments due to the contractor.
15 The supervising engineer's estimate is used as the basis for
16 interim payments to the contractor for up to 90 percent of the
17 work completed. Upon the work's completion, the supervising
18 engineer files a report with the governing board which holds a
19 public hearing of affected landowners to determine if there are
20 objections prior to final settlement of amounts due under the
21 construction contract (Code sections 468.101 through 468.103,
22 and 468.292).