

**House File 730 - Introduced**

HOUSE FILE 730  
BY COMMITTEE ON LOCAL  
GOVERNMENT

(SUCCESSOR TO HF 178)

(COMPANION TO SF 283 BY  
COMMITTEE ON LOCAL GOVERNMENT)

**A BILL FOR**

1 An Act relating to conflicts of interest in certain government  
2 public contracts.  
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 279.7A, Code 2019, is amended to read as  
2 follows:

3 **279.7A Interest in public contracts prohibited — exceptions.**

4 1. A member of the board of directors of a school  
5 corporation shall not have an interest, direct or indirect, in  
6 a contract for the purchase of goods, including materials and  
7 profits, and the performance of services for the director's  
8 school corporation. A contract entered into in violation of  
9 this section is void.

10 2. **This section** does not apply to contracts for the  
11 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~~ six thousand ~~five hundred~~ dollars in a fiscal year,  
15 and contracts made by a school board, upon competitive bid in  
16 writing, publicly invited and opened.

17 3. **This section** does not apply to a contract that is a  
18 bond, note, or other obligation of a school corporation if the  
19 contract is not acquired directly from the school corporation,  
20 but is acquired in a transaction with a third party, who may  
21 or may not be the original underwriter, purchaser, or obligee  
22 of the contract, or to a contract in which a director has an  
23 interest solely by reason of employment if the contract is made  
24 by competitive bid in writing, publicly invited and opened, or  
25 if the remuneration of employment will not be directly affected  
26 as a 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.

29 4. The competitive bid qualification of **this section**  
30 does not apply to a contract for professional services not  
31 customarily awarded by competitive bid.

32 Sec. 2. Section 331.342, subsection 2, paragraph j, Code  
33 2019, is amended to read as follows:

34 *j.* Contracts not otherwise permitted by **this section**, for  
35 the purchase of goods or services by a county, which benefit a

1 county officer or employee, if the purchases benefiting that  
2 officer or employee do not exceed a cumulative total purchase  
3 price of ~~one six thousand five hundred~~ dollars in a fiscal  
4 year.

5 Sec. 3. Section 362.5, subsection 3, paragraph j, Code 2019,  
6 is amended to read as follows:

7 j. Contracts not otherwise permitted by **this section**, for  
8 the purchase of goods or services by a city ~~having a population~~  
9 ~~of more than two thousand five hundred~~, which benefit a city  
10 officer or employee, if the purchases benefiting that officer  
11 or employee do not exceed a cumulative total purchase price of  
12 ~~one six thousand five hundred~~ dollars in a fiscal year.

13 Sec. 4. Section 362.5, subsection 3, paragraph k, Code 2019,  
14 is amended by striking the paragraph.

15

EXPLANATION

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

18 Current Code provisions generally restrict school board  
19 members and city and county officers and employees from  
20 entering into contracts with the applicable governmental entity  
21 or having an interest, direct or indirect, in a contract with  
22 the entity. The prohibition does not, however, apply to  
23 contracts if purchases benefiting the individual do not exceed  
24 specified value thresholds in a fiscal year. The current  
25 thresholds are \$2,500 for school board members, \$1,500 for  
26 county officers or employees, \$1,500 for officers or employees  
27 of a city with a population of more than 2,500, and \$2,500 for  
28 officers or employees of a city with a population of 2,500 or  
29 less. This bill increases all such contract threshold amounts  
30 to \$6,000.

31 By operation of law, the threshold amount changes in the bill  
32 also apply to other provisions governing school board members  
33 and provisions governing certain school organizations and clubs  
34 under Code section 298A.15, port authorities under Code chapter  
35 28J, regional transit districts under Code chapter 28M, and

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1 county enterprise commissions under Code section 331.471.