

**House Study Bill 57 - Introduced**

HOUSE FILE \_\_\_\_\_

BY (PROPOSED COMMITTEE ON  
STATE GOVERNMENT BILL BY  
CHAIRPERSON KAUFMANN)

**A BILL FOR**

1 An Act relating to public construction bidding procedures.  
2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 26.2, subsection 2, Code 2019, is amended  
2 to read as follows:

3 2. "Governmental entity" means the state, political  
4 subdivisions of the state, public school corporations, and all  
5 officers, boards, or commissions empowered by law to enter  
6 into contracts for the construction of public improvements,  
7 excluding ~~the state board of regents and the state department~~  
8 of transportation.

9 Sec. 2. Section 26.7, subsection 2, Code 2019, is amended  
10 to read as follows:

11 2. The notice to bidders ~~may~~ shall provide that bids will  
12 be received for the furnishing of all labor and materials and  
13 furnishing or installing equipment under one contract, ~~or.~~ The  
14 notice may also provide that bids will be received for parts  
15 thereof in separate sections.

16 Sec. 3. Section 262.34, Code 2019, is amended by striking  
17 the section and inserting in lieu thereof the following:

18 **262.34 Lease-purchase contracts.**

19 A contract for construction by a private party of property to  
20 be lease-purchased by the state board of regents is a contract  
21 for a public improvement under section 26.2, subsection 3. If  
22 the estimated cost of the property to be lease-purchased that  
23 is renovated, repaired, or involves new construction exceeds  
24 the competitive bid threshold set in section 26.3, the state  
25 board of regents shall comply with the competitive bidding  
26 requirements of section 26.3.

27 Sec. 4. Section 262.56, Code 2019, is amended to read as  
28 follows:

29 **262.56 Authorization — contracts — title.**

30 Subject to and in accordance with the provisions of this  
31 subchapter the state board of regents is hereby authorized  
32 to undertake and carry out any project as defined in section  
33 262.55 at the state university of Iowa, Iowa state university  
34 of science and technology, and the university of northern  
35 Iowa and to operate, control, maintain and manage student

1 residence halls and dormitories, including dining and other  
2 incidental facilities, and additions to such buildings at each  
3 of said institutions. All contracts for the construction,  
4 reconstruction, completion, equipment, improvement, repair or  
5 remodeling of any buildings, additions or facilities shall be  
6 let in accordance with the provisions of ~~section 262.34~~ chapter  
7 26. The title to all real estate acquired under the provisions  
8 of ~~this subchapter~~ and the improvements erected thereon shall  
9 be taken and held in the name of the state of Iowa. The board  
10 is authorized to rent the rooms in such residence halls and  
11 dormitories to the students, officers, guests and employees  
12 of said institutions at such rates, fees or rentals as will  
13 provide a reasonable return upon the investment, but which will  
14 in any event produce net rents, profits and income sufficient  
15 to insure the payment of the principal of and interest on all  
16 bonds or notes issued to pay any part of the cost of any project  
17 and refunding bonds or notes issued pursuant to the provisions  
18 of ~~this subchapter~~.

19 Sec. 5. Section 262A.4, Code 2019, is amended to read as  
20 follows:

21 **262A.4 Authorization of general assembly and governor.**

22 Subject to and in accordance with the provisions of this  
23 chapter, the state board of regents after authorization by a  
24 constitutional majority of each house of the general assembly  
25 and approval by the governor may undertake and carry out any  
26 project as defined in ~~this chapter~~ at the institutions now  
27 or hereafter under the jurisdiction of the board. The state  
28 board of regents is authorized to operate, control, maintain,  
29 and manage buildings and facilities and additions to such  
30 buildings and facilities at each of said institutions. All  
31 contracts for the construction, reconstruction, completion,  
32 equipment, improvement, repair or remodeling of any buildings,  
33 additions, or facilities shall be let in accordance with the  
34 provisions of ~~section 262.34~~ chapter 26. The title to all real  
35 estate acquired under the provisions of ~~this subchapter~~ and the

1 improvements erected thereon shall be taken and held in the  
2 name of the state of Iowa.

3 Sec. 6. Section 263A.2, Code 2019, is amended to read as  
4 follows:

5 **263A.2 Authorization of general assembly and governor.**

6 Subject to and in accordance with the provisions of this  
7 chapter, the state board of regents may undertake and carry out  
8 any project as defined in [this chapter](#) at the state university  
9 of Iowa. The state board of regents is authorized to operate,  
10 control, maintain, and manage buildings and facilities and  
11 additions to such buildings and facilities at said institution.  
12 All contracts for the construction, reconstruction, completion,  
13 equipment, improvement, repair, or remodeling of any buildings,  
14 additions, or facilities shall be let in accordance with the  
15 provisions of ~~section 262.34~~ [chapter 26](#). The title to all real  
16 estate acquired under the provisions of [this chapter](#) and the  
17 improvements erected thereon shall be taken and held in the  
18 name of the state of Iowa.

19 Sec. 7. Section 314.1, subsection 2, Code 2019, is amended  
20 to read as follows:

21 2. Notwithstanding any other provision of law to the  
22 contrary, a public improvement that involves the construction,  
23 reconstruction, or improvement of a highway, bridge, or culvert  
24 and that has a cost in excess of the applicable threshold  
25 in [section 73A.18](#), ~~262.34~~, [297.7](#), [309.40](#), [310.14](#), or [313.10](#),  
26 as modified by the bid threshold subcommittee pursuant to  
27 section 314.1B, shall be advertised and let for bid, except  
28 such public improvements that involve emergency work pursuant  
29 to [section 309.40A](#), [313.10](#), or [384.103](#), [subsection 2](#). For a  
30 city having a population of fifty thousand or less, a public  
31 improvement that involves the construction, reconstruction, or  
32 improvement of a highway, bridge, or culvert that has a cost  
33 in excess of twenty-five thousand dollars, as modified by the  
34 bid threshold subcommittee pursuant to [section 314.1B](#), shall be  
35 advertised and let for bid, excluding emergency work. However,

1 a public improvement that has an estimated total cost to a  
2 city in excess of a threshold of fifty thousand dollars, as  
3 modified by the bid threshold subcommittee pursuant to section  
4 314.1B, and that involves the construction, reconstruction,  
5 or improvement of a highway, bridge, or culvert that is under  
6 the jurisdiction of a city with a population of more than  
7 fifty thousand, shall be advertised and let for bid. Cities  
8 required to competitively bid highway, bridge, or culvert work  
9 shall do so in compliance with the contract letting procedures  
10 of sections 26.3 through 26.12. The state board of regents  
11 shall competitively bid highway, bridge, or culvert work in  
12 compliance with the contract letting procedures of sections  
13 26.3 through 26.12.

14 EXPLANATION

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

17 Under current law, the state board of regents is not included  
18 in the definition of "governmental entity" for purposes of  
19 Code chapter 26, which governs public construction bidding  
20 procedures. Additionally, current law gives governmental  
21 entities the option of including on a notice to bidders whether  
22 the proposed bid will be for the furnishing of all labor and  
23 materials and furnishing or installing equipment under one  
24 contract or for parts thereof in separate sections.

25 This bill eliminates the exclusion of the state board of  
26 regents from the definition of "governmental entity". The  
27 bill makes conforming changes to reflect the changed bidding  
28 procedures for the state board of regents. The bill also  
29 requires a notice to bidders to provide that bids will be  
30 received for the furnishing of all labor and materials and  
31 furnishing or installing equipment under one contract. In  
32 addition, a governmental entity may also include in the notice  
33 that bids will be received for parts of a project in separate  
34 sections.