

House Study Bill 583 - Introduced

SENATE/HOUSE FILE _____
BY (PROPOSED DEPARTMENT OF
ADMINISTRATIVE SERVICES BILL)

A BILL FOR

1 An Act relating to contracts entered into by state agencies and
2 including applicability provisions.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

unofficial

1 Section 1. NEW SECTION. **8A.311C State purchasing contracts**
2 **— prohibited terms.**

3 The provisions set forth in this section are void as a matter
4 of law as contrary to public policy if included in a contract
5 for the procurement of goods or services entered into by the
6 department or any other state agency pursuant to this part.
7 A state agency's contract that includes any of the following
8 provisions shall be interpreted as if the contract did not
9 include the void provision:

10 1. A provision that requires the state or its agencies to
11 defend, indemnify, hold harmless another person, or otherwise
12 assume the debt or liability of another person in violation of
13 Article VII, section 1, of the Constitution of the State of Iowa.

14 2. A provision that seeks to impose vendor terms that
15 are unknown at the time of signing the contract or can be
16 unilaterally changed by the vendor.

17 3. A provision that violates chapter 13 by not allowing
18 a state agency to participate in its own defense through
19 representation by the attorney general.

20 4. A provision that grants to any person other than the
21 attorney general the authority to convey to a court or litigant
22 the state's consent to any settlement of a suit involving the
23 contract when such settlement could impose liability on the
24 state.

25 5. A provision that specifies that the contract is governed
26 by the laws of a foreign state or nation.

27 6. A provision that claims blanket confidentiality of the
28 contract's terms.

29 7. A provision that claims that payment terms, including but
30 not limited to cost proposals or other pricing information, of
31 the contract are confidential.

32 8. A provision that authorizes or requires a venue for
33 litigation other than an appropriate state or federal court
34 sitting in Iowa.

35 9. A provision that requires a state agency to pay attorney

1 fees, court costs, or other litigation expenses in the event of a
2 contractual dispute.

3 10. A provision that imposes on the state or its agencies
4 binding arbitration or another binding extrajudicial dispute
5 resolution process in which the final resolution is not
6 determined by the state.

7 11. A provision that waives a state agency's right to a jury
8 trial.

9 12. A provision that obligates a state agency to pay a
10 late payment charge not consistent with section 8A.514, interest
11 greater than allowed under section 8A.514 or other applicable
12 law, or any cancellation charge, as such charges constitute
13 pledges of the state's credit.

14 13. A provision that obligates a state agency to pay a tax.

15 14. A provision that imposes a prior notice obligation on
16 a state agency as a condition for the automatic renewal of a
17 software license. A state agency may provide notice of its
18 intent to terminate a software license at any time before the
19 renewal date established in the contract.

20 15. A provision that obligates a state agency to accept risk
21 of loss before the receipt of items or goods.

22 16. A provision that obligates a state agency to have
23 commercial insurance.

24 17. A provision that obligates a state agency to grant a
25 contractor full or partial ownership of intellectual property
26 developed pursuant to a state agency contract when the
27 intellectual property is developed in whole or in part using
28 federal funding.

29 18. A provision that limits the time in which the state or
30 its agencies may bring a legal claim under the contract to a
31 period shorter than that provided by Iowa law.

32 19. A boilerplate provision included in a vendor's
33 transactional documents, including but not limited to ordering
34 documents and quotations, that seeks to alter the terms of a
35 state agency's contract or to impose new terms in the contract.

1 Sec. 2. NEW SECTION. **8A.311D State purchasing contracts —**
2 **required terms.**

3 All of the following provisions shall be deemed to be included
4 in a state agency vendor contract:

5 1. *Governing law.* The contract shall be governed by the laws
6 of the state of Iowa, without giving effect to any conflict of
7 laws principles of Iowa law that may require the application of
8 another jurisdiction's law.

9 2. *Venue.* Any litigation commenced in connection with the
10 contract shall be brought and maintained in an appropriate state
11 or federal court sitting in Iowa.

12 Sec. 3. NEW SECTION. **8A.311E State purchasing contracts —**
13 **waiver.**

14 If the director determines that a necessary good or service
15 is impossible to procure due to a requirement of section 8A.311C
16 or 8A.311D, the director may waive the requirement to the
17 extent necessary to obtain the good or service. A state agency
18 requesting a waiver shall, at a minimum, provide sufficient
19 evidence showing that the state will suffer an interruption
20 in business operations or other irreparable harm if the state
21 agency cannot procure the good or service, and that the state
22 agency has exhausted all reasonable steps to prevent such harm,
23 including attempting to procure substitute goods or services.
24 The director may require the submission of additional evidence
25 at the director's discretion. A waiver must be as narrow as
26 possible to allow the procurement of the necessary good or
27 service.

28 Sec. 4. **APPLICABILITY.** This Act applies to contracts entered
29 into or renewed on or after the effective date of this Act.

30 **EXPLANATION**

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

33 This bill prohibits the inclusion of certain provisions
34 in contracts entered into by the department of administrative
35 services (DAS) and any other state agency under Code chapter

1 8A, subchapter III, part 2 (purchasing), and declares those
2 provisions void if present in such contracts. The bill also
3 provides that every state agency vendor contract shall be deemed
4 to include provisions requiring the contract to be governed by
5 Iowa law and for litigation related to the contract to be brought
6 and maintained in an appropriate state or federal court sitting
7 in Iowa.

8 The director of DAS may waive a contract requirement of the
9 bill to the extent necessary for the procurement of a necessary
10 good or service, if the director determines the good or service
11 is otherwise impossible to procure.

12 The bill applies to contracts entered into or renewed on or
13 after the effective date of the bill (July 1, 2026).