

Senate Study Bill 1151 - Introduced

SENATE FILE _____
BY (PROPOSED COMMITTEE ON
LOCAL GOVERNMENT BILL BY
CHAIRPERSON WEBSTER)

A BILL FOR

- 1 An Act relating to bonds for construction contractors.
- 2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. Section 91C.2, subsection 3, Code 2025, is amended
2 to read as follows:

3 3. ~~An out-of-state~~ The contractor shall either file a surety
4 bond, as provided in section 91C.7, with the department in the
5 amount of ~~twenty-five~~ fifty thousand dollars or shall provide a
6 statement to the department that the contractor is prequalified
7 to bid on projects for the department of transportation pursuant
8 to section 314.1.

9 Sec. 2. Section 91C.7, Code 2025, is amended by adding the
10 following new subsection:

11 NEW SUBSECTION. 7. A county, city, township, or school
12 district shall not require that a contractor file a bond other
13 than as expressly required by this Code.

14 Sec. 3. Section 91C.8, subsection 2, paragraph c, Code 2025,
15 is amended to read as follows:

16 c. The requirement that ~~an out-of-state~~ a contractor file a
17 bond with the department.

18 Sec. 4. Section 105.18, subsection 2, paragraph d,
19 subparagraph (1), Code 2025, is amended to read as follows:

20 (1) File an application and pay application fees as
21 established by the board and establish that the person meets
22 the minimum requirements adopted by the board. ~~Through June 30,~~
23 ~~2017, the application shall include the person's state contractor~~
24 ~~registration number. After July 1, 2017, the~~ The application
25 shall include proof of workers compensation insurance coverage,
26 proof of unemployment insurance compliance, and, ~~for out-of-state~~
27 ~~contractors,~~ a bond as described in chapter 91C.

28 **EXPLANATION**

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

31 This bill relates to the filing of bonds by construction
32 contractors. The bill requires all contractors, defined as
33 a person who engages in the business of construction and
34 earns at least \$2,000 annually, to file a surety bond in the
35 amount of \$50,000 with the department of inspections, appeals,

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1 and licensing, unless the contractor is prequalified to bid
2 on projects for the department of transportation. The bill
3 prohibits a county, city, township, or school district from
4 requiring that a contractor file a bond other than as expressly
5 provided in the Iowa Code (see, e.g., Code sections 26.14, 26.15,
6 331.341, and 357.17; Code chapter 573).

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