SENATE FILE 297
BY COMMITTEE ON STATE GOVERNMENT

(SUCCESSOR TO SSB 1090)

(As Amended and Passed by the Senate April 21, 2025)

_____ and [= New Language by the Senate

A BILL FOR

An Act relating to contracts entered into by state agencies and including applicability provisions.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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

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

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

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

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

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

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

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

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

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

9. A provision that requires a state agency to pay attorney fees, court costs, or other litigation expenses in the event of a contractual dispute.

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

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

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

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

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

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

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

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

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

19. A boilerplate provision included in a vendor's transactional documents, including but not limited to ordering documents and quotations, that seeks to alter the terms of a

state agency's contract or to impose new terms in the contract.

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

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

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

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

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

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

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