

FEB 20 2001
LABOR & INDUSTRIAL RELATIONS

HOUSE FILE 318
BY T. TAYLOR and LENSING

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act prohibiting state agencies from knowingly purchasing
2 products manufactured by certain businesses.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

HF 318

1 Section 1. Section 18.6, Code 2001, is amended by adding
2 the following new subsection:

3 NEW SUBSECTION. 17. A state agency shall not knowingly
4 purchase a product manufactured by a business that is in
5 violation of the prohibition set forth under the federal Fair
6 Labor Standards Act of 1938, 29 U.S.C. § 215(a). Contracts
7 for the purchase of goods shall state the location of the
8 establishment where the product is manufactured and assembled
9 and whether the manufacturer is in compliance with the
10 provisions set forth under the federal Fair Labor Standards
11 Act of 1938, 29 U.S.C. § 215(a).

12 Sec. 2. Section 216B.3, Code 2001, is amended by adding
13 the following new subsection:

14 NEW SUBSECTION. 18. Prohibit the knowing purchase by the
15 department of a product manufactured by a business that is in
16 violation of the prohibition set forth under the federal Fair
17 Labor Standards Act of 1938, 29 U.S.C. § 215(a). Contracts
18 for the purchase of goods shall state the location of the
19 establishment where the product is manufactured and assembled
20 and whether the manufacturer is in compliance with the
21 provisions set forth under the federal Fair Labor Standards
22 Act of 1938, 29 U.S.C. § 215(a).

23 Sec. 3. Section 262.10, Code 2001, is amended to read as
24 follows:

25 262.10 PURCHASES -- PROHIBITIONS.

26 1. a. No sale or purchase of real estate shall be made
27 save upon the order of the board, made at a regular meeting,
28 or one called for that purpose, and then in such manner and
29 under such terms as the board may prescribe and only with the
30 approval of the executive council. No member of the board or
31 any of its committees, offices or agencies nor any officer of
32 any institution, shall be directly or indirectly interested in
33 such purchase or sale.

34 b. Purchases of real estate may be made on written
35 contracts providing for payment over a period of years but the

1 obligations thereon shall not constitute a debt or charge
2 against the state of Iowa nor against the funds of the board
3 or the funds of the institution for which said purchases are
4 made. Purchase payments may be made from appropriated capital
5 funds or from other funds lawfully available for that purpose
6 and allocated therefor by the board, or from any combination
7 of the foregoing, but not from appropriated operating funds.
8 All state appropriated capital funds used for any one purchase
9 contract shall be taken entirely from a single capital
10 appropriation and shall be set aside for that purpose. In
11 event of default, the only remedy of the seller shall be
12 against the property itself and the rents and profits thereof,
13 and in no event shall any deficiency judgment be entered or
14 enforced against the state of Iowa, the board, or the
15 institution for which the purchase was made. Provided,
16 however, that no part of the tuition fees shall be used in the
17 purchase of such real estate.

18 2. The state board of regents and the institutions under
19 its control shall not knowingly purchase a product
20 manufactured by a business that is in violation of the
21 prohibition set forth under the federal Fair Labor Standards
22 Act of 1938, 29 U.S.C. § 215(a). Contracts for the purchase
23 of goods shall state the location of the establishment where
24 the product is manufactured and assembled and whether the
25 manufacturer is in compliance with the provisions set forth
26 under the federal Fair Labor Standards Act of 1938, 29 U.S.C.
27 § 215(a).

28 Sec. 4. Section 307.21, subsection 4, paragraph a,
29 unnumbered paragraph 1, Code 2001, is amended to read as
30 follows:

31 Provide centralized purchasing services for the department,
32 in cooperation with the department of general services.
33 However, the administrator shall not knowingly purchase a
34 product manufactured by a business that is in violation of the
35 prohibition set forth under the federal Fair Labor Standards

1 Act of 1938, 29 U.S.C. § 215(a). Contracts for the purchase
2 of goods shall state the location of the establishment where
3 the product is manufactured and assembled and whether the
4 manufacturer is in compliance with the provisions set forth
5 under the federal Fair Labor Standards Act of 1938, 29 U.S.C.
6 § 215(a). The administrator shall, when the price is
7 reasonably competitive and the quality as intended, purchase
8 soybean-based inks and plastic products with recycled content,
9 including but not limited to plastic garbage can liners, and
10 shall purchase these items in accordance with the schedule
11 established in section 18.18. However, the administrator need
12 not purchase garbage can liners in accordance with the
13 schedule if the liners are utilized by a facility approved by
14 the environmental protection commission created under section
15 455A.6, for purposes of recycling. For purposes of this
16 subsection, "recycled content" means that the content of the
17 product contains a minimum of thirty percent postconsumer
18 material.

19 EXPLANATION

20 This bill prohibits state agencies, including the
21 departments of general services and transportation, the
22 department for the blind, and the state board of regents and
23 its institutions, from knowingly purchasing a product
24 manufactured by a business that is in violation of the "hot
25 goods" provisions of the federal Fair Labor Standards Act of
26 1938, which makes it illegal to ship goods in interstate
27 commerce that have been made in violation of the federal
28 minimum wage or overtime requirements, or that were produced
29 in an establishment where child labor violations occurred.

30 The bill requires that contracts entered into by state
31 agencies for the purchase of goods state the location of the
32 establishment where the product is manufactured and assembled
33 and whether the manufacturer is in compliance with the federal
34 "hot goods" provision.

35