

HOUSE REPUBLICAN STAFF ANALYSIS

Bill:	Senate File 2365	House Committee:	PASSED on January 26 (19-0)
Committee:	Judiciary	House Floor:	PASSED on April 21 (93-0)
Floor Manager:	Rep. Gustoff	Senate Floor:	PASSED on April 8 (45-0)
Date:	May 12, 2026	Governor:	
Staff:	Amanda Wille (1-5230)		

Public Improvement Contracts

- Amends requirements regarding public improvement contracts in Iowa

Section by Section Analysis

Section 1- Labor and Magerial ON Public Improvements- Optional and Mandatory Action- Bond to Release (573.16)

Legal Action Window: (current law)

After a project is completed and formally accepted, there is a clearly defined period during which parties (the public body, primary contractor, claimants, or surety) may initiate court action regarding payment disputes or enforce bond obligations.

Notice Requirement: (new language)

Within 14 calendar days of final acceptance, the public entity responsible must send written notice of this acceptance to the principal contractor, the surety (if applicable), and any parties who have formally filed payment claims.

Limitation of Liability: (new language)

If the public entity fails to provide written notice, it is not subject to liability for resulting claims or damages.

Amendment Analysis