

Iowa Construction Industry Bills to Watch

January 22, 2021

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In the first two weeks of Iowa's 2021 legislative session, multiple bills pertinent to the construction industry have been introduced. Below is a list of bills to watch.

Mechanic's Liens

SSB1006: An Act relating to the perfection of mechanic's liens and mechanic's liens remedies.

This bill is an affirmative legislative item from the Iowa State Bar Association's (ISBA) Construction Law Section. Attorney Jodie McDougal, Vice-Chair of the ISBA Construction Law Section Council, was the initial driving force behind, and drafted, this bill. In December, Jodie presented the bill to the ISBA Board of Governors for approval on the ISBA's legislative agenda. This bill would make two important changes to Iowa lien law (Iowa Code Chapter 572) to the benefit of all contractors, subcontractors, and other lien claimants.

First, the bill would amend Iowa Code § 572.8 to allow a mechanic's lien involving a realty covering multiple counties to be posted once on the centralized, digital MNL system and indexed on all applicable counties, thereby eliminating the current practice of attorneys posting duplicative liens--one for each county.

Second, the bill would amend Iowa Code § 572.32 to provide statutory certainty on the recovery of attorney fees by prevailing claimants in mechanic's lien actions where the lien is discharged by a bond, as there is a disagreement among district courts in this regard. This amendment expressly allows for recovery of attorney fees by prevailing contractors in all mechanic's lien actions, including where liens are discharged by bond. If passed, this change in the law would be a big win for contractors.

Public Projects - Alternative Project Delivery Contract Method

SSB1018: An Act relating to a construction manager-at-risk commercial construction alternative delivery method and prohibiting certain other alternative delivery methods in the public sector and including effective date and applicability provisions.

This bill would allow most government entities to utilize the alternative project delivery contract method of construction manager-at-risk without the normal competitive bidding process. This would be a substantial change for public projects. Opinions within the design industry versus the construction industry differ regarding this bill. A similar bill was proposed last year and passed the Iowa Senate, but failed within the Iowa House.

Public Improvement Project Information

SF69: An Act requiring that contractors provide information about persons performing construction work on certain

public improvement projects to the labor commissioner, making penalties applicable, and including applicability provisions.

This bill would require contractors and subcontractors on public projects to provide certain additional information.

Project Labor Agreements

HF194: *An Act requiring the consideration of project labor agreements for certain state construction projects.*

We will continue to monitor these bills and any others that impact the construction industry. To stay updated, sign up to receive our construction and government relations blog posts in your inbox.

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