

2. If a member fails to bring an action for damages against a third party within thirty days after the retirement system requests the member in writing to do so, the retirement system is subrogated to the rights of the member and may maintain the action against the third party, and may recover damages for the injury to the same extent that the member may recover damages for the injury. If the retirement system recovers damages in the action, the court shall enter judgment for distribution of the recovery as follows:

a. A sum sufficient to repay the retirement system for the amount of such benefits actually paid by the retirement system up to the time of the entering of the judgment.

b. A sum sufficient to pay the retirement system the present worth, computed at the interest rate provided in section 535.3 for court judgments and decrees, of the future payments of such benefits, for which the retirement system is liable, but the sum is not a final adjudication of the future payments which the member is entitled to receive.

c. Any balance shall be paid to the member.

3. Before a settlement is effective between a retirement system and a third party who is liable for an injury, the member must consent in writing to the settlement; and if the settlement is between the member and a third party, the retirement system must consent in writing to the settlement; or on refusal to consent, in either case, the district court in the county in which the city and the retirement system is located must consent in writing to the settlement.

4. For purposes of subrogation under this section, a payment made to an injured member or the member's legal representative, by or on behalf of a third party or the third party's principal or agent, who is liable for, connected with, or involved in causing the injury to the member, shall be considered paid as damages because the injury was caused under circumstances creating a legal liability against the third party, whether the payment is made under a covenant not to sue, compromise settlement, denial of liability, or is otherwise made.

Sec. 6. The term of the third citizen member appointed by the mayor, with the approval of the city council, that expires on June 30 shall be extended until April 30 of the following year.

Approved May 21, 1986

## CHAPTER 1204

### BLOOMFIELD LEGALIZING ACT

*H.F. 2485*

**AN ACT** to legalize the proceedings of the city council of Bloomfield, Iowa, to transfer certain moneys to the general fund of the city.

WHEREAS, the city of Bloomfield, Iowa has incurred a deficit in the general fund of the city in the amount of three hundred seventy-two thousand four hundred ninety dollars and ninety-eight cents; and

WHEREAS, the city council of the city desires to transfer two hundred forty-four thousand nine hundred eighty-five dollars and nineteen cents from its trust and agency fund and thirty-four thousand nine hundred sixty-two dollars and eighty-six cents from its insurance fund to reduce the amount of the deficit; and

WHEREAS, doubts have arisen concerning the legality of the transfers proposed from the trust and agency fund and the insurance fund to the general fund of the city and it is deemed advisable and necessary to put such doubts and all others that may be raised concerning the transfer to rest; NOW THEREFORE,

*Be It Enacted by the General Assembly of the State of Iowa:*

Section 1. That the transfer of two hundred seventy-nine thousand nine hundred forty-eight dollars and five cents from the trust and agency fund and the insurance fund to the general fund of the city by the city council of Bloomfield, Iowa, is hereby legalized, validated and confirmed.

Approved May 21, 1986