

3. The city shall release all interest in the demolition cost reserve within ninety one hundred eighty days after receiving notice of the existence of the demolition cost reserve unless the city has instituted legal proceedings for the demolition of said the building or other insured structure, and has notified the insurer in writing of the institution of such the legal proceedings. Failure of the city to notify the insurer of such the legal proceedings shall terminate terminates the city's claim to any proceeds from the reserve.

4. A reserve for demolition costs shall is no longer be required if as a result of either of the following:

a. The insurer has received notice from both the insured and the city council that the insured has commenced completed repairs to the property or has commenced completed demolition of the property in compliance with all applicable statutes and local ordinances.

b. The city has failed to notify the insurer as provided under subsection 3.

5. If the city has instituted legal proceedings, undertaken emergency action, or is required to demolish the damaged property at city expense, after instituting legal proceedings, emergency actions, or obtaining waivers for the demolition of the building or other insured structure, the city shall present to the insurer the actual cost of demolition of the property, including engineering, legal, and other demolition project costs incurred, since the date of the fire or other occurrence, including but not limited to legal costs, engineering costs, and demolition costs related directly to the enforcement of any local ordinance, and the insurer shall compensate the city for that actual cost of the demolition project the incurred costs up to the amount in the demolition cost reserve. Any amount left from the demolition cost reserve after the cost of demolition of the property is paid to the city shall be paid to the insured if the insured is entitled to the remaining proceeds under the policy.

Approved April 24, 1991

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## CHAPTER 60

### CITY OFFICERS' AND EMPLOYEES' INTEREST IN CITY CONTRACTS

*H.F. 565*

**AN ACT** relating to contracts for the purchase of goods or services by a city.

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

Section 1. Section 362.5, subsection 10, Code 1991, is amended to read as follows:

10. Contracts not otherwise permitted by this section, for the purchase of goods or services by a city having a population of more than two thousand five hundred, which benefit a city officer or employee, if the purchases benefiting that officer or employee do not exceed a cumulative total purchase price of one thousand five hundred dollars in a fiscal year.

Sec. 2. Section 362.5, Code 1991, is amended by adding the following new subsection:

**NEW SUBSECTION.** 11. Contracts not otherwise permitted by this section for the purchase of goods or services by a city having a population of two thousand five hundred or less, which benefit a city officer or employee, if the purchases benefiting that officer or employee do not exceed a cumulative total purchase price of two thousand five hundred dollars in a fiscal year.

Approved April 24, 1991