

Local Government
Weils, Chair
Bales
Brown

FILED JAN 10 1983

SENATE FILE 46

BY HALL

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

A BILL FOR

1 An Act exempting units of local government from liability for
2 certain claims.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
4

SENATE FILE 46
FISCAL NOTE

REQUESTED BY SENATOR HALL

In compliance with a written request there is hereby submitted a Fiscal Note for Senate File 46 pursuant to Joint Rule 17.

Senate File 46 bars lawsuits against municipalities by an insurer on behalf of the rights of a policy holder, when the policy holder's claim is based upon alleged negligent inspection or negligent failure to inspect under applicable building, electrical, fire, plumbing, or housing codes.

As there are not any centralized records of inspection related litigation, the fiscal effects of this bill cannot be accurately determined.

However, it is estimated that there would be reduced expenditures by local governments for litigation defense. As an indication of the amount of litigation relating to alleged negligent inspection or failure to inspect, there were thirty of these cases defended by the City of Des Moines in 1982.

(372S, 55, JMN)

SOURCES: IOWA LEAGUE OF MUNICIPALITIES
CITY OF DES MOINES LEGAL DEPARTMENT

RECEIVED BY THE SECRETARY OF THE SENATE, FEBRUARY 22, 1983

FILED:
FEBRUARY 24, 1983

BY LEGISLATIVE FISCAL BUREAU
DENNIS C. PROUTY, DIRECTOR

1 Section 1. Section 613A.4, Code 1983, is amended by adding
2 the following new subsection:

3 NEW SUBSECTION. Any claim for damages or injuries allegedly
4 resulting from the negligent inspection or failure to inspect
5 under the municipality's building, electrical, fire, plumbing,
6 or housing code when the claim is made by an insurer which
7 is subrogated to the rights of an insured who received payment
8 under an insurance policy issued by the insurer.

9 EXPLANATION

10 This bill bars suits against local governments when the
11 suits are brought by an insurer who is subrogated to the
12 rights of a policyholder if the subrogated claim is based
13 upon the local government's alleged negligent inspection or
14 negligent failure to inspect under its building, electrical,
15 fire, plumbing, or housing code. This bill takes effect July
16 1 following its enactment.

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