

**25.6 Claims by state against municipalities.**

The state appeal board may investigate and collect claims which the state has against municipal or political corporations in the state including counties, cities, townships, and school corporations. The board shall refer any such claim to the special assistant attorney general for claims, when the claim has not been promptly paid, and if the special assistant attorney general for claims is not able to collect the full amount of the claim, the special assistant attorney general shall fully investigate and report to the state appeal board findings of fact and conclusions of law, together with any recommendation as to the claim. Thereafter the state appeal board may effect a compromise settlement with the debtor in an amount and under terms as the board deems just and equitable in view of the findings and conclusions reported to it. If the state appeal board is unable to collect a claim in full or effect what it has determined to be a fair compromise, it shall deliver the claim to the attorney general for action as the attorney general shall determine and the special assistant attorney general for claims is specifically charged with carrying out the directions of the attorney general with reference to the claim. When a claim is compromised by the state appeal board, the board shall file with the department of management and the department of administrative services a statement as to the settlement, together with a true copy of the agreement of settlement, and if in settlement an amount less than the face amount is accepted in full, the proper entries shall be made in the books of the department of management, the department of administrative services, and the auditor of state showing the amount of the claim, the amount of the settlement, and the amount charged off.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §25.6]

[88 Acts, ch 1134, §15](#); [2003 Acts, ch 145, §286](#)