

JAN 19 1971  
COUNTY GOVERNMENT, Pass 2/3  
Sen. " " 2/24, Pass 5/5

HOUSE FILE 69

Conference Committee appointed 3/20  
Byr. Schroeder, Hansen, Fischer, and Schweitz  
Sen. Murray, De Koster, Brice, Garchineer

By SCHROEDER, LOGEMANN,  
CHRISTENSEN, KEHE, NIELSEN,  
KNOKE, SCHWIEGER, CAMP,  
TIEDEN, STROTHMAN, SCHMEISER,  
ALT, MOFFITT, ROORDA,  
PIERSON, WAUGH, STRAND,  
MOLLETT, REX, PRIEBE,  
COCHRAN, RADL, WELDEN,  
MIDDLESWART, DOUGHERTY,  
MILLEN, HAMILTON, KNOBLAUCH,  
WINKELMAN, STROMER, and  
HOLDEN

Passed House, Date 2-5-71 Passed Senate, Date 6-16-71  
Vote: Ayes 87 Nays 5 Vote: Ayes 41 Nays 0

Approved \_\_\_\_\_

*Motion to reconsider filed 2-5-71, withdrawn 2-24*  
*Passed House as amended by*  
*Senate & further amended by House*  
2-27-72  
*aye 68, nays 12*

# A BILL FOR

*Passed Senate as further amended by House*  
3-2-72  
*aye 36, nays 3*  
*Motion to reconsider filed 3-3 (663)*  
*provided 3/17*

- 1 An Act relating to errors and omissions insurance for county
- 2 officers and employees.
- 3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
- 4 Section 1. Section three hundred thirty-two point thirty-
- 5 five (332.35), Code 1971, is repealed.

### EXPLANATION

7 Section 332.35 of the Code provides that county boards of  
8 supervisors shall purchase and pay premiums on errors and omis-  
9 sions insurance covering county officers and employees. The  
10 cost of this insurance coverage has become much higher than was  
11 expected. This bill repeals this law.

12 *Passed House a/w Conference Committee Report*  
13 3-22-72  
14 *aye 82 nays 8*

*Passed Senate a/w Conference Committee Report*  
3-22-72  
*aye 41 nays 0*

HOUSE FILE 69

1 Amend the Senate amendment to House File 69 by  
2 striking lines 2 through 19 and inserting in lieu thereof  
3 the following:  
4 1. Page 1 by adding after line 5 the following:  
5 "Sec. 2. There is created in the state treasury  
6 an error and omission fund which shall be used  
7 exclusively to pay any judgment or settlement obtained  
8 against a county for an error or omission committed  
9 by a county officer or employee in the performance of  
10 his official duties and to pay any loss sustained by  
11 a county as the result of an embezzlement by a county  
12 officer or employee occurring subsequent to the effec-  
13 tive date of this Act. The fund shall not be used to  
14 pay premiums on fidelity bonds, liability and property  
15 damage insurance, or errors and omissions insurance.  
16 Sec. 3. The board of supervisors of each county  
17 shall levy annually for two consecutive years commencing  
18 January 1, 1972, a tax of three one-hundredths of a  
19 mill against the assessed value of the taxable property  
20 in the county.  
21 Thereafter, the tax shall be levied annually only  
22 if the treasurer of state certifies to each county that  
23 the balance of the error and omission fund has been  
24 reduced below three hundred thousand dollars.  
25 The tax shall be levied and collected in each county

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1 at the same time and in the same manner as other property  
2 taxes.  
3 Sec. 4. Not later than the fifteenth of April or  
4 the fifteenth day of October of each year in which the  
5 tax is collected, the county auditor shall transmit  
6 the amount of the tax levied, by warrant, to the  
7 treasurer of state who shall credit it to the error  
8 and omission fund. The treasurer of state shall invest  
9 any moneys in the fund in the same manner as other  
10 public funds and shall credit any interest received  
11 from that investment to the error and omission fund.  
12 Sec. 5. When a judgment or settlement is obtained  
13 against the county for an error or omission committed  
14 by a county officer or employee, or a loss is sustained  
15 by the county as the result of an embezzlement by a  
16 county officer or employee occurring subsequent to the  
17 effective date of this Act, the county attorney, with  
18 the approval of the district court of that county, shall  
19 submit a claim to the state comptroller against the  
20 error and omission fund for any amount which has not  
21 been recovered. The state comptroller shall promptly  
22 issue a warrant for the claim and the treasurer of state

HOUSE 4  
January 12, 1972

PAGE 2

23 shall pay it.  
24 If any amount previously claimed from the error and  
25 omission fund is subsequently recovered from another

PAGE 3

1 source, the county treasurer shall pay such amounts  
2 to the treasurer of state for deposit in the error and  
3 omission fund.  
4 Sec. 6. Sections 334.13 through 334.22, Code 1971,  
5 inclusive, are repealed."

By SCHROEDER of Pottawattamie

#### CORRECTED EXPLANATION

This bill creates an error and omission fund from which counties can pay claims against it for errors and omission or embezzlement committed by county officers and employees while performing their official duties. The fund is administered by the treasurer of state and financed by a tax of three one-hundredths of a mill levied by each county against the assessed value of its taxable property. Initially, the tax will be levied annually for two consecutive years, but, thereafter, it will be levied on an annual basis only if the fund is reduced below \$300,000.

Filed - W. D. 2-29 (853)  
January 11, 1972

HOUSE FILE 69

1 Amend the Senate amendment to House File 69 by strik-  
2 ing lines 2 thru 19 and inserting in lieu thereof the  
3 following:

4 "1. Page one by adding after line five the following:

5 "Sec. 2. There is created in the state treasury an  
6 error and omission fund which shall be used exclusively  
7 to pay any judgment or settlement obtained against a  
8 county for an error or omission committed by a county  
9 officer or employee in the performance of his official  
10 duties and to pay any loss sustained by a county as the  
11 result of an embezzlement by a county officer or employee  
12 occurring subsequent to the effective date of this Act.  
13 The fund shall not be used to pay premiums on fidelity  
14 bonds, liability and property damage insurance, or errors  
15 and omissions insurance.

16 Sec. 3. The board of supervisors of each county shall  
17 levy annually for two consecutive years commencing July 1,  
18 1971, a per capita tax, as determined by the latest fed-  
19 eral decennial census, against the assessed value of the  
20 taxable property in the county. The amount of the per  
21 capita tax shall be computed in accordance with the fol-  
22 lowing table:

23 If the population	The per capita
24 of the county is:	tax shall be:
25 0 to 30,000	\$ .10
26 30,001 to 40,000	.09
27 40,001 to 60,000	.08
28 60,001 to 80,000	.07
29 80,001 to 100,000	.06
30 100,001 to 150,000	.05
31 150,001 and over	.04

32 Thereafter, the tax shall be levied annually only if  
33 the treasurer of state certifies to each county that the  
34 balance of the error and omission fund has been reduced  
35 below three hundred thousand dollars.

36 The tax shall be levied and collected in each county  
37 at the same time and in the same manner as other property  
38 taxes.

39 Sec. 4. Not later than the fifteenth of March or the  
40 fifteenth day of September of each year in which the tax  
41 is collected, the county auditor shall transmit the  
42 amount of the tax levied, by warrant, to the treasurer  
43 of state who shall credit it to the error and omission  
44 fund. The treasurer of state shall invest any moneys in  
45 the fund in the same manner as other public funds and  
46 shall credit any interest received from that investment  
47 to the error and omission fund.

House 4  
June 18, 1971

48       Sec. 5. When a judgment or settlement is obtained  
49 against the county for an error or omission committed by  
50 a county officer or employee, or a loss is sustained by  
51 county as the result of an embezzlement by a county  
52 officer or employee occurring subsequent to the effective  
53 date of this Act, the county attorney, with the approval  
54 of the district court of that county, shall submit a  
55 claim to the state comptroller against the error and  
56 omission fund. The state comptroller shall promptly  
57 issue a warrant for the claim and the treasurer of state  
58 shall pay it."

Filed - *W.D. 2-29(853)*  
June 17, 1971

By SCHROEDER of Pottawattamie  
District 54

#### CORRECTED EXPLANATION

This bill creates an error and omission fund from which counties can pay claims against it for errors and omission or embezzlement committed by county officers and employees while performing their official duties. The fund is administered by the treasurer of state and financed by a tax equal to ten cents per resident levied by each county against the assessed value of its taxable property. Initially, the tax will be levied annually for two consecutive years, but, thereafter, it will be levied on an annual basis only if the fund is reduced below \$300,000. The annual levy of a tax equal to ten cents per resident will generate approximately \$217,000.

HOUSE FILE 69

1 Amend the Senate amendment to House File 69 by  
2 striking lines 2 through 19 and inserting in lieu thereof  
3 the following:

4 1. Page 1 by adding after line 5 the following:

5 "Sec. 2. There is created in the state treasury  
6 an error and omission fund which shall be used  
7 exclusively to pay any judgment or settlement obtained  
8 against a county for an error or omission committed  
9 by a county officer or employee in the performance of  
10 his official duties and to pay any loss sustained by  
11 a county as the result of an embezzlement by a county  
12 officer or employee occurring subsequent to the effec-  
13 tive date of this Act. The fund shall not be used to  
14 pay premiums on fidelity bonds, liability and property  
15 damage insurance, or errors and omissions insurance.

16 Sec. 3. The board of supervisors of each county  
17 shall levy annually for two consecutive years commencing  
18 January 1, 1972, a tax of three one-hundredths of a  
19 mill against the assessed value of the taxable property  
20 in the county.

21 Thereafter, the tax shall be levied annually only  
22 if the treasurer of state certifies to each county that  
23 the balance of the error and omission fund has been  
24 reduced below three hundred thousand dollars.

25 The tax shall be levied and collected in each county  
26 at the same time and in the same manner as other property  
27 taxes.

28 Sec. 4. Not later than the fifteenth of April or  
29 the fifteenth day of October of each year in which the  
30 tax is collected, the county auditor shall transmit  
31 the amount of the tax levied, by warrant, to the  
32 treasurer of state who shall credit it to the error  
33 and omission fund. The treasurer of state shall invest  
34 any moneys in the fund in the same manner as other  
35 public funds and shall credit any interest received  
36 from that investment to the error and omission fund.

37 Sec. 5. When a judgment or settlement is obtained  
38 against the county for an error or omission committed  
39 by a county officer or employee, or a loss is sustained  
40 by the county as the result of an embezzlement by a  
41 county officer or employee occurring subsequent to the  
42 effective date of this Act, the county attorney, with  
43 the approval of the district court of that county, shall  
44 submit a claim to the state comptroller against the  
45 error and omission fund for any amount which has not  
46 been recovered. The state comptroller shall promptly  
47 issue a warrant for the claim and the treasurer of state  
48 shall pay it.

49 If any amount previously claimed from the error and  
50 omission fund is subsequently recovered from another

House 3  
January 21, 1972

51 source, the county treasurer shall pay such amounts  
52 to the treasurer of state for deposit in the error and  
53 omission fund.  
54 Sec. 6. Sections 334.13 through 334.22, Code 1971,  
55 inclusive, are repealed.  
56 Sec. 7. The effective date of this Act shall be  
57 January 1, 1973."

Offered from the floor and deferred By SCHROEDER of Pottawattamie  
January 20, 1972 - *W.D. 2-29 (853)*

#### CORRECTED EXPLANATION

This bill creates an error and omission fund from which counties can pay claims against it for errors and omission or embezzlement committed by county officers and employees while performing their official duties. The fund is administered by the treasurer of state and financed by a tax of three one-hundredths of a mill levied by each county against the assessed value of its taxable property. Initially, the tax will be levied annually for two consecutive years, but, thereafter, it will be levied on an annual basis only if the fund is reduced below \$300,000.

HOUSE FILE 69

1 Amend the Senate amendment to House File 69 by strik-  
2 ing lines 2 through 19 and inserting in lieu thereof  
3 the following:

4 1. Page 1 by adding after line 5 the following:

5 Sec. 2. There is created in the office of the  
6 treasurer of state a fund to be known as "the county  
7 indemnification fund" to be used to indemnify and pay  
8 on behalf of each county treasurer, recorder, auditor,  
9 attorney, clerk of court and sheriff, and any deputies,  
10 assistants or employees in such offices, all sums that  
11 said officers' deputies, assistants or employees are  
12 legally obligated to pay because of their negligent  
13 acts, errors or omissions. Funds from the county  
14 indemnification fund shall be used to pay any loss  
15 actually sustained because of theft, embezzlement or  
16 misappropriation of any public funds under the care,  
17 custody and control of any county officer, deputy,  
18 assistant, or employee.

19 This Act shall not be deemed to extend the liability  
20 of a governmental subdivision exempted under the  
21 provisions of section six hundred thirteen A point four  
22 (613A.4) of the Code, and the fund established by this  
23 section shall not be considered insurance under the  
24 provisions of section six hundred thirteen A point seven  
25 (613A.7) of the Code.

26 The county indemnification fund shall not be used  
27 to pay premiums on any official or private bonds.

28 The establishment of the fund provided by this Act  
29 shall not relieve any insurer issuing insurance under  
30 the provisions of section six hundred thirteen A point  
31 seven (613A.7) of the Code or any surety on a bond re-  
32 quired by chapter sixty-four (64) of the Code from pay-  
33 ing any loss incurred thereunder; nor shall any such  
34 insurer or surety be subrogated to any of the assets  
35 of the fund established by this Act regardless of any  
36 provisions in such policy of insurance or bond.

37 Sec. 3. This Act shall not relieve county officers  
38 or employees from giving official or private bonds  
39 required under the provisions of chapter sixty-four  
40 (64) of the Code.

41 Sec. 4. The board of supervisors of each county  
42 shall levy in 1972 and annually thereafter for three  
43 consecutive years a tax of two-hundredths of a mill  
44 against the assessed value of the taxable property of  
45 the county, to be collected at the same time and in  
46 the same manner as other property taxes and the proceeds  
47 of the levy shall be deposited in the county  
48 indemnification fund.

49 Thereafter, if the balance in the fund on June 30  
50 of any year is less than three hundred thousand dollars,

51 the treasurer of state shall notify the board of  
52 supervisors of each county to again levy for that year  
53 a two-hundredths mill levy to be collected with other  
54 taxes in the next calendar year.

55 Sec. 5. Not later than the fifteenth of June or  
56 the fifteenth day of December of each year in which  
57 the tax is collected, the county auditor shall transmit  
58 the amount of the tax levied, by warrant, to the  
59 treasurer of state who shall credit it to the county  
60 indemnification fund. The treasurer of state shall  
61 invest any moneys in the fund in the same manner as  
62 other public funds and shall credit any interest received  
63 from that investment to the county indemnification fund.

64 Sec. 6. Any claim for any negligent act, error,  
65 or omission of a county treasurer, recorder, auditor,  
66 attorney, clerk of court, sheriff, or any deputy, assist-  
67 ant or employee in such offices, committed after July  
68 1, 1973, shall be processed and paid from such fund  
69 in accordance with the provisions of chapter twenty-  
70 five A (25A) of the Code, except that any payment of  
71 a claim, except a judgment, in excess of one thousand  
72 dollars shall have the unanimous approval of all members  
73 of the state appeal board, the attorney general, and  
74 the district court of Polk County.

75 Sec. 7. If a judgment is obtained against the county  
76 treasurer, recorder, auditor, attorney, clerk of court  
77 or sheriff, or any deputies, assistants, or employees  
78 in such offices for an act committed subsequent to July  
79 1, 1973, which is payable from the county indemnification  
80 fund, the county attorney shall ascertain if any  
81 insurance policy or official or private bond exists  
82 covering the error or omission committed. If no  
83 insurance or bond exists, or if the judgment exceeds  
84 the limits of such insurance or bond, the county attorney  
85 shall submit a claim to the state comptroller against  
86 the county indemnification fund on behalf of the  
87 plaintiff to the action for the amount of the judgment  
88 exceeding the amount recoverable by reason of such  
89 insurance or bond. The state comptroller shall promptly  
90 issue a warrant payable to the plaintiff for such amount,  
91 and the treasurer of state shall pay the warrant.

92 Sec. 8. When a loss is sustained by the county as  
93 the result of a theft, embezzlement or misappropria-  
94 tion committed subsequent to July 1973, of a county  
95 treasurer, recorder, auditor, attorney, clerk of court  
96 or sheriff, or any deputies, assistants, or employees  
97 in such offices the amount of the loss which is to be  
98 replaced shall be determined by the auditor of state  
99 from a full and detailed audit made by him or under  
100 his authority, of the accounts in question of such of-  
101 ficers, deputies, assistants, or employees in their

102 office, which examination shall be reduced to writing  
103 and filed with the state comptroller. The state comp-  
104 troller shall promptly issue a warrant payable to the  
105 county for such amount, and the treasurer of state shall  
106 pay the warrant. If any amount is subsequently recovered  
107 by the county from any source, the county treasurer  
108 shall pay such amounts to the treasurer of state for  
109 deposit in county indemnification fund.

110 Sec. 9. Effective July 1, 1973, sections three  
111 hundred thirty-four point thirteen (334.13) through  
112 three hundred thirty-four point twenty-two (334.22),  
113 inclusive, Code 1971, are repealed.

Filed - *Adopted 2-29(853)*  
February 9, 1972

By SCHROEDER of Pottawattamie

HOUSE FILE 69

1 Amend House File 69, page 1, by adding after line 5  
2 the following:

3 "Sec. 2. There is created in the state treasury an  
4 error and omission fund which shall be used exclusively to  
5 pay any judgment or settlement obtained against a county  
6 for an error or omission committed by a county officer or  
7 employee in the performance of his official duties and to  
8 pay any loss sustained by a county as the result of an  
9 embezzlement by a county officer or employee occurring  
10 subsequent to the effective date of this Act. The fund  
11 shall not be used to pay premiums on fidelity bonds,  
12 liability and property damage insurance, or errors and  
13 omissions insurance.

14 Sec. 3. The board of supervisors of each county shall  
15 levy annually for two consecutive years after the first of  
16 July, 1971, a tax equal to ten cents per resident, as  
17 determined from the latest federal decennial census,  
18 against the assessed value of the taxable property in the  
19 county. Thereafter, the tax shall be levied annually only  
20 if the treasurer of state certifies to each county that the  
21 balance of the error and omission fund has been reduced  
22 below three hundred thousand dollars. The tax shall be  
23 levied and collected in each county at the same time and in  
24 the same manner as other property taxes.

25 Sec. 4. Not later than the fifteenth of March or the  
26 fifteenth day of September of each year in which the tax is  
27 collected, the county auditor shall transmit the amount of  
28 the tax levied, by warrant, to the treasurer of state who  
29 shall credit it to the error and omission fund. The  
30 treasurer of state shall invest any moneys in the fund in  
31 the same manner as other public funds and shall credit any  
32 interest received from that investment to the error and  
33 omission fund.

34 Sec. 5. When a judgment or settlement is obtained  
35 against the county for an error or omission or committed by  
36 a county officer or employee, or a loss is sustained by  
37 county as the result of an embezzlement by a county officer  
38 or employee occurring subsequent to the effective date of  
39 this Act, the county attorney, with the approval of the  
40 district court of that county, shall submit a claim to the  
41 state comptroller against the error and omission fund. The  
42 state comptroller shall promptly issue a warrant for the  
43 claim and the treasurer of state shall pay it."

44 CORRECTED EXPLANATION

45 This bill creates an error and omission fund from  
46 which counties can pay claims against it for errors and  
47 omission or embezzlement committed by county officers and  
48 employees while performing their official duties. The

House 7  
Feb. 12, 1971

49 fund is administered by the treasurer of state and financed  
50 by a tax equal to ten cents per resident levied by each  
51 county against the assessed value of its taxable property.  
52 Initially, the tax will be levied annually for two con-  
53 secutive years, but, thereafter, it will be levied on an  
54 annual basis only if the fund is reduced below \$300,000.  
55 The annual levy of a tax equal to ten cents per resident  
56 will generate approximately \$282,000.

Filed - *W.D. 2-29 (853)*  
February 11, 1971

By SCHROEDER of Pottawattamie,	District 54
WAUGH of Monona,	District 27
GRASSLEY of Butler,	District 10
WINKELMAN of Calhoun,	District 26
PRIEBE of Kossuth,	District 6
SCHWIEGER of Black Hawk,	District 40
JOHNSTON of Johnson,	District 70
CLARK of Lee,	District 100
LOGEMANN of Worth,	District 7
McCORMICK of Delaware,	District 48
SIGLIN of Lucas,	District 86
CAMP of Clinton,	District 73
MIDDLESWART of Warren,	District 93
TIEDEN of Clayton,	District 14
ROORDA of Jasper,	District 67
DRAKE of Muscatine,	District 71
CHRISTENSEN of Union,	District 95
FISHER of Greene,	District 56
KNOBLAUCH of Carroll,	District 28
KNOKE of Pottawattamie,	District 79
TROWBRIDGE of Floyd,	District 9
SCOTT of Franklin,	District 18
WYCOFF, of Benton,	District 47
PIERSON of Mahaska,	District 87
STRAND of Powshiek,	District 68
STOKES of Plymouth,	District 2
KELLY of Woodbury,	District 22

1 Amend the Schroeder, et al amendment to House File 69,  
2 filed February 11, 1971 and appearing on pages 345 and 346  
3 of the House Journal, by striking from page 345, lines 14  
4 through 24, inclusive, and inserting in lieu thereof the  
5 following:

6 Sec. 3. The board of supervisors of each county shall  
7 levy annually for two consecutive years commencing July 1,  
8 1971, a per capita tax, as determined by the latest federal  
9 decennial census, against the assessed value of the taxable  
10 property in the county. The amount of the per capita tax  
11 shall be computed in accordance with the following table:

12 If the population	The per capita
13 of the county is:	tax shall be:
14 0 to 30,000	\$ .10
15 30,001 to 40,000	.09
16 40,001 to 60,000	.08
17 60,001 to 80,000	.07
18 80,001 to 100,000	.06
19 100,001 to 150,000	.05
20 150,001 and over	.04

21 Thereafter, the tax shall be levied annually only if  
22 the treasurer of state certifies to each county that the  
23 balance of the error and omission fund has been reduced  
24 below three hundred thousand dollars.

25 The tax shall be levied and collected in each county  
26 at the same time and in the same manner as other property  
27 taxes.

Filed - W. D. 2-29(853)  
February 16, 1971

By SCHROEDER of Pottawattamie  
District 54  
House

SENATE AMENDMENT TO HOUSE FILE 69

1 Amend House File 69 as follows:

2 1. Page 1, by striking lines 4 and 5 and inserting in lieu  
3 thereof the following:

4 "Section 1. Section three hundred thirty-two point  
5 thirty-five (332.35), Code 1971, is amended as follows:  
6 332.35 ERRORS AND OMISSION INSURANCE ON COUNTY OFFICERS.  
7 The board of supervisors ~~shall~~ may purchase and pay premiums  
8 on insurance covering and insuring county officers, including  
9 sheriffs and their employees, which insurance shall insure  
10 against personal liability as a result of errors and  
11 omissions in the performance of official duties. The  
12 premiums shall be paid from the county general fund.  
13 Minimum liability limits for such insurance shall be fixed  
14 by the attorney general. In the event that the liability  
15 of any county officer for any error or omission is not  
16 fully indemnified by insurance, the board of supervisors  
17 ~~may elect to~~ shall pay any loss, for which any county  
18 officer may be found liable, from the general fund of  
19 the county."

Received from the Senate  
June 16, 1971

House concurred as amended 2-29  
(853)

1 Amend House File 69 as follows:  
2 Page 1, by striking lines 4 and 5 and inserting in lieu  
3 thereof the following:  
4 "Section 1. Section three hundred thirty-two point  
5 thirty-five (332.35), Code 1971, is amended as follows:  
6 332.35 ERRORS AND OMISSION INSURANCE ON COUNTY OFFICERS.  
7 The board of supervisors ~~shall~~ may purchase and pay premi-  
8 ums on insurance covering and insuring county officers,  
9 including sheriffs and their employees, which insurance  
10 shall insure against personal liability as a result of  
11 errors and omissions in the performance of official duties.  
12 The premiums shall be paid from the county general fund.  
13 Minimum liability limits for such insurance shall be fixed  
14 by the attorney general. In the event that the liability  
15 of any county officer for any error or omission is not  
16 fully indemnified by insurance, the board of supervisors  
17 ~~may elect to~~ shall pay any loss, for which any county  
18 officer may be found liable, from the general fund of  
19 the county."

Filed - *adopted 6/16*  
June 15, 1971

By GAUDINEER

*Senott*

HOUSE AMENDMENT TO SENATE AMENDMENT TO HOUSE FILE 69

1 Amend the Senate Amendment to House File 69 by striking  
2 lines 2 through 19 and inserting in lieu thereof the following:

3 1. Page 1 by adding after line 5 the following:

4 Sec. 2. There is created in the office of the treasurer  
5 of state a fund to be known as "the county indemnification  
6 fund" to be used to indemnify and pay on behalf of each county  
7 treasurer, recorder, auditor, attorney, clerk of court and  
8 sheriff, and any deputies, assistants or employees in such  
9 offices, all sums that said officers' deputies, assistants  
10 or employees are legally obligated to pay because of their  
11 negligent acts, errors or omissions. Fund from the county  
12 indemnification fund shall be used to pay any loss actually  
13 sustained because of theft, embezzlement or misappropriation  
14 of any public funds under the care, custody and control of  
15 any county officer, deputy, assistant, or employee.

16 This Act shall not be deemed to extend the liability of a  
17 governmental subdivision exempted under the provisions  
18 of section six hundred thirteen A point four (613A.4) of the  
19 Code, and the fund established by this section shall not be  
20 considered insurance under the provisions of section six  
21 hundred thirteen A point seven (613A.7) of the  
22 Code.

23 The county indemnification fund shall not be used to pay  
24 premiums on any official or private bonds.

25 The establishment of the fund provided by this Act shall not

PAGE 2

1 relieve any insurer issuing insurance under the provisions  
2 of section six hundred thirteen A point seven (613A.7) of  
3 the Code or any surety on a bond required by chapter sixty-  
4 four (64) of the Code from paying any loss incurred there-  
5 under; nor shall any such insurer or surety be subrogated  
6 to any of the assets of the fund established by this Act  
7 regardless of any provisions in such policy of insurance or  
8 bond.

9 Sec. 3. This Act shall not relieve county officers to  
10 employees from giving official or private bonds required  
11 under the provisions of chapter sixty-four (64) of the Code.

12 Sec. 4. The board of supervisors of each county shall  
13 levy in 1972 and annually thereafter for three consecutive  
14 years a tax of two-hundredths of a mill against the assessed  
15 value of the taxable property of the county, to be collected  
16 at the same time and in the same manner as other property  
17 taxes and the proceeds of the levy shall be deposited in the  
18 county indemnification fund.

19 Thereafter, if the balance in the fund on June 30 of any  
20 year is less than three hundred thousand dollars, the treasurer  
21 of state shall notify the board of supervisors of each county  
22 to again levy for that year a two-hundredths mill levy to be

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23 collected with other taxes in the next calendar year.  
24 Sec. 5. Not later than the fifteenth of June or the  
25 fifteenth day of December of each year in which the tax is

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1 collected, the county auditor shall transmit the amount of  
2 the tax levied, by warrant, to the treasurer of state who  
3 shall credit it to the county indemnification fund. The  
4 treasurer of state shall invest any moneys in the fund in  
5 the same manner as other public funds and shall credit any  
6 interest received from that investment to the county  
7 indemnification fund.

8 Sec. 6. Any claim for any negligent act, error, or  
9 omission of a county treasurer, recorder, auditor, attorney,  
10 clerk of court, sheriff, or any deputy, assistant or employee  
11 in such offices, committed after July 1, 1973, shall be  
12 processed and paid from such fund in accordance with the pro-  
13 visions of chapter twenty-five A (25A) of the Code, except  
14 that any payment of a claim, except a judgment, in excess of  
15 one thousand dollars shall have the unanimous approval of  
16 all members of the state appeal board, the attorney general,  
17 and the district court of Polk County.

18 Sec. 7. If a judgment is obtained against the county  
19 treasurer, recorder, auditor, attorney, clerk of court or  
20 sheriff, or any deputies, assistants, or employees in such  
21 offices for an act committed subsequent to July 1, 1973,  
22 which is payable from the county indemnification fund, the  
23 county attorney shall ascertain if any insurance policy or  
24 official or private bond exists covering the error or  
25 omission committed. If no insurance or bond exists, or if

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1 the judgment exceeds the limits of such insurance or bond,  
2 the county attorney shall submit a claim to the state  
3 comptroller against the county indemnification fund on behalf  
4 of the plaintiff to the action for the amount of the judgment  
5 exceeding the amount recoverable by reason of such insurance  
6 or bond. The state comptroller shall promptly issue a  
7 warrant payable to the plaintiff for such amount, and the  
8 treasurer of state shall pay the warrant.

9 Sec. 8. When a loss is sustained by the county as the  
10 result of a theft, embezzlement or misappropriation committed  
11 subsequent to July 1973, of a county treasurer, recorder,  
12 auditor, attorney, clerk of court or sheriff, or any  
13 deputies, assistants, or employees in such offices the amount  
14 of the loss which is to be replaced shall be determined by  
15 the auditor of state from a full and detailed audit made  
16 by him or under his authority, of the accounts in question of  
17 such officers, deputies, assistants, or employees in their

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18 office, which examination shall be reduced to writing and filed  
19 with the state comptroller. The state comptroller shall  
20 promptly issue a warrant payable to the county for such amount,  
21 and the treasurer of state shall pay the warrant. If any  
22 amount is subsequently recovered by the county from any source,  
23 the county treasurer shall pay such amounts to the treasurer of  
24 state for deposit in the county indemnification fund.  
25 Sec. 9. Effective July 1, 1973, sections three hundred

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1 thirty-four point thirteen (334.13) through three hundred  
2 thirty-four point twenty-two (334.22), inclusive, Code  
3 1971, are repealed.

Received from the House  
March 1, 1972

*Senate concurred 3/2/72  
Motion to reconsider filed and prevented 3/17/72  
Senate refused to concur 3/17/72 (1617)  
House insisted 3/20 (1222)*

HOUSE CLIP SHEET  
Thursday, March 23, 1972

REPORT OF THE CONFERENCE COMMITTEE  
ON HOUSE FILE 69

1 To the President of the Senate and the Speaker of the House  
2 of Representatives:

3 We, the undersigned members of the conference committee  
4 appointed to consider the difference between the Senate and  
5 the House of Representatives on House File 69, a bill for  
6 an act relating to errors and omissions insurance for county  
7 officers and employees, respectfully submit the following  
8 recommendations:

9 1. That the House of Representatives recede from its  
10 amendment to the Senate Amendment.

11 2. That the Senate recede from its amendment to House  
12 File 69 as passed by the House of Representatives.

13 3. That House File 69, as passed by the House of Repre-  
14 sentatives, be amended by striking everything after the en-  
15 acting clause and inserting in lieu thereof the following:

16 Section 1. There is created in the office of  
17 the treasurer of state a fund to be known as "the  
18 county indemnification fund" to be used to indemnify  
19 and pay on behalf of any county treasurer, recorder,  
20 auditor, attorney, clerk of court, sheriff, and  
21 engineer on matters relating to road and bridge  
22 design only, and any deputies, assistants or employees  
23 in such offices, all sums that such officers,  
24 deputies, assistants or employees are legally  
25 obligated to pay because of their negligent acts,  
26 errors or omissions in the performance of their  
27 official duties, except that the first five hundred  
28 dollars of each such claim shall not be paid from  
29 this fund.

30 Sec. 2. The establishment of the fund provided  
31 by this Act shall not relieve any insurer issuing  
32 insurance under the provisions of section six hundred  
33 thirteen A point seven (613A.7) of the Code from  
34 paying any loss incurred thereunder; nor shall any  
35 such insurer be subrogated to any of the assets of  
36 the fund established by this Act regardless of any  
37 provisions in such policy of insurance.

38 Sec. 3. The board of supervisors of each county  
39 shall levy in 1972 and annually thereafter for three  
40 consecutive years a tax of two-hundredths of a mill

41 against the assessed value of the taxable property  
42 of the county, to be collected at the same time and  
43 in the same manner as other property taxes and the  
44 proceeds of the levy shall be deposited in the county  
45 indemnification fund.

46 Thereafter, if the balance in the fund on March  
47 30 of any year is less than three hundred thousand  
48 dollars, the treasurer of state shall notify the  
49 board of supervisors of each county to again levy  
50 for that year a two-hundredths mill levy to be  
51 collected with other taxes in the next calendar year.

52 Sec. 4. Not later than the fifteenth of June  
53 or the fifteenth day of December of each year in  
54 which the tax is collected, the county auditor shall  
55 transmit the amount of the tax levied and collected,  
56 by warrant, to the treasurer of state who shall  
57 credit it to the county indemnification fund. The  
58 treasurer of state shall invest any moneys in the  
59 fund in the same manner as other public funds and  
60 shall credit any interest received from that  
61 investment to the county indemnification fund.

62 Sec. 5. Any claim for any negligent act, error,  
63 or omission of a county treasurer, recorder, auditor,  
64 attorney, clerk of court, sheriff, engineer on matters  
65 relating to bridge or road design only, or any deputy,  
66 assistant or employee in such offices relating to  
67 such matters, committed after July 1, 1973, shall  
68 be processed and paid from such fund in accordance  
69 with the provisions of chapter twenty-five A (25A)  
70 of the Code, except that any payment of a claim,  
71 except a final judgment, in excess of fifteen hundred  
72 dollars shall have the unanimous approval of all  
73 members of the state appeal board, the attorney  
74 general, and the district court of Polk county.

75 Sec. 6. If a final judgment is obtained against  
76 the county treasurer, recorder, auditor, attorney,  
77 clerk of court, sheriff, or engineer in matters  
78 relating to bridge or road design only, or any  
79 deputies, assistants, or employees in such offices  
80 indemnified by such fund for an act committed  
81 subsequent to July 1, 1973, which is payable from  
82 the county indemnification fund, the county attorney  
83 shall ascertain if any insurance policy exists  
84 indemnifying such persons against such judgment or  
85 any part thereof. If no insurance exists, or if  
86 the judgment exceeds the limits of such insurance  
87 the county attorney shall submit a claim to the state  
88 comptroller against the county indemnification fund  
89 on behalf of the plaintiff to the action for the  
90 amount of the judgment exceeding the amount

91 recoverable by reason of such insurance. The state  
92 comptroller shall promptly issue a warrant payable  
93 to the plaintiff for such amount, and the treasurer  
94 of state shall pay the warrant. Such payment shall  
95 forever discharge such persons from any and all  
96 liability therefor.

97 Sec. 7. The board of supervisors may purchase  
98 insurance insuring any other county officers and  
99 their employees in the performance of their official  
100 duties not specified in section one (1) of this Act,  
101 against personal liability as a result of negligent  
102 acts, errors or omissions. The premiums for the  
103 insurance shall be paid from the general fund of  
104 the county. If the liability of any county officer  
105 or his employees in the performance of their official  
106 duties, not specified in section one (1) of this  
107 Act, is not fully indemnified by insurance, the board  
108 of supervisors shall pay any such loss, for which  
109 the county officer or his employees shall be found  
110 liable, from the general fund of the county. Any  
111 county board of supervisors may compromise and settle  
112 any such claim.

113 Sec. 8. The board of supervisors may purchase  
114 an individual or a blanket surety bond insuring the  
115 fidelity of county officers and county employees  
116 who are accountable for county funds or property  
117 subject to the minimum surety bond requirements of  
118 chapter sixty-four (64) of the Code. The board of  
119 supervisors may also purchase an individual or a  
120 blanket general liability insurance policy insuring  
121 county officers or county employees from liability  
122 for any negligent act, error or omission in the  
123 performance of their official duties.

124 Any elected county officer shall be deemed to  
125 have furnished surety if he is covered by a blanket  
126 bond purchased as provided in this section.

127 Sec. 9. Section sixty-four point eight (64.8),  
128 Code 1971, is amended to read as follows:

129 64.8 COUNTY OFFICERS. The bonds of the following  
130 county officers, viz.: Clerks of the district courts,  
131 county attorneys, recorders, auditors, superintendents  
132 of schools, sheriffs, justices of the peace, and  
133 constables, and assessors shall each be in a penal  
134 sum ~~to be fixed by the board of supervisors~~ of not  
135 less than ten thousand dollars each per annum.

136 Sec. 10. Section sixty-four point nine (64.9),  
137 Code 1971, is amended to read as follows:

138 64.9 MINIMUM BONDS OF COUNTY OFFICERS. Bonds  
139 of members of the board of supervisors, clerks of  
140 the district courts, county auditors, sheriffs, and

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141 county attorneys shall not be in less sum than five  
142 ten thousand dollars each, and those of justices  
143 and constables, not less than five hundred dollars  
144 each.

145 Sec. 11. Section sixty-four point ten (64.10),  
146 Code 1971, is amended to read as follows:

147 64.10 BOND OF COUNTY TREASURER. The bond of  
148 the county treasurer shall be in the sum of ten  
149 twenty-five thousand dollars per annum.

150 Sec. 12. Effective July 1, 1973, section three  
151 hundred thirty-two point thirty-five (332.35), Code  
152 1971, is repealed.

Filed  
March 22, 1972

On the part of the Senate:

MOWRY, Chairman  
BRILES  
DeKOSTER  
GAUDINEER

On the part of the House:

SCHROEDER, Chairman  
HANSEN  
SCHWARTZ

*House concurred 3/23 (1379)*  
*Senate concurred 3/22 (1109)*