

Senate Study Bill 3205 - Introduced

SENATE FILE _____
BY (PROPOSED COMMITTEE ON
WAYS AND MEANS BILL BY
CHAIRPERSON FEENSTRA)

A BILL FOR

1 An Act relating to municipal risk protection and the
2 classification of library districts as municipalities for
3 the purpose of joining a local government risk pool and
4 including effective date provisions.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 670.7, subsection 1, Code 2018, is
2 amended to read as follows:

3 1. The governing body of a municipality may purchase a
4 policy of liability insurance insuring against all or any part
5 of liability which might be incurred by the municipality or
6 its officers, employees, and agents under [section 670.2](#) and
7 [section 670.8](#) and may similarly purchase insurance covering
8 torts specified in [section 670.4](#). The governing body of a
9 municipality may adopt a self-insurance program, including
10 but not limited to the investigation and defense of claims,
11 the establishment of a reserve fund for claims, the payment
12 of claims, and the administration and management of the
13 self-insurance program, to cover all or any part of the
14 liability. The governing body of a municipality may join
15 and pay funds into a local government risk pool to protect
16 itself the municipality against any or all liability, loss of
17 property, or any other risk associated with the operation of
18 the municipality. The governing body of a municipality may
19 enter into insurance agreements obligating the municipality
20 to make payments beyond its current budget year to provide or
21 procure the policies of insurance, self-insurance program,
22 or local government risk pool. The premium costs of the
23 insurance, the costs of a self-insurance program, the costs of
24 a local government risk pool, and the amounts payable under
25 the insurance agreements may be paid out of the general fund
26 or any available funds or may be levied in excess of any tax
27 limitation imposed by statute. However, for school districts,
28 the costs shall be included in the district management levy
29 as provided in [section 296.7](#) if the district has certified a
30 district management levy. If the district has not certified
31 a district management levy, the cost shall be paid from
32 the general fund. Any independent or autonomous board or
33 commission in the municipality having authority to disburse
34 funds for a particular municipal function without approval
35 of the governing body may similarly enter into insurance

1 agreements, procure liability insurance, adopt a self-insurance
2 program, or join a local government risk pool within the field
3 of its operation.

4 Sec. 2. Section 670.7, subsection 4, Code 2018, is amended
5 to read as follows:

6 4. The association of Iowa fairs or a fair as defined in
7 section 174.1 and a library district established pursuant to
8 section 336.2 shall each be deemed ~~to be~~ a municipality as
9 defined in this chapter only for the purpose of joining a local
10 government risk pool as provided in this section.

11 Sec. 3. EFFECTIVE DATE. This Act, being deemed of immediate
12 importance, takes effect upon enactment.

13 EXPLANATION

14 The inclusion of this explanation does not constitute agreement with
15 the explanation's substance by the members of the general assembly.

16 This bill relates to municipal risk protection and the
17 classification of a library district as a municipality for the
18 purpose of joining a local government risk pool.

19 The bill provides that a governing body of a municipality
20 may join and pay funds into a local government risk pool
21 to protect the municipality against all liability, loss of
22 property, or any other risk associated with the operation of
23 the municipality.

24 The bill takes effect upon enactment.