HOUSE FILE 2398
BY COMMITTEE ON LOCAL GOVERNMENT

(SUCCESSOR TO HSB 597)

(As Amended and Passed by the House February 27, 2024)

[ = New Language by the House

## A BILL FOR

An Act relating to bonds and insurance policies for public officers.

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

[Section 1. Section 63.11, Code 2024, is amended to read as follows:

**63.11 Oath on bond.**

~~Every~~ Except a secretary and treasurer under chapter 291, every civil officer who is required to give bond shall take and subscribe the oath provided for in section 63.10, on the back of the bond, or on a paper attached thereto, to be certified by the officer administering it.]

Sec. 2. NEW SECTION. **64.3 Insurance policy in lieu of bond.**

1. In lieu of a bond, a public officer required to obtain a bond pursuant to this chapter may obtain an insurance policy in an amount not less than the amounts provided in section 64.8, 64.10, 64.13, or 64.15, as applicable.

2. An insurance policy obtained pursuant to this section must substantially comply with the conditions of section 64.2.

3. The reasonable expenses of an insurance policy obtained pursuant to this section in lieu of a bond, for which the reasonable expenses of such bond would be paid for by the county or township pursuant to section 64.11, 64.12, or 64.15, shall be paid by the county or township, as applicable.

4. The state of Iowa shall be the beneficiary of an insurance policy obtained pursuant to this section and the policy shall be for the use and benefit of any corporation, public or private, or person injured or sustaining loss, with a right of action in the name of the state for its or the corporation's or person's use.

5. An insurance policy obtained pursuant to this section shall be approved, filed, and recorded as provided in sections 64.19 through 64.24.

Sec. 3. Section 64.25, Code 2024, is amended to read as follows:

**64.25 Failure to give bond.**

1. Action by any officer in an official capacity without giving bond when such bond is required ~~shall constitute grounds for removal from office~~ may be suspended from office until the

officer gives a bond in compliance with this chapter.

2. Failure to give a bond in compliance with this chapter after a reasonable time following a suspension from office pursuant to subsection 1 constitutes grounds for removal from office.

Sec. 4. Section 260C.12, subsection 1, Code 2024, is amended to read as follows:

1. The board of directors of the merged area shall organize at the first regular meeting following the regular school election or at a special meeting called by the secretary of the board to organize the board in advance of the first regular meeting after the canvass for the regular school election. Organization of the board shall be effected by the election of a president and other officers from the board membership as board members determine. The board of directors shall appoint a secretary and a treasurer who shall each give bond or be covered by an insurance policy as prescribed in section 291.2 and who shall each receive the salary determined by the board. The secretary and treasurer shall perform duties under chapter 291 and additional duties the board of directors deems necessary. However, the board may appoint one person to serve as the secretary and treasurer. If one person serves as the secretary and treasurer, only one bond or insurance policy is necessary for that person. The frequency of meetings other than organizational meetings shall be as determined by the board of directors but the president or a majority of the members may call a special meeting at any time.

Sec. 5. Section 279.3, subsection 2, Code 2024, is amended to read as follows:

2. These officers shall be appointed from outside the membership of the board and the appointment and qualification shall be entered of record in the minutes of the secretary. They shall qualify within ten days following appointment by taking the oath of office in the manner required by section 277.28 and filing a bond or obtaining an insurance policy as

required by section 291.2 and shall hold office until their successors are appointed and qualified.

Sec. 6. Section 291.2, Code 2024, is amended to read as follows:

**291.2 Bonds or insurance of secretary and treasurer.**

The secretary and treasurer, within ten days after appointment and before entering upon the duties of the office, shall execute to the school corporation a surety bond, or shall be covered by an insurance policy, in an amount sufficient to cover current operations as determined by the board. All such bonds or insurance policies shall be continued to the faithful discharge of the duties of the office. The amount and sufficiency of all surety bonds or insurance policies shall be determined and approved by the board and shall be filed with the president. The cost of the surety bond or insurance policy shall be paid by the school corporation. If a single person serves as secretary and treasurer, pursuant to section 279.3 or 260C.12, only one bond or insurance policy is necessary for that person. The secretary and treasurer may give bond under a single bond, or be covered by an insurance policy, covering other employees of the district.

Sec. 7. Section 291.3, Code 2024, is amended to read as follows:

**291.3 Cost of bond or insurance policy.**

If the bond or insurance policy of an association or corporation as surety or insurance is furnished, the reasonable cost of such bond or insurance policy may be paid by the school corporation.

Sec. 8. Section 291.4, Code 2024, is amended to read as follows:

**291.4 Oath.**

~~Each~~ The secretary and treasurer shall take the oath required of civil officers~~, which shall be endorsed upon the bond,~~ and shall complete the qualification within ten days.

Sec. 9. Section 291.5, Code 2024, is amended to read as

follows:

**291.5 Action on bond or insurance policy.**

In case of a breach of the bond or insurance policy, the president shall bring action thereon in the name of the school corporation.]