

**CHAPTER 40-43**  
**PAYMENT AND COMPROMISE OF JUDGMENTS**

**40-43-01. Judgment or a settlement of a claim against municipality - Additional tax levied.**

If a final judgment is obtained or a settlement is made of a claim against any municipality in this state, the governing body of the municipality, by resolution, may provide for the levy and collection of an annual tax upon all the taxable property within the municipality for the payment of such judgment or a settlement of a claim. The amount levied under this section for the payment of a judgment or a settlement of a claim against a municipality shall not exceed the limitation in section 57-15-28.1.

**40-43-02. Compromise of judgments against municipalities - Tax levy to pay reduced judgment - Tax limitations not applicable.**

Repealed by S.L. 2015, ch. 439, § 104.

**40-43-03. Negotiable bearer bonds may be issued to pay compromised amount.**

Repealed by S.L. 2015, ch. 439, § 104.

**40-43-04. Levy of tax to pay principal and interest of bonds - Duty of county auditor.**

Repealed by S.L. 2015, ch. 439, § 104.

**40-43-05. Funding compromised judgment for negligence based on special assessment warrants - Subrogation rights of municipality.**

When warrants payable from special assessments made to pay the cost of a local improvement have been or shall be issued by a municipality and the holder or holders of all or any portion of the issue of such warrants shall procure a final judgment against the municipality in damages based on the municipality's negligence or breach of duty in the levy or collection of the special assessments and such judgment shall be compromised and funded by the issuance of bonds as provided in this chapter, the municipality shall succeed and be subrogated to the rights of the holder or holders of the warrants in and to all remaining uncollected special assessments and to the fund created thereby, and the municipality shall receive payment and distribution from the uncollected special assessments as if it owned and held the warrants affected by the judgment. Moneys acquired in such manner by or for the municipality shall be held apart from its general funds and shall be applied first to the payment of the bonds issued in compromise of the judgment. After payment of all bonds issued in compromise of the judgment, the levy of an annual tax for the payment of the same shall be discontinued, and the municipality shall cover into its general fund any surplus then or thereafter acquired from its interest in the fund created by the special assessments.

**40-43-06. Purpose of judgment funding provisions.**

This chapter creates additional powers and optional and alternative methods for the single and specific purpose of enabling municipalities to pay and to compromise judgments, to issue bonds to fund and satisfy the same, to levy taxes in amounts necessary for such purposes without respect to limitations otherwise existing, and to scale down such judgments and compromise and fund the same over a period of years.

**40-43-07. Political subdivisions authorized to carry liability insurance - Waiver of immunity to extent only of insurance purchased.**

Repealed by S.L. 1977, ch. 303, § 18.