

NORTH CAROLINA GENERAL ASSEMBLY
1977 SESSION

CHAPTER 834
HOUSE BILL 1338

AN ACT TO AMEND CHAPTERS 160A AND 153A OF THE GENERAL STATUTES TO
AUTHORIZE CITIES AND COUNTIES TO PAY CERTAIN CIVIL JUDGMENTS
AGAINST EMPLOYEES AND OFFICERS.

The General Assembly of North Carolina enacts:

Section 1. G.S. 160A-167, as amended by Chapter 307 of the Session Laws of 1977, is further amended:

(a) by rewriting the caption to read "Defense of employees and officers; payment of judgments.";

(b) by designating the present section as subsection (a) of G.S. 160A-167;

(c) by adding a new subsection (b) and (c) as follows:

"(b) Any city council or board of county commissioners may appropriate funds for the purpose of paying all or part of a claim made or any civil judgment entered against any of its employees or officers, or former employees or officers, when such claim is made or such judgment is rendered as damages on account of any act done or omission made, or any act allegedly done or omission allegedly made, in the scope and course of his employment or duty as an employee or officer of the city or county; provided, however, that nothing in this section shall authorize any city or county to appropriate funds for the purpose of paying any claim made or civil judgment entered against any of its employees or officers or former employees or officers if the city council or board of county commissioners finds that such employee or officer acted or failed to act because of actual fraud, corruption or actual malice on his part. Any city or county may purchase insurance coverage for payment of claims or judgments pursuant to this section. Nothing in this section shall be deemed to require any city or county to pay any claim or judgment referred to herein, and the purchase of insurance coverage for payment of any such claim or judgment shall not be deemed an assumption of any liability not covered by such insurance contract, and shall not be deemed an assumption of liability for payment of any claim or judgment in excess of the limits of coverage in such insurance contract.

(c) Subsection (b) shall not authorize any city or county to pay all or part of a claim made or civil judgment entered unless (1) notice of the claim or litigation is given to the city council or board of county commissioners prior to the time that the claim is settled or civil judgment is entered, and (2) the city council or board of county commissioners shall have adopted, and made available for public inspection, uniform standards under which claims made or civil judgments entered against employees or officers, or former employees or officers, shall be paid."

Sec. 2. G.S. 160A-209(c) is amended by inserting a new paragraph (11) reading:

"(11) Defense of employees and officers. To provide for the defense of, and payment of civil judgments against, employees and officers or former employees and officers, as authorized by this Chapter.", and by renumbering the remaining paragraphs accordingly.

Sec. 3. G.S. 153A-149(c) is amended by inserting a new paragraph (11) reading:

"(11) Defense of employees and officers. To provide for the defense of, and payment of civil judgments against, employees and officers or former employees and officers, as authorized by this Chapter.", and by renumbering the remaining paragraphs accordingly.

Sec. 4. This act shall become effective upon ratification.

In the General Assembly read three times and ratified, this the 30th day of June,

1977.