
Textbook Bond Requirement, Rule

The Background:

The rule change adjusting the bond amounts required of publishing companies was passed on final reading in October 2013. The rule was signed by the Secretary of State with an effective date of August 29, 2014. Since the rule passed on final reading, the Tennessee General Assembly passed Public Chapter 981 (2014) that set the bond requirements much lower than those within the State Board rule. Thus, our rule is in conflict with statute and needs to be withdrawn.

In addition, the Board should delete the bond requirement rule in its entirety since the requirement is now listed in statute.

The Recommendation:

SBE staff recommends withdrawing this rule and deleting the former rule on final reading.

~~0520-05-01-.07~~ AMOUNT OF PERFORMANCE BOND REQUIRED.

The following scale shall designate the amount of performance bond required of each publishing company. "Book" means any item bid for sale with its own separate price.

| <u>No. of Books Officially Listed</u> | <u>Amount of Bond</u> |
|---------------------------------------|---|
| 1-10 | \$25,000.00 |
| 11-20 | \$50,000.00 |
| 21-30 | \$75,000.00 |
| 31-40 | \$100,000.00 |
| 41-50 | \$125,000.00 |
| 51 and over | \$125,000.00, plus \$5,000.00 per each additional book until \$1,000,000.00 is reached. |

Authority: T.C.A. §49-6-2203(j).