

Appendix H: Example of Amendment to establish blanket surety bonds as an alternative to individual surety bonds

AN ACT to amend Tennessee Code Annotated, Title 8, Chapter 19 relative to bonding requirements for local government officials.

WHEREAS, it is the intention of the General Assembly that blanket surety bonds covering two or more public officials within a single contract be allowed as a substitute for separately executed individual surety bonds in order to reduce issuance and administrative costs incurred in holding public officials individually accountable under the state's surety bonding requirements; now, therefore,

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

Section 1. Amend Tennessee Code Annotated, Section 8-19-101 by deleting subsection (c) in its entirety and by substituting instead the following:

(c)

(1) Notwithstanding any other provision of law to the contrary, any county, municipality, metropolitan government, or other political subdivision of this state, including independent school districts, may use a blanket surety bond to meet the bonding requirements imposed on its officers by this code. As used in this chapter, "blanket surety bond" means a bond that

(A) covers two (2) or more officers who are otherwise required by law to be bonded;

(B) specifies the positions covered, their corresponding statutory bond amounts as required by this code, the dates of coverage, and the persons or entities to whom or to which the bond is payable; and

(C) meets the requirements of this chapter, including the terms of the bond as specified in Section 8-19-111 and the liability imposed on the officer as principal on the bond by Section 8-19-301.

(2) The bond shall be filed and recorded in the office of the county clerk. Such signing, filing, and recording shall be in lieu of any other endorsement, signing, filing, approval, or recording otherwise required by law for individual bonds.

(3) No local government's purchase of a blanket surety bond shall alter its immunity, liability, or responsibility under the Governmental Tort Liability Act compiled in title 29, chapter 20.

Section 2. Tennessee Code Annotated, Section 8-19-101(e), is amended by deleting the words "blanket surety bond" and substituting instead the word "government crime insurance" and by deleting the words "blanket bond" and substituting instead the word "government crime insurance."

Section 3. This act shall take effect January 1, 2015, the public welfare requiring it.