

HOUSE BILL 3525

By Haynes

AN ACT to amend Tennessee Code Annotated, Title 6,
relative to bonds for municipal officials and
employees.

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

SECTION 1. Tennessee Code Annotated, Section 6-21-104, is amended by deleting the section in its entirety.

SECTION 2. Tennessee Code Annotated, Section 6-21-105, is amended by deleting the section in its entirety.

SECTION 3. Tennessee Code Annotated, Section 6-35-411, is amended by deleting the section in its entirety.

SECTION 4. Tennessee Code Annotated, Title 6, Chapter 56, Part 1, is amended by adding the following as a new section:

6-56-152. Surety bonds or insurance for officers and employees.

(a) Any other law or charter provision notwithstanding, every officer, agent, and employee of a municipal corporation having duties embracing the receipt, disbursement, custody, or handling of money shall, before entering upon these duties, be bonded or insured by a company licensed to issue bonds or insurance policies in the state of Tennessee. All such bonds or insurance shall be in amounts deemed sufficient and approved by ordinance of the local governing body; provided no such amount under five hundred dollars (\$500) shall be established. If, at any time, the local governing body deems the amount of insurance or bond to be insufficient, the governing body may increase the amount of coverage or bond amount by ordinance. The cost of making these bonds or purchasing these insurance policies shall be paid by the municipality.

(b) Whenever a local government officer or employee is required, by charter provision or any other law, rule or regulation, to be bonded, an insurance policy in an amount no less than the bond issued by a company licensed to issue insurance in the state of Tennessee will be deemed sufficient.

SECTION 5. This act shall take effect immediately upon its passage, the public welfare requiring it.