



February 25, 2019

SUMMARY OF ORIGINAL BILL: Specifies that surety bond requirements for sheriffs are not required if the county maintains a certain level of insurance coverage which includes the sheriff.

FISCAL IMPACT OF ORIGINAL BILL:

Decrease Local Expenditures – Exceeds \$1,000

SUMMARY OF AMENDMENT (004459): Deletes all language after the enacting clause and rewrites the bill to specify that surety bond requirements for all county officials are not required if the county maintains a certain level of insurance coverage.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal note.

Assumptions for the bill as amended:

- Pursuant to Tenn. Code Ann. § 8-19-106, the respective county is responsible for paying all premiums and registration fees of surety bonds for county officials.
- Tennessee Code Annotated § 8-19-101 provides that a county may obtain and pay the premiums for an insurance policy if it contains a certain level of coverage for county officials. The proposed legislation would specify that duplicitous coverage of such an insurance policy and a surety bond for certain county officials are not required.
- Specific minimum bond requirements vary from official to official and range between \$2,000 for a County Surveyor to \$100,000 for a County Mayor. Bond requirements for some county officials, such as the County Trustee, are based on the amount of revenue the office handles.
- In the event a county currently pays the premium on a surety bond for such county officials and pays the premium for such insurance coverage, the proposed legislation will result in a recurring decrease in local expenditures.
- The precise decrease in local expenditures is dependent upon several unknown factors such as the rate of interest assessed the surety bond, the premium currently paid by the

county, and the frequency for which the premium is due; however, any recurring decrease in local expenditures is reasonably estimated to exceed \$1,000 statewide.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

/jrh