

1 **LOCAL GOVERNMENT OFFICER BONDING AMENDMENTS**

2 2019 GENERAL SESSION

3 STATE OF UTAH

4 **Chief Sponsor: Val K. Potter**

5 Senate Sponsor: Lyle W. Hillyard

7 **LONG TITLE**

8 **General Description:**

9 This bill amends provisions related to municipal officer bonds.

10 **Highlighted Provisions:**

11 This bill:

- 12 ▶ reorganizes provisions related to municipal officer bonds; and
- 13 ▶ modifies the acceptable forms of bonds for municipal officers to include a general
- 14 fidelity bond or a theft and crime insurance policy.

15 **Money Appropriated in this Bill:**

16 None

17 **Other Special Clauses:**

18 None

19 **Utah Code Sections Affected:**

20 **ENACTS:**

21 **10-3-831**, Utah Code Annotated 1953

22 **REPEALS:**

23 **10-3-819**, as last amended by Laws of Utah 1987, Chapter 92

24 **10-3-820**, as last amended by Laws of Utah 2008, Chapter 19

25 **10-3-821**, as enacted by Laws of Utah 1977, Chapter 48

26 **10-3-822**, as enacted by Laws of Utah 1977, Chapter 48

27 **10-3-823**, as enacted by Laws of Utah 1977, Chapter 48



28 [10-3-824](#), as enacted by Laws of Utah 1977, Chapter 48

29 [10-3-825](#), as enacted by Laws of Utah 1977, Chapter 48

30

31 *Be it enacted by the Legislature of the state of Utah:*

32 Section 1. Section **10-3-831** is enacted to read:

33 **10-3-831. Fidelity bonds and theft or crime insurance.**

34 (1) As used in this section, "municipal officer" means ~~H→~~ **[an elected or appointed officer of**
 35 **a municipality, including]** ~~←H~~ ;

36 (a) the mayor;

37 (b) each member of the municipal legislative body;

38 (c) the municipal treasurer; ~~H→~~ **and**

39 **[(d) the municipal auditor; and**

40 ~~——(e)]~~ **(d) ←H** anyone for whom the municipal legislative body determines a general fidelity or
 41 public employee blanket bond or theft or crime insurance should be acquired.

42 (2) (a) (i) Except as provided in Subsection (2)(b), the legislative body of each
 43 municipality shall prescribe the amount of a general fidelity bond or theft or crime insurance to
 44 be acquired for the municipal officer.

45 (ii) If, under Subsection (2)(a)(i), a municipality has prescribed the amount of the
 46 general fidelity bond required, then theft or crime insurance in an amount that is not less than
 47 the bond satisfies the requirement described in Subsection (2)(a)(i).

48 (iii) Before a municipal officer may discharge the duties of the officer's office, the
 49 municipality shall have in place a bond or theft or crime insurance covering the municipal
 50 officer in the amounts the municipality prescribes.

51 (b) Before the municipal treasurer may discharge the duties of the treasurer's office, the
 52 municipality shall have in place a bond or theft or crime insurance covering the treasurer in an
 53 amount not less than the amount the State Money Management Council, created in Section
 54 [51-7-16](#), prescribes.

55 (c) A municipal legislative body may acquire a fidelity bond or theft or crime insurance
 56 on all municipal officers and the municipal treasurer as a group rather than individually.

57 (3) The municipal legislative body shall pay the cost of each fidelity bond and theft or
 58 crime insurance policy from municipal funds.

59 (4) The municipal recorder shall file and maintain each fidelity bond acquired under
60 this section.

61 Section 2. **Repealer.**

62 This bill repeals:

63 Section **10-3-819, Bonds required.**

64 Section **10-3-820, Bonds of officers in cities of the first and second class.**

65 Section **10-3-821, Bond of treasurers.**

66 Section **10-3-822, Approval of bonds.**

67 Section **10-3-823, Premium paid by municipality.**

68 Section **10-3-824, Bonds of first officers after incorporation.**

69 Section **10-3-825, Additional bonds.**