

SENATE BILL 599

By Hensley

AN ACT to amend Tennessee Code Annotated, Title 8, Chapter 19 and Title 13, Chapter 26, Part 1, relative to bond requirements for human resource agencies.

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

SECTION 1. Tennessee Code Annotated, Section 13-26-110(a), is amended by deleting the subsection and substituting instead the following:

(a)

(1) Any board member, policy council member, employee, officer, or any authorized person of a human resource agency who receives public funds, has authority to make expenditures from public funds, or has access to any public funds is required to give bond to be made payable to this state with such sureties as are hereinafter provided. The bond is to be conditioned in all cases in which a different condition is not prescribed, upon the faithful discharge of the duties of such office, employment, or other authorized activity in which such person is engaged during the time the person continues in the discharge of such duties, or in the discharge of any part thereof.

(2)

(A) A human resource agency may obtain, in lieu of the surety bond required by subdivision (a)(1), a policy of insurance issued by an insurance company duly authorized to do business in this state or an agreement with a pool established by two (2) or more governmental entities pursuant to § 29-20-401 or any entity established pursuant to § 29-20-401(b)(2) for administration of such agreement, which provides

government crime coverage, employee dishonesty insurance coverage, or equivalent coverage that insures the lawful performance by officials and their employees of their fiduciary duties and responsibilities.

(B) Any such policy or agreement maintained must have limits of not less than four hundred thousand dollars (\$400,000) per occurrence.

(C) A policy or agreement satisfying the requirements set forth in subdivision (a)(2)(A) is deemed to be a blanket official bond for each official or office identified in the policy or agreement for all purposes under this chapter.

(D) The officials who may be covered under the policy or agreement include board members, policy council members, employees, officers, and other authorized persons of a human resource agency who handle public funds, pursuant to this chapter.

(E) A copy of the policy or agreement evidencing the persons covered, the amount of coverage maintained, and the type of coverage provided shall be filed in the register's office for the county in which the human resource agency is located.

(F) A policy or agreement filed pursuant to subdivision (a)(2)(E) satisfies the requirement for the filing of official bonds under subsection (e).

SECTION 2. This act takes effect upon becoming a law, the public welfare requiring it.