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FISCAL NOTE

Drafting Number: LLS 18-0160 Date: February 5, 2018
Prime Sponsors: Rep. McKean Bill Status: House SVMA
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Bill Topic: PUBLIC OFFICIAL PERSONAL SURETY BONDS

- Summary of Fiscal Impact: State Revenue, State Expenditure, State Transfer, TABOR Refund, Local Government, Statutory Public Entity

This bill repeals statutory provisions related to personal surety bonds and authorizes public entities to purchase crime insurance instead. This bill may increase state and local government costs by a minimal amount on an ongoing basis.

Appropriation Summary: No appropriation is required.

Fiscal Note Status: This fiscal note reflects the introduced bill, which was recommended by the Statutory Revision Committee.

Summary of Legislation

Under current law a public entity may require an official to provide a personal surety bond which protects the entity from losses occurring from theft, fraud, or other impacts due to the official's failure to meet certain obligations. This bill repeals parts of statute where personal surety bonds are required from state department heads and subordinates that handle state funds, county officials, and municipal officials. Public entities are authorized to purchase crime insurance instead of accepting personal surety bonds.

State Expenditures

To the extent that state agencies are currently requesting personal surety bonds, costs may increase to instead purchase crime insurance and workload to track the receipt of personal surety bonds from required officials will decrease. It is assumed that few state agencies require personal surety bonds; therefore, any increase in costs and decrease in workload is expected to be minimal and will not impact appropriations to any state agency.

**Local Government**

Similar to the state, this bill may increase county and municipal government costs for purchasing crime insurance and decrease personal surety bond tracking workload. It is assumed that most county and municipal governments already purchase crime insurance; therefore, these impacts are minimal.

**Effective Date**

The bill takes effect August 8, 2018, if the General Assembly adjourns on May 9, 2018, as scheduled, and no referendum petition is filed.

**State and Local Government Contacts**

All State Agencies

Counties

Municipalities