

Second Regular Session
Seventieth General Assembly
STATE OF COLORADO

REENGROSSED

*This Version Includes All Amendments
Adopted in the House of Introduction*

LLS NO. 16-0685.01 Jerry Barry x4341

HOUSE BILL 16-1013

HOUSE SPONSORSHIP

Garnett,

SENATE SPONSORSHIP

Marble,

House Committees
Business Affairs and Labor

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING AUTHORIZING SCHOOL DISTRICTS TO PURCHASE CRIME**
102 **INSURANCE COVERAGE IN LIEU OF SURETY BONDS.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://www.leg.state.co.us/billsummaries>.)

Current law requires the secretary, assistant secretary, treasurer, and assistant treasurer of a school board and any person authorized by the board to be the custodian of money of the school district to obtain a surety bond before taking office. Additionally, a school board is required to obtain and pay for a surety bond for any person who is likely to have custody of \$50 or more of school district money.

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
*Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.*

HOUSE
3rd Reading Unamended
February 2, 2016

HOUSE
2nd Reading Unamended
February 1, 2016

The bill authorizes a school district to purchase crime insurance coverage instead of the bonds.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, 22-32-104, **amend**
3 (4) (b) and (4) (c); and **add** (4) (d) as follows:

4 **22-32-104. Organization of board of education.** (4) (b) EXCEPT
5 AS PROVIDED IN PARAGRAPH (d) OF THIS SUBSECTION (4), no person shall
6 enter upon the office of secretary or treasurer, or assistant secretary or
7 assistant treasurer if there ~~be~~ ARE such offices, until he OR SHE has given
8 a surety bond, in form satisfactory to the board, in the amount of five
9 thousand dollars, conditioned upon the faithful performance of his OR HER
10 duties as required by law and prescribed by the bylaws of the board of
11 education. In addition, EXCEPT AS PROVIDED IN PARAGRAPH (d) OF THIS
12 SUBSECTION (4), the treasurer, and the assistant treasurer if there ~~be~~ such
13 office, shall give bond in such further amount, in such form, and for such
14 purposes as the board may require.

15 (c) The board may also appoint and authorize any other person to
16 act as custodian of moneys belonging to the district. EXCEPT AS PROVIDED
17 IN PARAGRAPH (d) OF THIS SUBSECTION (4), such person shall give surety
18 bonds, in such amount and form and for such purposes as the board may
19 require.

20 (d) IN LIEU OF THE BONDS REQUIRED BY PARAGRAPHS (b) AND (c)
21 OF THIS SUBSECTION (4), A SCHOOL DISTRICT MAY PURCHASE CRIME
22 INSURANCE COVERAGE ON BEHALF OF THE OFFICERS AND EMPLOYEES TO
23 PROTECT THE SCHOOL DISTRICT FROM ANY MALFEASANCE ON THE PART OF
24 THE OFFICER WHILE IN OFFICE OR EMPLOYEES.

25 **SECTION 2.** In Colorado Revised Statutes, 22-32-109, **amend**

1 (1) (h) as follows:

2 **22-32-109. Board of education - specific duties.** (1) In addition
3 to any other duty required to be performed by law, each board of
4 education shall have and perform the following specific duties:

5 (h) To require each employee who is likely to have in his OR HER
6 temporary custody at any one time an amount of school district moneys
7 in excess of fifty dollars to be bonded in an amount at least sufficient to
8 cover the amount of school district moneys which is likely to be in his OR
9 HER temporary custody at any time, or to be bonded in such greater
10 amount as the board may determine. A blanket form of surety bond may
11 be utilized to cover more than one such employee. The district shall pay
12 the costs for any such bonds. IN LIEU OF THE BONDS REQUIRED BY THIS
13 PARAGRAPH (h), THE DISTRICT MAY PURCHASE CRIME INSURANCE
14 COVERAGE TO PROTECT THE DISTRICT FROM ANY MALFEASANCE ON THE
15 PART OF SUCH EMPLOYEE.

16 **SECTION 3. Safety clause.** The general assembly hereby finds,
17 determines, and declares that this act is necessary for the immediate
18 preservation of the public peace, health, and safety.