

Second Regular Session  
Seventy-first General Assembly  
STATE OF COLORADO

DRAFT  
10.10.17

BILL 1C-iii

LLS NO. 18-0160.01 Kip Kolkmeier x4510

COMMITTEE BILL

Statutory Revision Committee

**BILL TOPIC: "Public Official Personal Surety Bonds"**

**A BILL FOR AN ACT**

101 **CONCERNING PUBLIC OFFICIAL PERSONAL SURETY BONDS, AND, IN**  
102 **CONNECTION THEREWITH, REPEALING OBSOLETE PROVISIONS**  
103 **AND AUTHORIZING THE PURCHASE OF INSURANCE IN LIEU OF**  
104 **PUBLIC OFFICIAL PERSONAL 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://leg.colorado.gov/>.)*

**Statutory Revision Committee. Section 1** of the bill repeals an obsolete provision regarding personal surety bonds for executive agency personnel. **Sections 2 through 4** repeal obsolete requirements that a

*Capital letters indicate new material to be added to existing statute.  
Dashes through the words indicate deletions from existing statute.*

person providing a personal surety bond to a county officer be a property owner in the county and, if requested, provide a statement of assets. **Section 5** authorizes a public entity to purchase insurance in lieu of a public official personal surety bond and states the requirements for the insurance.

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

2           **SECTION 1.** In Colorado Revised Statutes, **repeal** 24-2-104 as  
3 follows:

4           **24-2-104. Bonds.** ~~The head of each principal department or any~~  
5 ~~subordinate officer or employee under the same who may be required to~~  
6 ~~handle state funds shall give bond executed by a responsible surety~~  
7 ~~company, authorized to do business within the state, in such sum as may~~  
8 ~~be fixed by law or, in the absence of any such law, such as shall be fixed~~  
9 ~~by the governor as he deems adequate to safeguard the state funds. All~~  
10 ~~such bonds shall be conditioned upon the faithful performance by such~~  
11 ~~head of department, officer, or employee of his duties and, when~~  
12 ~~approved by the governor, shall be filed in the office of the secretary of~~  
13 ~~state. The premiums on all such bonds shall be paid as an ordinary~~  
14 ~~expense of the principal department or the division, section, or unit under~~  
15 ~~the department to which such head of department, officers, or employees~~  
16 ~~are appointed, and due appropriation therefor shall be made by the~~  
17 ~~general assembly.~~

18           **SECTION 2.** In Colorado Revised Statutes, **repeal** 24-13-122 as  
19 follows:

20           **24-13-122. Freeholders only acceptable as surety.** ~~No~~  
21 ~~individual shall be accepted as a surety on any official bond of any county~~  
22 ~~officer unless he is a freeholder of the county in which said officer may~~  
23 ~~be elected or appointed to office.~~

1           **SECTION 3.** In Colorado Revised Statutes, **repeal** 24-13-123 as  
2 follows:

3           **24-13-123. Statement of surety - contents.** ~~Boards of county~~  
4 ~~commissioners, in their respective counties, at any time, whether before~~  
5 ~~or after the approval of the official bond of any county officer, may~~  
6 ~~require any one or more of the sureties on said bond, within six days after~~  
7 ~~the service upon him of a notice in writing to that effect, to make out,~~  
8 ~~subscribe, and deposit in the office of the county clerk and recorder of~~  
9 ~~such county a statement in writing, verified by his affidavit, containing a~~  
10 ~~list of all property owned by said surety in the state of Colorado, its~~  
11 ~~character, in what county situate, its estimated value, and encumbrances~~  
12 ~~thereon, if any, and also the aggregate amount of indebtedness then owing~~  
13 ~~by him or by any other person for the payment of which he was then~~  
14 ~~liable as surety; and any such surety making a false oath or affirmation in~~  
15 ~~such case is guilty of perjury in the second degree and is liable to~~  
16 ~~indictment and prosecution therefor.~~

17           **SECTION 4.** In Colorado Revised Statutes, **amend** 24-13-124 as  
18 follows:

19           **24-13-124. Approval or rejection of bonds.** Nothing in this  
20 section ~~or sections 24-13-122 and 24-13-123~~ shall be construed to  
21 abridge, limit, or restrict the powers vested by law in boards of county  
22 commissioners to approve or reject, in their discretion, the bonds of  
23 county officers in their respective counties, to accept or refuse any surety  
24 offered thereon, and to require a new bond to be given in any case when  
25 they may deem the bond of any county officer insufficient from any cause  
26 for the public security.

27           **SECTION 5.** In Colorado Revised Statutes, **amend** 24-14-102 as

1 follows:

2           **24-14-102. Authorize purchase of liability insurance and**  
3 **insurance in lieu of a public official personal surety bond -**  
4 **definitions.** (1) The head of a department of the state of Colorado, with  
5 the approval of the governor or, in the case of the county or city and  
6 county, the chief executive officer or board of county commissioners,  
7 subject to appropriations being available therefor, is hereby authorized to  
8 procure insurance, through the department of personnel as provided in the  
9 "Procurement Code", articles 101 to 112 of this ~~title~~ TITLE 24, for the  
10 purpose of insuring its officers, employees, and agents against any  
11 liability, other than a liability ~~which~~ THAT may be insured against under  
12 ~~the provisions of~~ the "Workers' Compensation Act of Colorado",  
13 ARTICLES 40 THROUGH 47 OF TITLE 8, for injuries or damages resulting  
14 from their negligence or other tortious conduct during the course of their  
15 service or employment. Counties or cities and counties are authorized to  
16 insure their officers, employees, and agents against similar liabilities.

17           (2) (a) WHENEVER A PERSON IS REQUIRED BY LAW TO PROVIDE OR  
18 PURCHASE A PERSONAL SURETY BOND AS A CONDITION OF SERVING IN A  
19 PUBLIC ELECTED, APPOINTED, OR EMPLOYED POSITION, THE PUBLIC ENTITY  
20 FOR WHICH THE PERSON WILL SERVE MAY, IN LIEU OF THE REQUIRED BOND,  
21 PURCHASE INSURANCE TO PROTECT THE PUBLIC ENTITY FROM ANY  
22 MALFEASANCE, MISFEASANCE, OR NONFEASANCE BY THE PERSON.  
23 HOWEVER, THIS SECTION DOES NOT APPLY TO THE BOND REQUIRED OF THE  
24 STATE TREASURER PURSUANT TO SECTION 24-22-101.

25           (b) IF A PUBLIC ENTITY PURCHASES INSURANCE IN LIEU OF A  
26 PERSONAL SURETY BOND PURSUANT TO THIS SUBSECTION (2), THE PUBLIC  
27 OFFICIAL OR EMPLOYEE IS RELIEVED OF ALL STATUTORY REQUIREMENTS

1 RELATED TO THE PERSONAL SURETY BOND, INCLUDING REQUIREMENTS AS  
2 TO THE TYPE, PROVIDER, FORM, AMOUNT, OR FILING OF THE PERSONAL  
3 SURETY BOND. THE PUBLIC ENTITY IS LIKEWISE RELIEVED OF ANY  
4 STATUTORY REQUIREMENTS RELATED TO THE PERSONAL SURETY BOND OF  
5 THE PUBLIC OFFICIAL OR EMPLOYEE.

6 (c) INSURANCE PURCHASED PURSUANT TO THIS SUBSECTION (2)  
7 MUST BE PURCHASED FROM AN INSURANCE PROVIDER LICENSED IN THE  
8 STATE OF COLORADO. THE PUBLIC ENTITY SHALL PAY THE PREMIUMS FOR  
9 THE INSURANCE.

10 (d) AS USED IN THIS SUBSECTION (2), UNLESS THE CONTEXT  
11 OTHERWISE REQUIRES:

12 (I) "PERSONAL SURETY BOND" MEANS A BOND, SURETY, SURETY  
13 BOND, SURETY COMPANY BOND, CORPORATE SURETY BOND, CORPORATE  
14 FIDELITY BOND, INDIVIDUAL BOND, SCHEDULE BOND, BLANKET BOND, OR  
15 OFFICIAL BOND.

16 (II) "PUBLIC ENTITY" MEANS THE STATE OF COLORADO, PRINCIPAL  
17 DEPARTMENTS LISTED IN SECTION 24-1-110, PUBLIC COLLEGES AND  
18 UNIVERSITIES, STATE OR LOCAL COMMISSIONS, STATE OR LOCAL  
19 AUTHORITIES, COUNTIES, CITIES, CITIES AND COUNTIES, TOWNS,  
20 MUNICIPALITIES, DISTRICTS, SPECIAL DISTRICTS, BOARDS, AND SCHOOL  
21 DISTRICTS.

22 **SECTION 6. Act subject to petition - effective date.** This act  
23 takes effect at 12:01 a.m. on the day following the expiration of the  
24 ninety-day period after final adjournment of the general assembly (August  
25 8, 2018, if adjournment sine die is on May 9, 2018); except that, if a  
26 referendum petition is filed pursuant to section 1 (3) of article V of the  
27 state constitution against this act or an item, section, or part of this act

1 within such period, then the act, item, section, or part will not take effect  
2 unless approved by the people at the general election to be held in  
3 November 2019 and, in such case, will take effect on the date of the  
4 official declaration of the vote thereon by the governor.