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**WISCONSIN LEGISLATIVE COUNCIL  
STAFF MEMORANDUM**

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**TO:** SENATOR MARK MEYER, CHAIRPERSON, SENATE COMMITTEE ON  
UNIVERSITIES, HOUSING AND GOVERNMENT OPERATIONS

**FROM:** Don Dyke, Senior Staff Attorney 

**RE:** 2001 Assembly Bill 35, Relating to Changing the Bonding Requirements for City, Village  
and County Officers

**DATE:** April 17, 2001

This memorandum summarizes the provisions of the above-captioned bill, which has been referred to the Senate Committee on Universities, Housing and Government Operations. Assembly Bill 35 was passed by the Assembly on a voice vote on February 13, 2001.

**Currently**, various city, village, town and county officers, usually as a condition of taking office, are required to execute and file an official bond. The general purpose of an official bond is to protect the local government from loss of public funds that might occur when a local official fails to faithfully perform the duties of the office. [s. 19.01 (2) (a), Stats.] Each official bond must contain an agreement by the local official and the surety that the official will faithfully discharge the duties of the office according to law and that entitled parties will be paid damages, not exceeding a specific amount, that are incurred as a result of the official's failure to discharge official duties. Official duties include the performance, to the best of the official's ability, of every official act required and the nonperformance of every act forbidden by law to be performed by the official. [s. 19.01 (3), Stats.]

Towns currently are expressly authorized to provide, in lieu of an official bond, a schedule or blanket bond that includes some or all of the officials otherwise required by statute to file an individual official bond. [s. 60.31 (2), Stats.] While current s. 19.07 (1) (b), Stats., seemingly gives authority to other local governments to use blanket bonds in place of official bonds, that provision has been interpreted by the Attorney General as not applying to local officials who are expressly required by statute to file an official bond. [See 37 Op. Att'y Gen. 521 (1948).] Thus, cities, villages and counties, in contrast to towns, apparently do not have authority to provide schedule or blanket bonds for local officials who are expressly required by statute to file an official bond.

**Assembly Bill 35** authorizes the governing body of a city, village or county to provide, in lieu of an official bond, a schedule or blanket bond that includes some or all of the officers or officials that are

otherwise required by statute to file an official bond. (Note that, in the case of cities, the proposal applies to second, third or fourth class cities, not first class cities.) In general terms, a blanket bond provides coverage against loss resulting from failure of officials or employees included in the bond to perform faithfully or to account properly for all moneys or property received in connection with their office or employment. Efficiencies in administration and cost may result from the use of schedule or blanket bonds.

If you have any questions or need additional information, please contact me directly at the Legislative Council Staff offices.

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