

Fiscal Estimate - 2011 Session

Original Updated Corrected Supplemental

LRB Number 11-1546/2		Introduction Number AB-0060	
Description Individuals and officers who may be covered by a county blanket bond			
Fiscal Effect			
State:			
<input type="checkbox"/> No State Fiscal Effect			
<input type="checkbox"/> Indeterminate			
<input type="checkbox"/> Increase Existing Appropriations		<input type="checkbox"/> Increase Existing Revenues	
<input type="checkbox"/> Decrease Existing Appropriations		<input type="checkbox"/> Decrease Existing Revenues	
<input type="checkbox"/> Create New Appropriations		<input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget	
		<input type="checkbox"/> Yes <input type="checkbox"/> No	
		<input type="checkbox"/> Decrease Costs	
Local:			
<input type="checkbox"/> No Local Government Costs			
<input type="checkbox"/> Indeterminate			
1. <input type="checkbox"/> Increase Costs		3. <input type="checkbox"/> Increase Revenue	
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory		<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
2. <input checked="" type="checkbox"/> Decrease Costs		4. <input type="checkbox"/> Decrease Revenue	
<input checked="" type="checkbox"/> Permissive <input type="checkbox"/> Mandatory		<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
5. Types of Local Government Units Affected			
<input type="checkbox"/> Towns		<input type="checkbox"/> Village <input type="checkbox"/> Cities	
<input checked="" type="checkbox"/> Counties		<input type="checkbox"/> Others	
<input type="checkbox"/> School Districts		<input type="checkbox"/> WTCS Districts	
Fund Sources Affected		Affected Ch. 20 Appropriations	
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS			
Agency/Prepared By		Authorized Signature	Date
DOR/ Daniel Huegel (608) 266-5705		Paul Ziegler (608) 266-5773	4/6/2011

Fiscal Estimate Narratives

DOR 4/6/2011

LRB Number	11-1546/2	Introduction Number	AB-0060	Estimate Type	Original
Description Individuals and officers who may be covered by a county blanket bond					

Assumptions Used in Arriving at Fiscal Estimate

CURRENT LAW

Under a provision of the general county law (Chapter 59, Statutes), except for county supervisors, the following county officers must execute and file an official bond (also known as a surety bond): clerk, treasurer, sheriff, coroner, clerk of court, register of deeds, surveyor, and abstractor. The amount of the bond is specified by statute, and can depending on the population of the county and the amount of funds the official oversees. A county board may, at its option, provide for a blanket bond to provide the surety bonds required by statute.

Under a provision of the general veterans law (Chapter 45, Statutes), every county is required to create a county veterans service commission consisting of at least 3 residents of the county who are veterans. In addition, each county generally must have a veterans' services office administered by a county veterans service officer. Each member of the commission and the county veterans service officer must execute and file a surety bond in an amount equal to the tax levied in the current year for the veterans' commission expenditures. Since the commissioners and the veterans service officer are not among the officers listed under the blanket bond provisions under general county law, they are not supposed to be included under the blanket bond issued for other county officers.

PROPOSED LAW

Under the bill, the surety bonds required from the members of the county veterans services commission and the county veterans service officer could, at a county's option, be included under the blanket bond currently allowed under the provisions of the general county law.

Expenditures regarding surety bond coverage are not separately reported in the annual financial report forms filed by counties with the Department of Revenue (DOR). In addition, there is limited information on the cost of surety bonds that can be obtained from on-line versions of county budgets for 2011. Where known, however, these costs appear modest. For example, Calumet County budgeted \$5,000 for "surety bonds", Columbia County budgeted \$4,400 for "employee bonds", and Dodge County budgeted \$587 for the treasurer's bond. To the extent that a bond covering several officials may cost less than bonds for individual officials, the bill has the potential to reduce costs for the counties. Given the low cost of these bonds, the cost savings is expected to be minimal.

Long-Range Fiscal Implications