



**WISCONSIN LEGISLATIVE COUNCIL
ACT MEMO**

2003 Wisconsin Act 204 [2003 Assembly Bill 263]	Use of Schedule or Blanket Bonds by Cities, Villages, and Counties
2003 Acts: www.legis.state.wi.us/2003/data/acts/	Act Memos: www.legis.state.wi.us/lc/act_memo/act_memo.htm

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 include 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 specified amount, incurred as a consequence of the official's failure to discharge the duties of the office. Duties of the office include performing to the best of the official's ability every official act required and not engaging in acts forbidden by law. [s. 19.01 (3), Stats.]

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

Act 204 expressly 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 otherwise required by statute to file an individual official bond. (Note that, in the case of cities, the proposal applies to second, third, or fourth class cities, not first class cities.) Efficiencies in administration and cost may result from the use of schedule or blanket bonds.

Effective Date: Act 204 became effective April 23, 2004.

Prepared by: Don Dyke, Chief of Legal Services

May 3, 2004

DD:tlujal;wu;ksm

This memo provides a brief description of the Act. For more detailed information,
consult the text of the law and related legislative documents.



Mitchell Government Relations, LLC.

January 14, 2004

To: Senator Ron Brown, Chair and Members;
State Committee on Homeland Security, Veterans and Military Affairs, and
Government Reform

From: Brian Mitchell

Re: Assembly Bill 263

On behalf of Old Republic Surety Company, I want to express our support for 2003
Assembly Bill 263.

This bill will offer cities, villages and counties an optional method of providing bond coverage for those local officials who are required by statute to be bonded. Towns in Wisconsin currently have the authority to provide a blanket bond covering multiple officials as an alternative to individual bonds. AB 263 will extend this authority to other local governments and we support its passage.

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