

2017 DRAFTING REQUEST**Bill**

For: **Robert Brooks (608) 267-2369** Drafter: **mshovers**
 By: **Christopher** Secondary Drafters:
 Date: **10/27/2016** May Contact:

Same as LRB:

Submit via email: **YES**
 Requester's email: **Rep.Rob.Brooks@legis.wisconsin.gov**
 Carbon copy (CC) to: **eric.mueller@legis.wisconsin.gov**
melinda.johns@legis.wisconsin.gov
tamara.dodge@legis.wisconsin.gov

Pre Topic:

No specific pre topic given

Topic:

Change fidelity bonding requirements for local government officials

Instructions:

See attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/P1	mshovers 12/1/2016	jdyer 11/22/2016	hkohn 11/22/2016		State S&L
/P2	mshovers 2/14/2017	jdyer 12/1/2016	mbarman 12/1/2016		State S&L
/P3	mshovers 2/20/2017	jdyer 2/15/2017	lparisi 2/15/2017		State S&L
/1		jdyer 2/20/2017	rmilford 2/20/2017	lparisi 2/22/2017	State S&L

FE Sent For:

<END>

→ At
Intro.

Shovers, Marc

From: Schaefer, Christopher
Sent: Friday, November 11, 2016 9:56 AM
To: Shovers, Marc
Subject: RE: Bill draft regarding fidelity bonds

Hello, Marc:

I was wondering if you would be available at 10:00 on ~~Wednesday~~, November ~~16~~^{18th}, 2016, to discuss the specifics of this bill and what we are looking for?

Mr. Christopher Schaefer, M.A.
Legislative Assistant,
Office of Representative Rob Brooks
60th Assembly District
(608) 267-2369
Christopher.Schaefer@legis.wisconsin.gov

From: Shovers, Marc
Sent: Monday, November 07, 2016 3:37 PM
To: Schaefer, Christopher <Christopher.Schaefer@legis.wisconsin.gov>
Subject: RE: Bill draft regarding fidelity bonds

Hello Christopher:

I'm not really sure what you're looking for with this draft. I read the article from the League, and it appears there's a distinction between "official" bonds, which are required of certain local officers, and "fidelity" bonds, but that distinction isn't always clear to me. Sometimes it appears that "fidelity" and "surety" bonds are similar to each other, but different from "official" bonds, but this does not seem to be the case all of the time. I couldn't really tell from the LWM article which bonds are the "fidelity" bonds that you'd like affected by the bill.

The only place I could find in the statutes where "fidelity bonds" are mentioned is in s. 66.0609 (4), which I'll repeal.

The municipal treasurer bonding requirement in s. 70.67 seems to affect activities that are different from those affected by the "official bond" requirement in chs. 60, 61, and 62 which apply to muni treasurers, and the s. 70.67 bonding seems to be a surety bond, so I was not planning to amend that statute. Is this consistent with your intent?

There are bonding requirements for various local officials, and they seem to be referred to as "surety bonds", rather than "official" bonds. Do you want the bonding requirements changed for any of these local officials?

- 1) EAB/School solicitors; see s. 38.50 (8) (b)

- 2) County Veterans services commissioner; see s. 45.81 (2)
- 3) County surveyor; see s. 60.84 (2)
- 4) Recreation Authority board members; see s. 66.0123 (4) (d)

Were you thinking that perhaps s. 19.07 (1) (b) should be amended to say that no officer may be covered by a blanket surety bond if the officer is required to be covered by an individual or official bond? I don't think s. 19.07 (1) (b) really applies to fidelity bonds, so that statute may not need to be amended.

So aside from repealing s. 66.0609 (4), is there any other statute that you'd like the bill to affect? Please let me know how you'd like me to proceed.

Thanks,

Marc

Marc Shovers
Senior Legislative Attorney
Legislative Reference Bureau
608-266-0129
marc.shovers@legis.wisconsin.gov

From: Schaefer, Christopher
Sent: Thursday, October 27, 2016 8:47 AM
To: Shovers, Marc <Marc.Shovers@legis.wisconsin.gov>
Subject: Bill draft

Good Morning, Marc:

Representative Brooks would to have legislation drafted that removes from statutes, the fidelity bonding requirements that apply to municipal officials. Attached is some background information explaining the bonding requirements and what we are looking to accomplish with the bill.

Mr. Christopher Schaefer, M.A.
Legislative Assistant,
Office of Representative Rob Brooks
60th Assembly District
(608) 267-2369
Christopher.Schaefer@legis.wisconsin.gov

Shovers, Marc

From: Schaefer, Christopher
Sent: Thursday, October 27, 2016 8:47 AM
To: Shovers, Marc
Subject: Bill draft
Attachments: fidelity bonds 33-R1.pdf

Good Morning, Marc:

Representative Brooks would like to have legislation drafted that removes from statutes, the fidelity bonding requirements that apply to municipal officials. Attached is some background information explaining the bonding requirements and what we are looking to accomplish with the bill.

Mr. Christopher Schaefer, M.A.
Legislative Assistant,
Office of Representative Rob Brooks
60th Assembly District
(608) 267-2369
Christopher.Schaefer@legis.wisconsin.gov

fidelity bonds

RP; 66.0609(4)

- * Surety bonds for bonds:*
- 1) 0.19.07 Am; no surety bond
dont apply to any officials would
buy an official bond*
- 2) EAB (school solicitors? all 0.38.50(8)(b) ?*
- 3) County veterans service comm? 45.81(2) ?*
- 4) County surveyor? 0.60.84(2)*
- 5) Recreation Authority 66.0123(4)(d)*
- 6) MUN: Treas. surety bond? 70.67 ??*

11/18/16
meeting

w/ Christopher & LWN

WISCONSIN LEGISLATIVE REFERENCE BUREAU

Information Services 608-266-0341 — Legal Services 608-266-3561



Muni buys coverage - if problem, claim → ins company
surety company

843,46

typical policies exclude muni EEs in tax area

bonded positions aren't biggest risks -
to IT, TIF, etc.

Eliminate requirement for ^{cities & villages} muni's to
obtain official bond - -
muni's still could if they want to, but
don't require it

make it permissive - -

Key - effect official bonds - surety & fidelity
seem to be the same - - only applies to
cities & villages

11/18/16
meeting with
Christopher and
LWM officials:

Fidelity Bonds # 33 R-1
March 31, 2011

Fidelity Bonds 33 R-1
This legal comment provides an overview of official bond requirements for municipal officers.
3/1/11.

Bond Requirements for Municipal Officials

As most local officials know, certain municipal officers must, as a prerequisite to taking office, file an official bond in the municipal clerk's office. The purpose of such a bond is to protect the municipality and the taxpayers against any loss of public funds which might occur when a public officer fails to faithfully perform the duties of the office. While incidents of theft, embezzlement, or misuse of public funds by public officials in Wisconsin are rare, such incidents do occasionally occur and the bonding requirement furnishes an important protection to municipal taxpayers.

Questions concerning bonding typically arise this time of year when new officials take office or are appointed following the spring elections. This month's Comment, therefore, reviews which officers are required by statute to be bonded, when bonds must be filed, what types of bonds are appropriate and other related issues.

WHICH MUNICIPAL OFFICIALS MUST BE BONDED?

Various municipal officials are required by statute to file official bonds. In cities the treasurer,¹ comptroller,² chief of police,³ municipal judge,⁴ and such other officers as the statutes or council may direct⁵ must execute and file an official bond in the city clerk's office as a qualification for office.

Although the statutes do not expressly require a bond for city clerks, such a bond is implied by Wis Stat. sec. 62.09(11)(i), which provides that if a deputy clerk is appointed by the clerk, "[t]he clerk and the clerk's sureties shall be liable on the clerk's official bond for the acts of such deputy." This implication is further supported by sec. 19.01(4)(f) which provides that the oaths and bonds of city clerks shall be filed in the office of city treasurer. Whether mandatory or not, many cities direct the clerk to file an official bond and this appears to be the better procedure since clerks often handle municipal funds and property.

Instructions
from 11/18
meeting:
only
affected
these
officials,
and the
highlighted
village
officials

League of Wisconsin Municipalities - Legal Opinions

In villages an official bond is required by statute of the clerk,⁶ treasurer,⁷ marshal,⁸ constable⁹ and municipal judge.¹⁰ The acts of a deputy village treasurer are to be covered by an official bond as the village board shall direct.¹¹

The clerk or comptroller of municipalities that have adopted the alternative method of approving financial claims under sec. 66.0609 are required to be covered by a bond.¹² Also, utility commissions may provide that utility receipts be paid to a bonded cashier appointed by the commission who then must turn the receipts over to the municipal treasurer on a monthly basis.¹³

In general, the official acts of a deputy are covered by the principal's bond. Section 19.01(3) provides in part that the duties mentioned in the oath and bond of public officials must include "the faithful performance by all persons appointed or employed by the officer either in his or her principal or subsidiary office, of their respective duties and trusts therein." Thus, it would appear, for example, that the acts of an assistant clerk appointed by the clerk would be covered by the clerk's bond.

It is doubtful that this is true when the deputy clerk is appointed or employed not by the clerk but by the governing body. If the duties of a deputy or employee appointed by the governing body indicate a need for a bond, the governing body may require that a bond be provided.

When additional duties are imposed upon a bonded official, such duties are covered by the official's bond.¹⁴ Under such a rule, a municipal clerk's bond would cover additional duties such as acting as comptroller or cashier for a municipal utility. However, if the imposition of new duties constitutes an attempt to create a new office for the official, the official's original bond does not cover the new office.¹⁵

Municipal governing bodies may by local ordinance require that other officials and employees file bonds. The governing body may also at any time require new and additional bonds of any officer.¹⁶ The most economical policy is to require bonds only from those officials or employees who handle public money or valuable property which is easily converted into money.

FORM OF BOND

The form of an official bond required of any public official is set forth in sec. 19.01(2). Although only substantial compliance with the statutory form is required, every official bond must contain an agreement by the principal (municipal official) and the surety that the officer will faithfully discharge the duties of the office according to law, and will pay to the entitled parties such damages, not exceeding a specific amount, as may be suffered by them in consequence of the

League of Wisconsin Municipalities - Legal Opinions

officer's failure to discharge the duties of the office.¹⁷ Such duties include the performance to the best of the officer's ability of every official act required and the nonperformance of every act forbidden by law to be performed by the officer.¹⁸ The latter would include such acts as the disbursement of funds for unauthorized purposes and the improper conversion of municipal property.

According to the statutes, any bond given as an official bond by a public officer is deemed to contain all the conditions and provisions required by sec. 19.01(2), regardless of the bond's form or wording.¹⁹

WHEN MUST A BOND BE FILED?

Public official bonds are usually made a prerequisite to the assumption of office. Failure of a municipal official to execute a required bond within the time prescribed by law creates a vacancy in that office.²⁰ The official bonds of city officers must be approved by the mayor and, when so approved, must be filed within ten days after the officer has been notified of his or her election or appointment.²¹ In first class cities (Milwaukee), if an office or position involves fiduciary responsibility or the handling of money, the appointing officer may require the appointee to furnish a bond or other security to the officer and the city.²²

The official bonds of village officials must be approved by the village president.²³ The village clerk, treasurer, and constable are required to file an official bond at the same time they take their oath of office, which must be done within five days after receiving notice of election or appointment to office.²⁴

The only time limit for the filing of bonds by other municipal officials who are not required to take an official oath appears to be in sec. 19.01(5), which provides that every official required to file a bond shall do so before entering upon the duties of the office.

Local officials should bear in mind that a new bond is required for each term of office. Thus, incumbents who are reelected or reappointed must renew their bonds within the prescribed time periods. Also, bonds continue in force until the officer's successor is duly qualified and installed.²⁵

WHERE ARE BONDS TO BE FILED?

Official bonds executed by city officers must be filed in the office of the city clerk. If the city clerk is required by the common council to file a bond, the clerk must file the bond in the office of city treasurer.²⁶ Similarly, official bonds executed by village officers must be filed in the

League of Wisconsin Municipalities - Legal Opinions

office of the village clerk, except the village clerk is required to file in the office of village treasurer.²⁷ In first class cities, after the common council has approved the bonds, the clerk delivers the bonds to the city comptroller who has them recorded in the office of the register of deeds. The comptroller then files them in the clerk's office; a duplicate copy is filed in the comptroller's office.²⁸

THE BLANKET BOND

Municipalities may obtain blanket bonds which provide coverage against losses resulting from failure of officials or employees to perform faithfully or to account properly for all monies or property received by virtue of their office or employment.²⁹ All officers and subordinates who are not required by law to furnish individual bonds in order to qualify for office are eligible to be covered by a blanket bond.

AMOUNT OF BOND COVERAGE

The amount of an official bond, unless prescribed by statute, is determined by the city council or village board, and is subject to the approval of the mayor or village president.³⁰ In first class cities, the amount of a bond required by an appointing officer is fixed by the appointing officer with the mayor's approval.³¹ In most cases the statutes are silent as to the amount of a bond. For municipalities that have adopted the alternative method of approving financial claims under sec. 66.0609, the amount of the bond of the clerk or comptroller is specified in sub. (4).³² Also, the amount of the treasurer's bond required by sec. 70.67(1) (discussed below) is specified in that statute.

Varying local conditions prevent the establishment of a fixed formula for determining the amount of the bond for various officials. However, certain influential factors may be pointed out. The amount of the bond should be commensurate with the financial responsibility of the position. This may best be determined by the local finance officer and/or municipal attorney. In determining the amount of coverage needed, the largest amount of money on hand at any one time is a more significant factor than the total amount handled by an official during the entire year. Also, the frequency and effectiveness of audits are important factors in determining the amount of a bond.

Municipalities may want to consult with responsible surety companies on the issue of minimum bond requirements.

MUNICIPAL TREASURER'S BOND

League of Wisconsin Municipalities - Legal Opinions

In addition to the official bond required of every city and village treasurer pursuant to secs. 61.26 and 62.09(4)(b), sec. 70.67(1) requires that municipal treasurers execute and deliver to the county treasurer a bond to be approved by the county treasurer, conditioned for the faithful performance of the duties of the office and, more specifically, that the treasurer will account for and pay over all taxes of any kind which are required to be paid to the county treasurer. If the bond is guaranteed by a personal surety, the amount must be double the amount of the state and county taxes apportioned to the municipality, not to exceed the sum of \$500,000. If the bond is issued by a licensed surety company, the sum is to be equal to the amount of such state and county taxes but not to exceed \$250,000.

The duplicate treasurer's bond required by sec. 70.67(1) need not be given to the county if the municipal governing body adopts an ordinance obligating the municipality to pay, in case the treasurer fails to, all taxes required by law to be paid by the municipal treasurer to the county treasurer.³³ A certified copy of the ordinance must be filed with the county treasurer. Such an ordinance remains in effect until a certified copy of its repeal by the municipal governing body is filed with the county clerk and treasurer.

Any governing body that has adopted such an ordinance may demand from the treasurer, in addition to the official bond required of all municipal treasurers, a fidelity or surety bond in an amount and upon such terms as may be determined by the governing body. Such an additional bond must be delivered to the municipal clerk.³⁴

PAYMENT OF BOND PREMIUMS

In first class cities, where bonds are required by appointing officers pursuant to sec. 62.55, the premium for the bond is paid out of the city treasury. For other cities and villages, the law authorizes but does not appear to require the municipality to pay the cost of the public official bond of any officer.³⁵ In cities,³⁶ unless forbidden by law or unless other means of payment are provided for, the premium for the bond shall be charged to the fund appropriated and set up in the budget for the department, board, commission or other body whose officer is required by law to file a bond.³⁷ The surety company furnishing the bond must be licensed and the cost of the bond may not exceed the current premium per year on the amount of the bond or obligation executed by the surety.³⁸

STATUTE OF LIMITATIONS

An action by any municipality to recover a sum of money by reason of the breach of an official bond given by a public officer or employee of the municipality must be commenced within three years after the municipality learns that a default has occurred in some of the conditions of the

League of Wisconsin Municipalities - Legal Opinions

bond and that it was damaged because of the default. After that, the action is barred.³⁹

Endnotes:

1. Wis. Stat. sec. 62.09(4)(b).
2. *Id.*
3. *Id.*
4. Wis. Stat. sec. 755.03(1).
5. Wis. Stat. sec. 62.09(4)(b).
6. Wis. Stat. sec. 61.25(1).
7. Wis. Stat. sec. 61.26(1).
8. Wis. Stat. sec. 61.28.
9. Wis. Stat. sec. 61.29(1)(a).
10. Wis. Stat. sec. 755.03(1).
11. Wis. Stat. sec. 61.261.
12. Wis. Stat. sec. 66.0609(4).
13. Wis. Stat. sec. 66.0805(4).
14. *City of Rice Lake v. Jensen*, 216 Wis. 1, 255 N.W. 130 (1934).
15. *City of Milwaukee v. U.S. Fidelity & Guaranty Co.*, 144 Wis. 603, 129 N.W. 786 (1911).
16. Wis. Stat. secs. 61.22 and 62.09(4)(b).
17. Wis. Stat. sec. 19.01(2).
18. Wis. Stat. sec. 19.01(3).

League of Wisconsin Municipalities - Legal Opinions

19. Wis. Stat. sec. 19.01(2m).
20. Wis. Stat. sec. 17.03(7).
21. Wis. Stat. sec. 62.09(4)(b).
22. Wis. Stat. sec. 62.55.
23. Wis. Stat. sec. 61.22.
24. Wis. Stat. secs. 61.21 and 19.01(5)
25. Wis. Stat. sec. 19.01(6).
26. Wis. Stat. sec. 19.01(4)(f).
27. Wis. Stat. sec. 19.01(4)(g).
28. Wis. Stat. sec. 62.55.
29. Wis. Stat. secs. 19.07(1), 61.22 and 62.09(4)(b).
30. Wis. Stat. secs. 61.22 and 62.09(4)(b).
31. Wis. Stat. sec. 62.55.
32. The alternative system of approving financial claims that can be adopted by municipalities under sec. 66.0609 is only operative if the comptroller or clerk is covered by a fidelity bond of not less than \$5,000 in villages and 4th class cities, of not less than \$10,000 in 3rd class cities, and of not less than \$20,000 in 2nd class cities.
33. Wis. Stat. sec. 70.67(2).
34. *Id.*
35. Wis. Stat. secs. 19.01(8).
36. The provision referenced in this statute used to be found in sec. 66.14 which applied to municipalities generally. When chapter 66 was reorganized and modernized in 1999, sec. 66.14

League of Wisconsin Municipalities - Legal Opinions

was renumbered as sec. 62.09(4)(b) which makes it applicable to cities.

37. Wis. Stat. sec. 62.09(4)(d).

38. *Id.*

39. Wis. Stat. sec. 893.90(1).



State of Wisconsin
2017 - 2018 LEGISLATURE

LRB-0602/P1

MES:

JLD

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

TUES

[Handwritten signature]

X
1
2

AN ACT ... relating to: changing the requirement that certain city and village officials must execute and file an official bond.

Analysis by the Legislative Reference Bureau

Under this bill, with regard to a city treasurer, comptroller, chief of police, and other officials as the common council may direct, such officers are required to execute and file an official bond only if the common council directs them to do so. Similarly under the bill, a village clerk, treasurer, marshal, and constable are required to execute and file an official bond only if the village board directs them to do so. Under current law, these city and village officials are required to execute and file an official bond.

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. 61.25 (intro.) of the statutes is amended to read:

61.25 Clerk. (intro.) The If required to do so by the village board, the village clerk shall execute and file an official bond. It shall be the village clerk's duty:

1 **SECTION 2.** 61.26 (1) of the statutes is amended to read:

2 61.26 (1) ~~Execute~~ If required to do so by the village board, execute and file an
3 official bond which may be furnished by a surety company as provided by s. 632.17
4 (2).

5 **History:** 1971 c. 154; 1975 c. 375 s. 44; 1975 c. 421; 1983 a. 36; 1983 a. 189 s. 329 (21); 1983 a. 395 ss. 9, 18; 1983 a. 532 s. 36; 1985 a. 29; 1987 a. 27, 378; 2001 a. 16.

5 **SECTION 3.** 61.28 (1) of the statutes is amended to read:

6 61.28 (1) ~~The~~ If required to do so by the village board, the village marshal shall
7 execute and file an official bond. The marshal shall possess the powers, enjoy the
8 privileges and be subject to the liabilities conferred and imposed by law upon
9 constables, and be taken as included in all writs and papers addressed to constables.
10 The marshal shall obey all lawful written orders of the village board. The marshal
11 is entitled to the same fees prescribed for sheriffs in s. 814.70 for similar services,
12 unless a higher fee is applicable under s. 814.705 (1) (c); for other service rendered
13 the village, compensation as the board fixes.

14 **History:** 1975 c. 41, 199; 1981 c. 317; 1987 a. 181; 1997 a. 27; 2013 a. 214.

14 **SECTION 4.** 61.29 (1) (a) of the statutes is amended to read:

15 61.29 (1) (a) ~~Execute~~ If required to do so by the village board, execute and file
16 an official bond.

17 **History:** 1983 a. 532; 2013 a. 214.

17 **SECTION 5.** 62.09 (4) (a) of the statutes is amended to read:

18 62.09 (4) (a) ~~Every~~ The council may require every person elected or appointed
19 to any office shall take and file the official oath within 10 days after notice of election
20 or appointment, except that, if so directed by the council, elected assessors shall take
21 and file the official oath within 5 days before June 1.

History: 1971 c. 154, 175; 1971 c. 304 s. 29 (1); 1973 c. 90, 243; 1975 c. 21, 39, 41, 199, 258; 1975 c. 375 s. 44; 1975 c. 421; 1977 c. 29, 151; 1977 c. 305 s. 64; 1979 c. 34, 221, 251; 1981 c. 20, 317; 1983 a. 189 s. 329 (21); 1983 a. 210, 395; 1983 a. 532 ss. 10, 14; 1985 a. 29, 39; 1985 a. 135 s. 83 (5); 1985 a. 225; 1987 a. 27, 181, 378; 1989 a. 31, 56, 113; 1991 a. 39, 316; 1993 a. 27, 184, 490; 1995 a. 225; 1997 a. 27, 257; 1999 a. 32; 1999 a. 150 s. 299, 672; 2001 a. 16; 2003 a. 47, 204; 2005 a. 40; 2009 a. 3, 173; 2011 a. 32; 2013 a. 214.

22 **SECTION 6.** 62.09 (4) (b) of the statutes is amended to read:

1 62.09 (4) (b) The If the council[✓] requires them to do so, the treasurer,
2 comptroller, chief of police and such others as the statutes or the council may direct,
3 shall execute and file an official bond in such sum as the council may determine, with
4 2 or more sureties or such bond may be furnished by a surety company as provided
5 by s. 632.17 (2), or the council may provide a schedule or blanket bond that includes
6 any or all of these officials. The council may at any time require new and additional
7 bonds of an officer. All official bonds must be approved by the mayor, and when so
8 approved shall be filed within 10 days after the officer executing the same shall have
9 been notified of election or appointment. Official bonds filed with the city clerk shall
10 be recorded in a book kept for that purpose.

History: 1971 c. 154, 175; 1971 c. 304 s. 29 (1); 1973 c. 90, 243; 1975 c. 21, 39, 41, 199, 258; 1975 c. 375 s. 44; 1975 c. 421; 1977 c. 29, 151; 1977 c. 305 s. 64; 1979 c. 34, 221, 251; 1981 c. 20, 317; 1983 a. 189 s. 329 (21); 1983 a. 210, 395; 1983 a. 532 ss. 10, 14; 1985 a. 29, 39; 1985 a. 135 s. 83 (5); 1985 a. 225; 1987 a. 27, 181, 378; 1989 a. 31, 56, 113; 1991 a. 39, 316; 1993 a. 27, 184, 490; 1995 a. 225; 1997 a. 27, 257; 1999 a. 32; 1999 a. 150 s. 299, 672; 2001 a. 16; 2003 a. 47, 204; 2005 a. 40; 2009 a. 3, 173; 2011 a. 32; 2013 a. 214.

11 **SECTION 7. Initial applicability.**

12 (1) This act first applies to an individual who is elected or appointed to an office
13 on the effective date of this subsection[✓] [LRB inserts date].^{ls}

14

(END)

Shovers, Marc

From: Schaefer, Christopher
Sent: Monday, November 28, 2016 9:07 AM
To: Shovers, Marc
Subject: Fidelity bond/Official bonds bill draft

Marc:

Here are a few specific changes we would like to have made to our fidelity bond/official bond bill draft:

1. Section 5 of the bill is unnecessary. It deals with the official oath, not the official bond. We don't want to change the law regarding official oaths. This section should be deleted from the bill.
2. The bill draft doesn't apply to municipal judges. Unless the requirement is constitutional, I think for consistency sake the bill should make bonding requirements for municipal judges permissive as well. The relevant statutes are Sec. 755.03(1) and (2).
3. Also for consistency purposes, the bill should amend sec. 66.0609(4) to make the bonding requirement in that statute permissive.

If you have any additional questions, do not hesitate to contact me.

Mr. Christopher Schaefer, M.A.
Legislative Assistant,
Office of Representative Rob Brooks
60th Assembly District
(608) 267-2369
Christopher.Schaefer@legis.wisconsin.gov

Shovers, Marc

From: Schaefer, Christopher
Sent: Wednesday, November 30, 2016 4:50 PM
To: Shovers, Marc
Cc: Curt Witynski
Subject: FW: LRB 0602

Marc:

Here is the response I received from the Wisconsin League of Municipalities with regards to your specific concerns. I think we are content with making just the changes discussed at our in-person meeting. If you have any additional questions, do not hesitate to contact me.

Mr. Christopher Schaefer, M.A.
Legislative Assistant,
Office of Representative Rob Brooks
60th Assembly District
(608) 267-2369
Christopher.Schaefer@legis.wisconsin.gov

From: Curt Witynski [mailto:witynski@lwm-info.org]
Sent: Wednesday, November 30, 2016 3:57 PM
To: Schaefer, Christopher <Christopher.Schaefer@legis.wisconsin.gov>
Subject: RE: LRB 0602

Christopher. I agree with Marc that it would be fruitless to draft a bill recommending, urging or suggesting that municipalities obtain insurance coverage. I'm uncomfortable requiring or mandating that a municipality obtain employee dishonesty insurance coverage. I'm also uncomfortable specifying an amount of coverage. Every municipality is different and will need different dollar amounts of coverage.

I'm most comfortable with the direction of the draft that Marc already submitted, which takes the first step of making the bonding requirement optional for municipalities. This will satisfy Newburg and other communities confused by current law and wondering why they have to pay for bonds for various appointed offices. There will be plenty of insurance salespeople seeking to fill the vacuum created by removing the bond mandate and urging communities to purchase and employee dishonesty policy. I don't think we need to mention the need to purchase insurance.

Curt

Curt Witynski
Assistant Director
League of Wisconsin Municipalities
(608) 267-3294
www.Lwm-info.org

From: Schaefer, Christopher [mailto:Christopher.Schaefer@legis.wisconsin.gov]
Sent: Wednesday, November 30, 2016 1:24 PM

To: Curt Witynski <witynski@lwm-info.org>

Subject: FW: LRB 0602

Mr. Christopher Schaefer, M.A.
Legislative Assistant,
Office of Representative Rob Brooks
60th Assembly District
(608) 267-2369
Christopher.Schaefer@legis.wisconsin.gov

From: Shovers, Marc
Sent: Wednesday, November 30, 2016 1:23 PM
To: Schaefer, Christopher <Christopher.Schaefer@legis.wisconsin.gov>
Cc: Curt Witynski <witynski@lwm-info.org>
Subject: RE: LRB 0602

Hi Christopher:

Am I correct that your thought is that the statutes should state that a municipality may consider purchasing a blanket employee dishonesty insurance policy? If so, I don't think such a provision is necessary as current law already authorizes local governments to purchase risk management insurance. See s. 66.0137. I believe this statute covers the situation you've described.

66.0137 Provision of insurance.

66.0137(1)

(1) (intro.) DEFINITION. In this section:

66.0137(1)(ae)

(ae) "Local governmental unit" means a municipality, county, school district (as enumerated in s. 67.01 (5)), sewerage district, drainage district, and, without limitation because of enumeration, any other political subdivision of the state.

66.0137(1)(b)

(b) "Municipality" means any city, village, or town.

66.0137(2)

(2) LIABILITY AND WORKER'S COMPENSATION INSURANCE. The state or a local governmental unit may procure risk management services and liability insurance covering the state or local governmental unit and its officers, agents and employees and worker's compensation insurance covering officers and employees of the state or local governmental unit. A local governmental unit may participate in and pay the cost of risk management services and liability and worker's compensation insurance through a municipal insurance mutual organized under s. 611.23.

A provision suggesting that a local government should consider taking certain allowable actions is draftable, but a statute that merely suggests or encourages a unit of government to do something which they're authorized to do doesn't really have any legal effect.

Would you just like me to change the bill to incorporate the changes you requested on Monday, and also eliminate the bonding requirement? Thanks.

Marc

Marc Shovers
Senior Legislative Attorney
Legislative Reference Bureau
608-266-0129
marc.shovers@legis.wisconsin.gov

From: Schaefer, Christopher
Sent: Wednesday, November 30, 2016 9:07 AM
To: Shovers, Marc <Marc.Shovers@legis.wisconsin.gov>
Cc: Curt Witynski <witynski@lwm-info.org>
Subject: LRB 0602

Hello, Marc:

We would like to make an additional change to LRB 0602 relating to bonding requirements for municipal employees. In our last conversation we mentioned that our goal was to rewrite statutes to make the bonding requirement permissible, not mandatory. We have decided that we want to eliminate the bonding requirement altogether and rewrite statutes to stipulate that in lieu of a bond, municipalities should consider purchasing a blanket employee dishonesty insurance policy of no less than \$250,000. If you have any additional questions, do not hesitate to contact our office.

Christopher

Mr. Christopher Schaefer, M.A.
Legislative Assistant,
Office of Representative Rob Brooks
60th Assembly District
(608) 267-2369
Christopher.Schaefer@legis.wisconsin.gov



State of Wisconsin
2017 - 2018 LEGISLATURE

LRB-0602/P1
MES:jld

P2
CNR

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

fri.

open

4

1 **AN ACT to amend** 61.25 (intro.), 61.26 (1), 61.28 (1), 61.29 (1) (a), 62.09 (4) (a) and
2 62.09 (4) (b) of the statutes; **relating to:** changing the requirement that certain
3 city and village officials must execute and file an official bond. ✓

Analysis by the Legislative Reference Bureau

→ municipal judge ✓

Under this bill, with regard to a city treasurer, comptroller, chief of police, and other officials as the common council may direct, such officers are required to execute and file an official bond only if the common council directs them to do so. Similarly under the bill, a village clerk, treasurer, marshal, and constable are required to execute and file an official bond only if the village board directs them to do so. Under current law, these city and village officials are required to execute and file an official bond.

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

4 **SECTION 1.** 61.25 (intro.) of the statutes is amended to read:
5 **61.25 Clerk.** (intro.) The If required to do so by the village board, the village
6 clerk shall execute and file an official bond. It shall be the village clerk's duty:

1 **SECTION 2.** 61.26 (1) of the statutes is amended to read:

2 61.26 (1) ~~Execute~~ If required to do so by the village board, execute and file an
3 official bond which may be furnished by a surety company as provided by s. 632.17
4 (2).

5 **SECTION 3.** 61.28 (1) of the statutes is amended to read:

6 61.28 (1) ~~The~~ If required to do so by the village board, the village marshal shall
7 execute and file an official bond. The marshal shall possess the powers, enjoy the
8 privileges and be subject to the liabilities conferred and imposed by law upon
9 constables, and be taken as included in all writs and papers addressed to constables.
10 The marshal shall obey all lawful written orders of the village board. The marshal
11 is entitled to the same fees prescribed for sheriffs in s. 814.70 for similar services,
12 unless a higher fee is applicable under s. 814.705 (1) (c); for other service rendered
13 the village, compensation as the board fixes.

14 **SECTION 4.** 61.29 (1) (a) of the statutes is amended to read:

15 61.29 (1) (a) ~~Execute~~ If required to do so by the village board, execute and file
16 an official bond.

17 **SECTION 5.** 62.09 (4) (a) of the statutes is amended to read:

18 62.09 (4) (a) ~~Every~~ The council may require every person elected or appointed
19 to any office shall take and file the official oath within 10 days after notice of election
20 or appointment, except that, if so directed by the council, elected assessors shall take
21 and file the official oath within 5 days before June 1.

22 **SECTION 6.** 62.09 (4) (b) of the statutes is amended to read:

23 62.09 (4) (b) ~~The~~ If the council requires them to do so, the treasurer,
24 comptroller, chief of police and such others as the statutes or the council may direct,
25 shall execute and file an official bond in such sum as the council may determine, with

1 2 or more sureties or such bond may be furnished by a surety company as provided
2 by s. 632.17 (2), or the council may provide a schedule or blanket bond that includes
3 any or all of these officials. The council may at any time require new and additional
4 bonds of an officer. All official bonds must be approved by the mayor, and when so
5 approved shall be filed within 10 days after the officer executing the same shall have
6 been notified of election or appointment. Official bonds filed with the city clerk shall
7 be recorded in a book kept for that purpose.

INS
3-7

8 **SECTION 7. Initial applicability.**

9 (1) This act first applies to an individual who is elected or appointed to an office
10 on the effective date of this subsection.

11 (END)

**2017-2018 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-0602/P2ins
MES:jld

INS 3-7

SECTION 1. 66.0609 (4) of the statutes is amended to read:

66.0609 (4) The system under sub. (1) is operative only if the comptroller or clerk is covered by a fidelity bond of not less than \$5,000 in villages and 4th class cities, of not less than \$10,000 in 3rd class cities, and of not less than \$20,000 in 2nd class cities, except that the bonding requirement under this subsection applies only if a village board or common council requires that an official bond be executed and filed under s. 61.25 (intro.) or 62.09 (4) (b).

History: 1971 c. 108 ss. 5, 6; 1971 c. 125 s. 523; 1977 c. 283 s. 12; 1979 c. 323; 1985 a. 29; 1991 a. 316; 1999 a. 150 s. 113; Stats. 1999 s. 66.0609; 2001 a. 16.

SECTION 2. 755.03 (1) of the statutes is amended to read:

755.03 (1) The judge shall, after election or appointment, take and file the official oath as prescribed in s. 757.02 (1) and at the same time, if required to do so by a city's or village's governing body, execute and file an official bond in an amount to be fixed by the governing body. The governing body shall pay the costs of the bond. No judge may act as such until he or she has complied with the requirements of sub. (2).

History: 1977 c. 187 s. 94; 1977 c. 305; Stats. 1977 s. 755.03; Sup. Ct. Order, 88 Wis. 2d xiii (1979); 1983 a. 192; 1985 a. 89, 304; 2009 a. 402.

SECTION 3. 755.03 (2) of the statutes is amended to read:

755.03 (2) Within 10 days after a municipal judge takes the oath, the judge shall file the oath and, if required to do so as described in sub. (1), the official bond with the clerk of the city, town or village where the judge was elected or appointed. If the municipal judge is elected under s. 755.01 (4), the judge shall file copies of the oath and bond with each applicable municipal clerk. The judge shall file a certified

copy of the oath with the office of director of state courts within the 10-day time period after the judge takes the oath.

History: 1977 c. 187 s. 94; 1977 c. 305; Stats. 1977 s. 755.03; Sup. Ct. Order, 88 Wis. 2d xiii (1979); 1983 a. 192; 1985 a. 89, 304; 2009 a. 402.

Shovers, Marc

From: Schaefer, Christopher
Sent: Thursday, February 02, 2017 12:56 PM
To: Shovers, Marc
Subject: LRB 0602 drafting instruction

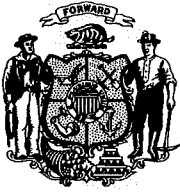
Mark:

I was wondering if we could have language added to LRB-0602/P2 to indicate that if a village board or common council chooses to forego requiring its various officers to execute and file an official bond, it must purchase an employee dishonesty insurance policy or other appropriate insurance in lieu of requiring the officers to execute and file official bonds.

Thank you, Mark

Christopher

Mr. Christopher Schaefer, M.A.
Legislative Assistant,
Office of Representative Rob Brooks
60th Assembly District
(608) 267-2369
Christopher.Schaefer@legis.wisconsin.gov



State of Wisconsin
2017 - 2018 LEGISLATURE

LRB-0602/P2
MES:jld
RMR
3

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

wed

regan

X

1 AN ACT to amend 61.25 (intro.), 61.26 (1), 61.28 (1), 61.29 (1) (a), 62.09 (4) (b),
2 66.0609 (4), 755.03 (1) and 755.03 (2) of the statutes; relating to: changing the
3 requirement that certain city and village officials must execute and file an
4 official bond.

FNSANC
NO 11

Analysis by the Legislative Reference Bureau

Under this bill, with regard to a city treasurer, comptroller, chief of police, municipal judge, and other officials as the common council may direct, such officers are required to execute and file an official bond only if the common council directs them to do so. Similarly under the bill, a village clerk, treasurer, marshal, municipal judge, and constable are required to execute and file an official bond only if the village board directs them to do so. Under current law, these city and village officials are required to execute and file an official bond.

For further information see the **state and local** fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

5 SECTION 1. 61.25 (intro.) of the statutes is amended to read:

NO #
1
INS
2
3
4

61.25 Clerk. (intro.) The If required to do so by the village board, the village clerk shall execute and file an official bond. It shall be the village clerk's duty:

SECTION 2. 61.26 (1) of the statutes is amended to read:

61.26 (1) ~~Execute~~ If required to do so by the village board, execute and file an official bond which may be furnished by a surety company as provided by s. 632.17

(2). NON 2-6 SNT ✓

SECTION 3. 61.28 (1) of the statutes is amended to read:

61.28 (1) The If required to do so by the village board, the village marshal shall execute and file an official bond. The marshal shall possess the powers, enjoy the privileges and be subject to the liabilities conferred and imposed by law upon constables, and be taken as included in all writs and papers addressed to constables. The marshal shall obey all lawful written orders of the village board. The marshal is entitled to the same fees prescribed for sheriffs in s. 814.70 for similar services, unless a higher fee is applicable under s. 814.705 (1) (c); for other service rendered the village, compensation as the board fixes.

INS
2-9
NO #

SECTION 4. 61.29 (1) (a) of the statutes is amended to read:

61.29 (1) (a) ~~Execute~~ If required to do so by the village board, execute and file an official bond. INS 2-18 NO # ✓

SECTION 5. 62.09 (4) (b) of the statutes is amended to read:

62.09 (4) (b) The If the council requires them to do so, the treasurer, comptroller, chief of police and such others as the statutes or the council may direct, shall execute and file an official bond in such sum as the council may determine, with 2 or more sureties or such bond may be furnished by a surety company as provided by s. 632.17 (2), or the council may provide a schedule or blanket bond that includes any or all of these officials. The council may at any time require new and additional

1 bonds of an officer. All official bonds must be approved by the mayor, and when so
2 approved shall be filed within 10 days after the officer executing the same shall have
3 been notified of election or appointment. Official bonds filed with the city clerk shall
4 be recorded in a book kept for that purpose. *INS 3-4 NOT ✓*

5 **SECTION 6.** 66.0609 (4) of the statutes is amended to read:

6 66.0609 (4) The system under sub. (1) is operative only if the comptroller or
7 clerk is covered by a fidelity bond *or insurance policy ✓* of not less than \$5,000 in villages and 4th class
8 cities, of not less than \$10,000 in 3rd class cities, and of not less than \$20,000 in 2nd
9 class cities, *as described in ✓* except that the bonding requirement under this subsection applies only
10 if a village board or common council requires that an official bond be executed and
11 filed under s. 61.25 (intro.) or 62.09 (4) (b). ✓

12 **SECTION 7.** 755.03 (1) of the statutes is amended to read:

13 755.03 (1) The judge shall, after election or appointment, take and file the
14 official oath as prescribed in s. 757.02 (1) and at the same time, if required to do so
15 by a city's or village's governing body, execute and file an official bond in an amount
16 to be fixed by the governing body. *INS 3-16 NOT ✓* The governing body shall pay the costs of the bond. *on insurance policy*
17 No judge may act as such until he or she has complied with the requirements of sub.
18 (2).

19 **SECTION 8.** 755.03 (2) of the statutes is amended to read:

20 755.03 (2) Within 10 days after a municipal judge takes the oath, the judge
21 shall file the oath and, if required to do so as described in sub. (1), the official bond
22 with the clerk of the city, town or village where the judge was elected or appointed.
23 If the municipal judge is elected under s. 755.01 (4), the judge shall file copies of the
24 oath and bond with each applicable municipal clerk. The judge shall file a certified

1 copy of the oath with the office of director of state courts within the 10-day time
2 period after the judge takes the oath.

3 **SECTION 9. Initial applicability.**

4 (1) This act first applies to an individual who is elected or appointed to an office
5 on the effective date of this subsection.

6 (END)

2017-2018 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-0602/P3ins
MES:jld

INS ANL

~~NO~~
~~4~~ If a city or village does not require an official to execute and file an official bond, the bill requires the governmental body to obtain an insurance policy that covers the official.

INS 2-2

~~NO~~
~~4~~ If the village board[✓] does not require the clerk[✓] to execute and file an official bond, the board shall obtain a dishonesty insurance policy or other appropriate insurance policy that covers the clerk[✓], in an amount determined by the board, in lieu of the bond requirement.[✓]

INS 2-6

~~NO~~
~~4~~ If the village board[✓] does not require the treasurer[✓] to execute and file an official bond, the board shall obtain a dishonesty insurance policy or other appropriate insurance policy that covers the treasurer[✓], in an amount determined by the board, in lieu of the bond requirement.[✓]

INS 2-9

~~NO~~
~~4~~ If the village board[✓] does not require the marshal[✓] to execute and file an official bond, the board shall obtain a dishonesty insurance policy or other appropriate insurance policy that covers the marshal[✓], in an amount determined by the board, in lieu of the bond requirement.[✓]

INS 2-18

~~NO~~
~~4~~ If the village board does not require the constable[✓] to execute and file an official bond, the board shall obtain a dishonesty insurance policy or other appropriate insurance policy that covers the constable[✓], in an amount determined by the board, in lieu of the bond requirement.

INS 3-4



NO
4 If the council[✓] does not require any or all of these officials to execute and file an official bond, the board shall obtain a dishonesty insurance policy or other appropriate insurance policy that covers such officials, in an amount determined by the board, in lieu of the bond requirement.

INS 3-16

NO
4 If the governing body[✓] does not require the judge to execute and file an official bond, the governing body shall obtain a dishonesty insurance policy or other appropriate insurance policy that covers the judge, in an amount fixed by the governing body, in lieu of the bond requirement.[✓]

Shovers, Marc

From: Schaefer, Christopher
Sent: Monday, February 20, 2017 9:57 AM
To: Shovers, Marc
Subject: FW: Revised bonding bill
Attachments: Bond thresholds for municipal treasurers2..pdf

Marc:

0602/P3

Here are the two final changes we would like made to LRB 0302. After these changes are made, could we have the bill drafted as a slash one?

Mr. Christopher Schaefer, M.A.
Legislative Assistant,
Office of Representative Rob Brooks
60th Assembly District
(608) 267-2369
Christopher.Schaefer@legis.wisconsin.gov

From: Curt Witynski [mailto:witynski@lwm-info.org]
Sent: Monday, February 20, 2017 9:55 AM
To: Schaefer, Christopher <Christopher.Schaefer@legis.wisconsin.gov>
Subject: FW: Revised bonding bill

Christopher: Dennis Tweedale thinks the language of the revised bill is fine. He noted that on Page 3, line 23 the drafter just refers to "insurance policy" instead of "dishonesty insurance policy or other appropriate insurance policy" as used throughout the rest of the bill. However, I think that is because Page 3, line 25 says "as described in s. 61.25(intro) or 62.09(4)(b)", which is where you will find the dishonesty insurance policy language. So I don't have a problem with that provision.

Two edits I recommend are on Page 3, lines 18 and 20, the words "board" should be changed to "council."

With these two changes, the bill is ready to go. Thanks Christopher.

Curt

Curt Witynski
Assistant Director
League of Wisconsin Municipalities
(608) 267-3294
www.lwm-info.org

From: Curt Witynski
Sent: Wednesday, February 15, 2017 3:15 PM

To: dennis@lwmmi.org

Subject: FW: Revised bonding bill

Hi Dennis: Can you please take a look at the attached revised bonding bill. If you recall, our policy committee wanted to condition deleting the bonding requirement on obtaining insurance. Does the language in the bill work and make sense? I think it does, but wanted to check with you. Thanks.

Curt

Curt Witynski
Assistant Director
League of Wisconsin Municipalities
(608) 267-3294
www.Lwm-info.org

From: Schaefer, Christopher [<mailto:Christopher.Schaefer@legis.wisconsin.gov>]

Sent: Wednesday, February 15, 2017 12:51 PM

To: Curt Witynski <witynski@lwm-info.org>

Subject: Revised bonding bill

Hello, Curt:

Attached is a revised draft of our municipal treasurer bill. Also, do you know when that meeting with DOR to discuss dark stores will be taking place? Also, when are you meeting with DOR to discuss the dark store bill?

Mr. Christopher Schaefer, M.A.
Legislative Assistant,
Office of Representative Rob Brooks
60th Assembly District
(608) 267-2369
Christopher.Schaefer@legis.wisconsin.gov



State of Wisconsin
2017 - 2018 LEGISLATURE

LRB-0602/PB
MES:jld

RMA

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

Tues

Regin

✓

1 AN ACT *to amend* 61.25 (intro.), 61.26 (1), 61.28 (1), 61.29 (1) (a), 62.09 (4) (b),
2 66.0609 (4), 755.03 (1) and 755.03 (2) of the statutes; **relating to:** changing the
3 requirement that certain city and village officials must execute and file an
4 official bond.

Analysis by the Legislative Reference Bureau

Under this bill, with regard to a city treasurer, comptroller, chief of police, municipal judge, and other officials as the common council may direct, such officers are required to execute and file an official bond only if the common council directs them to do so. Similarly under the bill, a village clerk, treasurer, marshal, municipal judge, and constable are required to execute and file an official bond only if the village board directs them to do so. If a city or village does not require an official to execute and file an official bond, the bill requires the governmental body to obtain an insurance policy that covers the official. Under current law, these city and village officials are required to execute and file an official bond.

For further information see the ***state and local*** fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

5 SECTION 1. 61.25 (intro.) of the statutes is amended to read:

1 **61.25 Clerk.** (intro.) The If required to do so by the village board, the village
2 clerk shall execute and file an official bond. If the village board does not require the
3 clerk to execute and file an official bond, the board shall obtain a dishonesty
4 insurance policy or other appropriate insurance policy that covers the clerk, in an
5 amount determined by the board, in lieu of the bond requirement. It shall be the
6 village clerk's duty:

7 **SECTION 2.** 61.26 (1) of the statutes is amended to read:

8 61.26 (1) Execute If required to do so by the village board, execute and file an
9 official bond which may be furnished by a surety company as provided by s. 632.17
10 (2). If the village board does not require the treasurer to execute and file an official
11 bond, the board shall obtain a dishonesty insurance policy or other appropriate
12 insurance policy that covers the treasurer, in an amount determined by the board,
13 in lieu of the bond requirement.

14 **SECTION 3.** 61.28 (1) of the statutes is amended to read:

15 61.28 (1) The If required to do so by the village board, the village marshal shall
16 execute and file an official bond. If the village board does not require the marshal
17 to execute and file an official bond, the board shall obtain a dishonesty insurance
18 policy or other appropriate insurance policy that covers the marshal, in an amount
19 determined by the board, in lieu of the bond requirement. The marshal shall possess
20 the powers, enjoy the privileges and be subject to the liabilities conferred and
21 imposed by law upon constables, and be taken as included in all writs and papers
22 addressed to constables. The marshal shall obey all lawful written orders of the
23 village board. The marshal is entitled to the same fees prescribed for sheriffs in s.
24 814.70 for similar services, unless a higher fee is applicable under s. 814.705 (1) (c);
25 for other service rendered the village, compensation as the board fixes.

1 **SECTION 4.** 61.29 (1) (a) of the statutes is amended to read:

2 61.29 (1) (a) Execute ~~If required to do so by the village board, execute and file~~
3 an official bond. If the village board does not require the constable to execute and
4 file an official bond, the board shall obtain a dishonesty insurance policy or other
5 appropriate insurance policy that covers the constable, in an amount determined by
6 the board, in lieu of the bond requirement.

7 **SECTION 5.** 62.09 (4) (b) of the statutes is amended to read:

8 62.09 (4) (b) ~~The~~ If the council requires them to do so, the treasurer,
9 comptroller, chief of police and such others as the statutes or the council may direct,
10 shall execute and file an official bond in such sum as the council may determine, with
11 2 or more sureties or such bond may be furnished by a surety company as provided
12 by s. 632.17 (2), or the council may provide a schedule or blanket bond that includes
13 any or all of these officials. The council may at any time require new and additional
14 bonds of an officer. All official bonds must be approved by the mayor, and when so
15 approved shall be filed within 10 days after the officer executing the same shall have
16 been notified of election or appointment. Official bonds filed with the city clerk shall
17 be recorded in a book kept for that purpose. If the council does not require any or all
18 of these officials to execute and file an official bond, the ~~board~~^{✓ council} shall obtain a
19 dishonesty insurance policy or other appropriate insurance policy that covers such
20 officials, in an amount determined by the ~~board~~^{Council} in lieu of the bond requirement.

21 **SECTION 6.** 66.0609 (4) of the statutes is amended to read:

22 66.0609 (4) The system under sub. (1) is operative only if the comptroller or
23 clerk is covered by a fidelity bond or insurance policy of not less than \$5,000 in
24 villages and 4th class cities, of not less than \$10,000 in 3rd class cities, and of not less
25 than \$20,000 in 2nd class cities, as described in s. 61.25 (intro.) or 62.09 (4) (b).

Barman, Mike

From: Schaefer, Christopher
Sent: Wednesday, February 22, 2017 10:38 AM
To: LRB.Legal
Subject: Draft Review: LRB -0602/1

Please Jacket LRB -0602/1 for the ASSEMBLY.