

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 391 - SB 394

February 16, 2019

SUMMARY OF BILL: Specifies that surety bond requirements for sheriffs are not required if the county maintains a certain level of insurance coverage which includes the sheriff.

ESTIMATED FISCAL IMPACT:

Decrease Local Expenditures – Exceeds \$1,000

Assumptions:

- Under current law, Tenn. Code Ann. § 8-8-103, sheriffs are required to have an official surety bond of not less than \$100,000; and pursuant to Tenn. Code Ann. § 8-19-106, the respective county is responsible for paying all premiums and registration fees of such surety bonds.
- Tennessee Code Annotated § 8-19-101 provides that a county may obtain and pay the premiums for an insurance policy if it contains a certain level of coverage for county officials. The proposed legislation would specify that duplicitous coverage of such an insurance policy and a surety bond for the sheriff are not required.
- In the event a county currently pays the premium on a surety bond for a sheriff and pays the premium for such insurance coverage, the proposed legislation will result in a recurring decrease in local expenditures.
- The precise decrease in local expenditures is dependent upon several unknown factors such as the rate of interest assessed the surety bond, the premium currently paid by the county, and the frequency for which the premium is due; however, any recurring decrease in local expenditures it is reasonably estimated to exceed \$1,000 statewide.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner".

Krista Lee Carsner, Executive Director

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