

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 1097 - SB 1261

February 26, 2021

SUMMARY OF BILL: Authorizes certain counties to self-insure their risk of loss in lieu of obtaining bonds or insurance.

ESTIMATED FISCAL IMPACT:

NOT SIGNIFICANT

Assumptions:

- The proposed language applies only to counties which self-insure their liability. Such counties are: Blount, Davidson, Greene, Hamilton, Knox, Putnam, Rutherford, Shelby, Sullivan, Sumner, Warren, and Williamson.
- Pursuant to Tenn. Code Ann. § 8-19-101, counties are required to either obtain surety bonds or insurance coverage to cover the risk of loss which could be realized from any wrongful acts performed by officials or employees.
- The proposed language would authorize such counties to self-insure their risk of loss rather than obtaining bonds or insurance; however, if such counties did opt to self-insure such risk, it would have to be done under the same terms as those required for bond or insurance coverage.
- Due to the fact that such coverage would have to be maintained under the same terms as that which is currently required by law, any fiscal impact to local government for self-insuring such risk is considered not significant.

CERTIFICATION:

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

Bojan Savic, Interim Executive Director

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