

Appendix VI  
Employee Bond Statutes

## Bond Statutes

§ 11.006, Agriculture Code  
§ 11.07, Agriculture Code  
§ 14.203, Agriculture Code  
§ 58.012, Agriculture Code  
§ 78.053, Agriculture Code  
§ 201.019, Agriculture Code

§ 5.10, Alcohol and Beverage Code  
§ 5.11, Alcohol and Beverage Code  
§ 5.14, Alcohol and Beverage Code

Article 179e, Civil Statutes  
Article 249a, Civil Statutes  
Article 581-2, Civil Statutes  
Article 3271a, Civil Statutes  
Article 5282c, Civil Statutes  
Article 6573a, Civil Statutes

Article 5, §3, Texas Constitution  
Article 5, § 5, Texas Constitution

§ 15.306, Finance Code

§ 51.001, Government Code  
§ 51.002, Government Code  
§ 51.101, Government Code  
§ 51.201, Government Code  
§ 51.202, Government Code  
§ 51.301, Government Code  
§ 51.302, Government Code  
§ 51.308, Government Code  
§ 51.310, Government Code  
§ 51.401, Government Code  
§ 81.029, Government Code  
§ 403.002, Government Code  
§ 403.003, Government Code  
§ 403.008, Government Code  
§ 403.114, Government Code  
§ 403.247, Government Code  
§ 404.043, Government Code  
§ 405.003, Government Code  
§ 406.010, Government Code

§ 441.002, Government Code  
§ 441.003, Government Code  
§ 481.005, Government Code  
§ 494.006, Government Code  
§ 653.004, Government Code  
§ 653.009, Government Code  
(see generally Chapter 653, Govt. Code)  
§ 815.209, Government Code  
§ 825.209, Government Code  
§ 840.208, Government Code  
§ 845.209, Government Code  
§ 855.208, Government Code  
§ 2103.64, Government Code  
§ 2152.102, Government Code  
§ 2306.029, Government Code

§ 402.024, Health and Safety Code

§ 31.013, Natural Resources Code  
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§ 161.012, Natural Resources Code

§ 152.053, Occupations Code  
§ 201.055, Occupations Code  
§ 253.002, Occupations Code  
§ 351.102, Occupations Code  
§ 451.055, Occupations Code  
§ 554.008, Occupations Code  
§ 651.057, Occupations Code  
§ 651.101, Occupations Code  
§ 801.102, Occupations Code  
§ 1601.102, Occupations Code

§ 321.501, Tax Code  
§ 323.501, Tax Code

§ 201.055, Transportation Code  
§ 201.301, Transportation Code  
§ 361.034, Transportation Code

§ 64.056, Water Code

A BILL TO BE ENTITLED  
AN ACT

relating to the purchase of surety bonds for state officers or employees.

SECTION 1. Section 653.002, Government Code, is amended to read as follows:

Sec. 653.002. LEGISLATIVE INTENT. The intent of the legislature in enacting this chapter is to limit the purchase of surety bonds by state agencies in order that the state, to the greatest extent practical, shall self-insure for such purposes [prescribe:

~~(1) uniform standards for the bonding of officers and employees of state agencies to provide protection against loss, and~~

~~(2) a uniform bond to cover those officers and employees].~~

SECTION 2. Section 653.003, Government Code, is amended to read as follows:

Sec. 653.003. DEFINITIONS. In this chapter:

(1) "Surety bond [Bond]" means any bond [an agreement], including a bond for a notary public under Section 406.010, which obligates [obligating] an insurance company, as a surety, to pay within certain limits a loss caused by a:

(A) dishonest act of an officer or employee of a state agency; or

(B) failure of an officer or employee of a state agency to faithfully perform a duty of the officer's or employee's office or position.

(2) [~~"Faithful performance blanket position bond" means a bond that:~~

~~(A) covers all positions in a state agency; and~~

~~(B) is conditioned on the faithful performance of the officers' and employees' duties.~~

~~(3) "Honesty blanket position bond" means a bond that covers all positions in a state agency for a specific amount for each position.~~

~~(4) "Position schedule honesty bond" means a bond that~~

~~covers, for a specific amount for each position, the honesty of an employee of a state agency who occupies and performs the duties of a position listed in a schedule attached to the bond.~~

~~——(5) "Specific excess indemnity" means additional bond coverage that exceeds the coverage specified in a faithful performance blanket position bond, honesty blanket position bond, or position schedule honesty bond.~~

~~——(6)] "State agency" means a state department, commission, board, institution, court, or institution of higher education. The term also includes a soil conservation district of the state but does not include any other political subdivision of the state.~~

SECTION 3. Section 653.004, Government Code, is amended to read as follows:

Sec. 653.004. AUTHORITY TO PURCHASE BONDS. (a) notwithstanding any other law that authorizes or requires a state officer or employee to obtain a surety bond, ~~[the head of]~~ a state agency may purchase a surety bond for state officers or employees only if ~~[contract for]~~:

(1) required by the constitution of this state or by federal law or regulation ~~[a position schedule honesty bond covering not more than 10 offices or positions of the state agency];~~ ~~[or]~~

(2) required by court order; or

(3) approved by the state auditor ~~[a blanket position bond for more than two offices or positions of the state agency].~~

(b) The state auditor may approve the purchase of a surety bond if:

(1) the state agency demonstrates to the state auditor that the surety bond is warranted by a substantial or unusual risk of loss; or

(2) the state auditor otherwise determines that the purchase of a surety bond is necessary to protect the interests of the state ~~[head of a state agency may not contract for coverage of the same office or position under more than one type of bond, other than for specific excess indemnity authorized~~

~~under Subsection (c).~~

~~(c) The head of a state agency, other than the comptroller or the state treasurer, may contract for specific excess indemnity coverage in addition to a blanket bond. The comptroller or the state treasurer may contract for:~~

~~(1) specific excess indemnity coverage in addition to an honesty blanket position bond or to a position schedule honesty bond; and~~

~~(2) a faithful performance blanket position bond.~~

~~(d) A bond covers the office or position rather than the officer or employee in the office or position.~~

SECTION 4. Section 653.005, Government Code, is amended to read as follows:

Sec. 653.005. SCOPE AND AMOUNT OF BOND COVERAGE. ~~[(a)]~~ The head of a state agency and the state auditor shall jointly determine the necessary scope and amount of bond coverage for the state agency ~~[within the maximum bond coverage limit.~~

~~(b) The maximum bond coverage on a state officer or employee, including specific excess indemnity coverage, may not exceed \$10,000 unless the state auditor recommends and approves specific excess indemnity coverage of more than \$10,000 as necessary to protect the state].~~

SECTION 5. Chapter 653, Government Code, is amended by adding Section 653.012 to read as follows:

Sec. 653.012. QUALIFICATION FOR OFFICE OR EMPLOYMENT.

Notwithstanding any other law that requires a state officer or employee to obtain a surety bond, a state officer or employee otherwise qualified to hold office, employment, or to serve as a notary public shall not be disqualified because a surety bond has not been obtained for such officer or employee.

SECTION 6. The changes made by this Act to Chapter 653, Government Code, shall not apply to payments made under an agreement to purchase a surety bond entered into by a state agency before the effective date of this Act.

SECTION 7. This Act takes effect September 1, 1997.

SECTION 8. The importance of this legislation and the crowded condition of the calendars in both houses create an emergency and an imperative public necessity that the constitutional rule requiring bills to be read on three several days in each house be suspended, and this rule is hereby suspended.