

By: Janek

S.B. No. 1045

A BILL TO BE ENTITLED

1 AN ACT

2 relating to insurance or other coverage in lieu of a bond
3 requirement for officers, employees, and consultants of certain
4 conservation and reclamation districts.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

6 SECTION 1. Section 49.057, Water Code, is amended by
7 amending Subsection (e) and adding Subsection (i) to read as
8 follows:

9 (e) Except as provided by Subsection (i), the ~~[The]~~ board
10 shall require an officer, employee, or consultant, including a
11 bookkeeper, financial advisor, or system operator, who routinely
12 collects, pays, or handles any funds of the district to furnish good
13 and sufficient bond, payable to the district, in an amount
14 determined by the board to be sufficient to safeguard the district.
15 The board may require a consultant who does not routinely collect,
16 pay, or handle funds of the district to furnish a bond. The bond
17 shall be conditioned on the faithful performance of that person's
18 duties and on accounting for all funds and property of the district.
19 Such bond shall be signed or endorsed by a surety company authorized
20 to do business in the state.

21 (i) The board may obtain or require an officer, employee, or
22 consultant of the district to obtain insurance or coverage under an
23 interlocal agreement that covers theft of district funds by
24 officers, employees, or consultants of the district in lieu of

1 requiring a bond under Subsection (e) if the board determines that
2 the insurance or coverage under an interlocal agreement would
3 adequately protect the interests of the district.

4 SECTION 2. This Act takes effect immediately if it receives
5 a vote of two-thirds of all the members elected to each house, as
6 provided by Section 39, Article III, Texas Constitution. If this
7 Act does not receive the vote necessary for immediate effect, this
8 Act takes effect September 1, 2005.