

By: Janek

S.B. No. 1045

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to insurance coverage in lieu of a bond requirement for  
3 officers, employees, and consultants of certain conservation and  
4 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 that covers theft of  
23 district funds by officers, employees, or consultants of the  
24 district in lieu of requiring a bond under Subsection (e) if the

1 board determines that the insurance would adequately protect the  
2 interests of the district.

3 SECTION 2. This Act takes effect September 1, 2005.