

Public Official Bonding Amendments

2025 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: James A. Dunnigan

Senate Sponsor: Ronald M. Winterton

LONG TITLE

General Description:

This bill amends provisions relating to bonds required for public officials and employees to protect against malfeasance or misfeasance in office and replaces the requirement to post a bond with a requirement to obtain crime insurance.

Highlighted Provisions:

This bill:

- replaces requirements for bonds that a public official or employee is required to post in relation to the performance of duties with a requirement to obtain crime insurance;
- removes provisions relating to bonds that do not apply when replaced with crime insurance;
- removes provisions that make it difficult or impossible to obtain crime insurance;
- modifies, in certain circumstances, the scope of the coverage that relates to a bond that will be replaced with crime insurance;
- establishes requirements relating to crime insurance;
- addresses liability relating to certain public officials;
- addresses the setting of rates and record keeping for crime insurance;
- addresses the failure to obtain crime insurance;
- repeals certain provisions relating to actions on bonds; and
- makes technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

- 4-21-107**, as enacted by Laws of Utah 2018, Chapter 393
- 4-22-108**, as renumbered and amended by Laws of Utah 2017, Chapter 345
- 10-3-831**, as enacted by Laws of Utah 2019, Chapter 318
- 10-8-78**, as last amended by Laws of Utah 2024, Chapter 365
- 11-68-601**, as renumbered and amended by Laws of Utah 2023, Chapter 502
- 17-16-4**, as last amended by Laws of Utah 2011, Chapter 297
- 17-16-11**, as last amended by Laws of Utah 2007, Chapter 268
- 17-53-103**, as renumbered and amended by Laws of Utah 2000, Chapter 133
- 17-53-307**, as last amended by Laws of Utah 2011, Chapter 140
- 17B-1-301**, as last amended by Laws of Utah 2023, Chapter 15
- 17B-1-303**, as last amended by Laws of Utah 2024, Chapters 388, 465
- 17B-2a-1005**, as last amended by Laws of Utah 2024, Chapter 529
- 51-7-15**, as last amended by Laws of Utah 2019, Chapter 56
- 52-1-1**, as last amended by Laws of Utah 2024, Chapter 438
- 52-1-2**, as repealed and reenacted by Laws of Utah 2011, Chapter 336
- 52-1-3**, Utah Code Annotated 1953
- 52-1-4**, Utah Code Annotated 1953
- 52-1-5**, Utah Code Annotated 1953
- 52-1-6**, Utah Code Annotated 1953
- 52-1-10**, Utah Code Annotated 1953
- 52-2-1**, as last amended by Laws of Utah 2011, Chapter 336
- 59-2-314**, as last amended by Laws of Utah 1993, Chapter 227
- 59-2-315**, as last amended by Laws of Utah 1993, Chapter 227
- 63G-7-805**, as renumbered and amended by Laws of Utah 2008, Chapter 382
- 63H-7a-603**, as last amended by Laws of Utah 2017, Chapter 430
- 67-4-10**, as last amended by Laws of Utah 1998, Chapter 14
- 67-4-11**, as last amended by Laws of Utah 2011, Chapter 342
- 67-9-1**, as last amended by Laws of Utah 1984, Chapter 68
- 67-9-2**, as last amended by Laws of Utah 2024, Chapter 365
- 78B-2-310**, as renumbered and amended by Laws of Utah 2008, Chapter 3

REPEALS AND REENACTS:

- 17-53-227**, as renumbered and amended by Laws of Utah 2000, Chapter 133
- 52-1-13**, as last amended by Laws of Utah 2013, Chapter 121

62 REPEALS:

63 **52-1-7**, Utah Code Annotated 195364 **52-1-8**, as last amended by Laws of Utah 2024, Chapter 36565 **52-1-9**, Utah Code Annotated 195366 **52-1-11**, as last amended by Laws of Utah 2024, Chapter 36567 **52-1-12**, Utah Code Annotated 195368

69 *Be it enacted by the Legislature of the state of Utah:*70 Section 1. Section **4-21-107** is amended to read:71 **4-21-107 . Council may require crime insurance -- Payment of premium.**

72 (1) The council may require the administrator or a council employee to [~~post a surety bond~~
73 ~~conditioned for the faithful performance of the council's official~~] obtain crime insurance
74 in relation to the administrator's or employee's duties.

75 [~~(2) The amount and type of bond shall be fixed by the council and each bond premium~~
76 ~~shall be paid by the council.~~]

77 (2) The council shall set the amount of crime insurance required and pay the premium.78 Section 2. Section **4-22-108** is amended to read:79 **4-22-108 . Commission may require crime insurance -- Payment of premium.**

80 (1) The commission may require the administrator[~~, or any commission employees, to~~
81 ~~post a surety bond conditioned for the faithful performance of the commission's official~~
82 ~~duties. The amount, form, and kind of such a bond shall be fixed by the commission and~~
83 ~~each bond premium shall be paid by the commission.~~] or a commission employee to
84 obtain crime insurance in relation to the administrator's or employee's duties.

85 (2) The commission shall set the amount of crime insurance required and pay the premium.86 Section 3. Section **10-3-831** is amended to read:87 **10-3-831 . Crime insurance.**

88 (1) As used in this section, "municipal officer" means:

89 (a) the mayor;

90 (b) each member of the municipal legislative body;

91 (c) the municipal treasurer; and

92 [~~(d) anyone for whom the municipal legislative body determines a general fidelity or~~
93 ~~public employee blanket bond or theft or crime insurance should be acquired.~~]

94 (d) an individual whom the municipal legislative body requires to obtain crime insurance.95 [~~(2)(a)(i) Except as provided in Subsection (2)(b), the legislative body of each~~

municipality shall prescribe the amount of a general fidelity bond or theft or crime insurance to be acquired for the municipal officer.]

[~~(ii)~~ If, under Subsection (2)(a)(i), a municipality has prescribed the amount of the general fidelity bond required, then theft or crime insurance in an amount that is not less than the bond satisfies the requirement described in Subsection (2)(a)(i).]

(2)(a) Except as provided in Subsection (2)(c), the legislative body of each municipality shall set the amount of crime insurance required for each municipal officer.

[~~(iii)~~] (b) Before a municipal officer may discharge the duties of the officer's office, the municipality shall have in place ~~[a bond or theft or]~~ crime insurance covering the municipal officer in the ~~[amounts]~~ amount set by the municipality~~[prescribes]~~.

[~~(b)~~] (c) Before ~~[the]~~ a municipal treasurer may discharge the duties of the treasurer's office, the municipality shall have in place ~~[a bond or theft or]~~ crime insurance covering the treasurer in an amount not less than the amount set by the State Money Management Council, created in Section 51-7-16~~[prescribes]~~.

[~~(e)~~] (d) A municipal legislative body may acquire ~~[a fidelity bond or theft or]~~ crime insurance on all municipal officers and the municipal treasurer as a group rather than individually.

(3) The municipal legislative body shall pay the ~~[cost of each fidelity bond and theft or]~~ premium of a crime insurance policy described in this section from municipal funds.

(4) The municipal recorder shall ~~[file and]~~ maintain ~~[each fidelity bond]~~ proof of crime insurance acquired under this section.

Section 4. Section **10-8-78** is amended to read:

10-8-78 . Crime insurance and reports.

[~~They~~] The governing body of a city may require all municipal officers and agents, elected or appointed, to~~[give bond and security for the faithful performance of their duties,]~~ :

(1) obtain crime insurance in relation to the performance of the officers' or agents' duties;
and

(2) require from every officer of the city at any time a report in detail of all transactions in the [officer of the city's] officer's office or any matters connected [therewith] with the officer's office.

Section 5. Section **11-68-601** is amended to read:

11-68-601 . Financial reports -- Audit -- Crime insurance.

(1)(a) The authority shall, following the close of each fiscal year, submit an annual report of the authority's activities for the preceding year to the governor and the

Legislature.

(b) The report shall contain:

- (i) a complete operating report detailing the authority's activities; and
- (ii) financial statements of the authority audited by a certified public accountant according to generally accepted auditing standards.

(2)(a) At least once a year, the state auditor shall:

- (i) audit the books and accounts of the authority; or
- (ii) contract with a nationally recognized independent certified public accountant to conduct the audit and review the audit report when the audit is completed.

(b) The authority shall reimburse the state auditor for the costs of the audit.

(c) If the audit is conducted by an independent auditor, the independent auditor shall submit a copy of the audit to the state auditor for review within 90 days after the end of the fiscal year covered by the audit.

(3)(a) The authority shall maintain [~~a surety bond in the penal sum~~] crime insurance coverage of \$25,000 for each member of the board.

(b) The authority shall maintain [~~a surety bond in the penal sum~~] crime insurance coverage of \$50,000 for the executive director.

(c) The authority shall ensure that [~~each surety bond~~] the crime insurance coverage described in this section is:

- (i) [~~conditioned upon the faithful~~] related to the performance of the duties of office to which the [surety bond attaches] crime insurance relates;
- (ii) issued by [~~a surety~~] an insurance company authorized to transact business in the state as [~~a surety~~] an insurer; and
- (iii) [~~filed~~] recorded by filing proof of the insurance in the office of the State Treasurer.

(d) The authority shall pay the [~~cost of the surety bonds~~] crime insurance premiums.

Section 6. Section **17-16-4** is amended to read:

17-16-4 . Election of officer to consolidated office.

When offices are united and consolidated:

(1) only one person shall be elected to fill the united and consolidated offices; and

(2) the person elected shall:

- (a) take the oath and [~~give the bond~~] obtain the crime insurance required for each of the offices; and
- (b) discharge all the duties [~~pertaining to~~] of each of the offices.

Section 7. Section **17-16-11** is amended to read:

17-16-11 . Crime insurance.

(1) As used in this section, "county officials" means:

- (a) the members of the county legislative body;
- (b) the county executive;
- (c) the county clerk;
- (d) the county auditor;
- (e) the county sheriff;
- (f) the county attorney;
- (g) in a county that is within a prosecution district, the district attorney;
- (h) the county recorder;
- (i) the county assessor;
- (j) the county surveyor;
- (k) each justice court judge and constable within the county;
- (l) the county treasurer; and

~~[(m) each deputy or assistant of those listed in Subsections (1)(a) through (l) for whom the county legislative body determines a general fidelity bond or theft or crime insurance should be acquired.]~~

[(m) a deputy or assistant of an individual described in Subsections (1)(a) through (l) whom the county legislative body requires to obtain crime insurance.

~~[(2)(a) The legislative body of each county shall prescribe the amount of each general fidelity bond or of theft or crime insurance to be acquired for county officials, except the county treasurer, before the county officials, except the county treasurer, may discharge the duties of their respective offices.]~~

~~[(b) The State Money Management Council created in Section 51-7-16 shall prescribe the amount of a general fidelity bond or theft or crime insurance to be acquired for the county treasurer before the county treasurer may discharge the duties of that office.]~~

~~[(c) A county legislative body may acquire a fidelity bond or theft or crime insurance on all county officials as a group rather than individually.]~~

~~[(3)(a) The county legislative body shall approve the premium for each fidelity bond before the bond may be filed.]~~

~~[(b) The cost of each fidelity bond and theft or crime insurance policy shall be paid from county funds.]~~

- 198 ~~[(4) Each fidelity bond shall be filed and maintained in the office of the county clerk.]~~
199 (2)(a) Except as provided in Subsection (2)(b):
200 (i) the legislative body of each county shall set the amount of crime insurance to be
201 acquired for county officials; and
202 (ii) a county official may not discharge the duties of the county official's office before
203 obtaining the crime insurance described in Subsection (2)(a)(i).
204 (b) The State Money Management Council created in Section 51-7-16 shall set the
205 amount of crime insurance required for the county treasurer.
206 (c) The county treasurer may not discharge the duties of the county treasurer's office
207 before obtaining the crime insurance described in Subsection (2)(b).
208 (3) A county legislative body may acquire crime insurance on all county officials as a group
209 rather than individually.
210 (4) The cost of a crime insurance policy shall be paid from county funds.
211 (5) The county clerk shall maintain proof of the crime insurance described in this section.
212 ~~[(5)]~~ (6)(a) The district attorney of each multicounty prosecution district shall:
213 (i) ~~[execute a fidelity bond or acquire theft or]~~ obtain crime insurance in the amount
214 specified in the interlocal agreement that created the prosecution district; and
215 (ii) file ~~[each fidelity bond]~~ proof of the crime insurance policy with the county clerk
216 as specified in the interlocal agreement.
217 (b) The cost of ~~[each fidelity bond or theft or]~~ a crime insurance policy ~~[under Subsection~~
218 ~~(5)(a)]~~ described in Subsection (6)(a) shall be paid as specified in the interlocal
219 agreement that created the prosecution district.
220 Section 8. Section **17-53-103** is amended to read:
221 **17-53-103 . Unauthorized payment or warrant -- Investigation by another county**
222 **attorney -- Action to enjoin or recover payment.**
223 (1)(a) If a county officer, without authority of law, orders any money paid for any
224 purpose, or if any other county officer draws a warrant in the officer's own favor or in
225 favor of any other person without being authorized ~~[to do so]~~ by the county
226 legislative body or by law, the county attorney of that county shall request a county
227 attorney from another county to investigate whether an unauthorized payment has
228 been ordered or an unauthorized warrant drawn.
229 (b) If the county attorney requests a county attorney from another county to investigate
230 under Subsection (1)(a), the county attorney shall deputize the investigating county
231 attorney.

- (2) If an investigating county attorney determines that an unauthorized payment has been ordered or that an unauthorized warrant has been drawn, that county attorney may commence and prosecute an action in the name of the county:
- (a) if the payment has not been made or the warrant paid, to enjoin the payment of the unauthorized payment or of the unauthorized warrant; or
- (b) if the payment has been made or the warrant paid~~[-to recover from the payee or the county officer and the officer's official bondsman the amount paid] :~~
- (i) to the extent possible, to recover the amount from the payee or the county officer;
- or
- (ii) to the extent applicable, to recover the amount in accordance with the applicable crime insurance policy.
- (3) An order of the county legislative body is not necessary in order to maintain an action under Subsection (2).

Section 9. Section **17-53-227** is repealed and reenacted to read:

17-53-227 . Crime insurance for breach of duty by county legislative body member.

A county legislative body shall:

- (1) obtain, and pay the premiums for, crime insurance on the members of the county legislative body in relation to the performance of the member's duties; and
- (2) set the amount of coverage required for the crime insurance described in Subsection (1).

Section 10. Section **17-53-307** is amended to read:

17-53-307 . County purchasing agent -- Appointment -- Oath -- Crime insurance -- Supervision -- Duties.

- (1) The county executive, with the advice and consent of the county legislative body, in each county having a taxable value in excess of \$500,000,000 may appoint a county purchasing agent.
- (2)(a) The purchasing agent shall qualify by taking, subscribing, and filing the constitutional oath[-and giving bond to the county in a sum fixed by the county legislative body].
- (b) The county shall obtain crime insurance:
- (i) in an amount set by the county legislative body, in relation to the duties of the purchasing agent; and
- (ii) before the purchasing agent begins fulfilling the duties of the purchasing agent.
- (3)(a) The county purchasing agent shall, under the direction and supervision of the

county executive and except as provided in Subsection (3)(b):

(i) negotiate for the purchase of or contract for all supplies and materials required by the county;

(ii) submit all contracts and purchases negotiated by the purchasing agent under Subsection (3)(a)(i) to the county executive for approval and ratification; ~~and~~

(iii) keep an accurate and complete record of all purchases and a detailed disposition of ~~them and,~~ the purchases; and

(iv) when required by the county legislative body, make a complete and detailed report to ~~it~~ the county legislative body of business transacted.

(b) Subject to Subsection (3)(c), the county executive may structure the county purchasing agent's office so that:

(i) the county purchasing agent's office is physically located within the county auditor's office; and

(ii) the county purchasing agent receives direction and supervision from the county auditor.

(c) The county executive:

(i) may not structure the county purchasing agent's office as described in Subsection (3)(b) unless:

(A) the county executive receives the advice and consent of the county council; and

(B) the county executive and county auditor agree, in writing, to the proposed structure, including the level of direction and supervision of the county purchasing agent retained by the county executive; and

(ii) shall maintain the level of direction and supervision over the county purchasing agent as agreed upon with the county auditor.

(4) The county executive may exclude from the purchasing agent's responsibility a county clerk's duties concerning elections or a sheriff's duties under Section 17-22-8.

Section 11. Section **17B-1-301** is amended to read:

17B-1-301 . Board of trustees duties and powers.

(1)(a) Each special district shall be governed by a board of trustees ~~[which]~~ that shall:

(i) ~~[-]~~manage and conduct the business and affairs of the district; and~~[-shall]~~

(ii) determine all questions of district policy.

(b) All powers of a special district are exercised through the board of trustees.

(2) The board of trustees may:

- (a) fix the location of the special district's principal place of business and the location of all offices and departments, if any;
- (b) fix the times of meetings of the board of trustees;
- (c) select and use an official district seal;
- (d) subject to Subsections (3) and (4), employ employees and agents, or delegate to district officers power to employ employees and agents, for the operation of the special district and [its] the special district's properties and prescribe or delegate to district officers the power to prescribe the duties, compensation, and terms and conditions of employment of those employees and agents;
- (e) require crime insurance for district officers and employees charged with the handling of district funds~~[to provide surety bonds]~~ in an amount set by the board~~[or provide a blanket surety bond to cover officers and employees]~~;
- (f) contract for or employ professionals to perform work or services for the special district that cannot satisfactorily be performed by the officers or employees of the district;
- (g) through counsel, prosecute on behalf of or defend the special district in all court actions or other proceedings in which the district is a party or is otherwise involved;
- (h) adopt bylaws for the orderly functioning of the board;
- (i) adopt and enforce rules and regulations for the orderly operation of the special district or for carrying out the district's purposes;
- (j) prescribe a system of civil service for district employees;
- (k) on behalf of the special district, enter into contracts that the board considers to be for the benefit of the district;
- (l) acquire, construct or cause to be constructed, operate, occupy, control, and use buildings, works, or other facilities for carrying out the purposes of the special district;
- (m) on behalf of the special district, acquire, use, hold, manage, occupy, and possess property necessary to carry out the purposes of the district, dispose of property when the board considers it appropriate, and institute and maintain in the name of the district any action or proceeding to enforce, maintain, protect, or preserve rights or privileges associated with district property;
- (n) delegate to a district officer the exercise of a district duty; and
- (o) exercise all powers and perform all functions in the operation of the special district and [its] the special district's properties as are ordinarily exercised by the governing

body of a political subdivision of the state and as are necessary to accomplish the purposes of the district.

(3)(a) As used in this Subsection (3), "interim vacancy period" means:

(i) if any member of the special district board is elected, the period of time that:

(A) begins on the day on which an election is held to elect a special district board member; and

(B) ends on the day on which the special district board member-elect begins the member's term; or

(ii) if any member of the special district board is appointed, the period of time that:

(A) begins on the day on which an appointing authority posts a notice of vacancy in accordance with Section 17B-1-304; and

(B) ends on the day on which the ~~[person-]~~ individual who is appointed by the special district board to fill the vacancy begins the ~~[person's-]~~ individual's term.

(b)(i) The special district may not hire during an interim vacancy period a manager, a chief executive officer, a chief administrative officer, an executive director, or a similar position to perform executive and administrative duties or functions.

(ii) Notwithstanding Subsection (3)(b)(i):

(A) the special district may hire an interim manager, a chief executive officer, a chief administrative officer, an executive director, or a similar position during an interim vacancy period; and

(B) the interim manager's, chief executive officer's, chief administrative officer's, or similar position's employment shall terminate once a new manager, chief executive officer, chief administrative officer, or similar position is hired by the new special district board after the interim vacancy period has ended.

(c) Subsection (3)(b) does not apply if:

(i) all the elected special district board members who held office on the day of the election for the special district board members, whose term of office was vacant for the election are re-elected to the special district board; and

(ii) all the appointed special district board members who were appointed whose term of appointment was expiring are re-appointed to the special district board.

(4) A special district board that hires an interim manager, a chief executive officer, a chief administrative officer, an executive director, or a similar position in accordance with this section may not~~[, on or after May 10, 2011,]~~ enter into an employment contract that contains an automatic renewal provision with the interim manager, chief executive

officer, chief administrative officer, executive director, or similar position.

Section 12. Section **17B-1-303** is amended to read:

17B-1-303 . Term of board of trustees members -- Oath of office -- Crime insurance -- Notice of board member contact information.

(1)(a) Except as provided in Subsections (1)(b), (c), (d), and (e), the term of each member of a board of trustees begins at noon on the January 1 following the member's election or appointment.

(b) The term of each member of the initial board of trustees of a newly created special district begins:

(i) upon appointment, for an appointed member; and

(ii) upon the member taking the oath of office after the canvass of the election at which the member is elected, for an elected member.

(c) The term of each water conservancy district board member whom the governor appoints in accordance with Subsection 17B-2a-1005(2)(c):

(i) begins on the later of the following:

(A) the date on which the Senate consents to the appointment; or

(B) the expiration date of the prior term; and

(ii) ends on the February 1 that is approximately four years after the date described in Subsection (1)(c)(i)(A) or (B).

(d) The term of a member of a board of trustees whom an appointing authority appoints in accordance with Subsection (5)(b) begins upon the member taking the oath of office.

(e) If the member of the board of trustees fails to assume or qualify for office on January 1 for any reason, the term begins on the date the member assumes or qualifies for office.

(2)(a)(i) Except as provided in Subsection (8), and subject to Subsections (2)(a)(ii)

and (iii), the term of each member of a board of trustees is four years, except that:

(A) approximately half the members of the initial board of trustees of an infrastructure financing district, as designated in the governing document, shall serve a six-year term so that the term of approximately half the board members expires every two years; and

(B) for any other special district, approximately half the members of the initial board of trustees, chosen by lot, shall serve a two-year term so that the term of approximately half the board members expires every two years.

- 402 (ii) If the terms of members of the initial board of trustees of a newly created special
403 district do not begin on January 1 because of application of Subsection (1)(b), the
404 terms of those members shall be adjusted as necessary, subject to Subsection
405 (2)(a)(iii), to result in the terms of their successors complying with:
406 (A) the requirement under Subsection (1)(a) for a term to begin on January 1
407 following a member's election or appointment; and
408 (B) the requirement under Subsection (2)(a)(i) that terms be four years.
- 409 (iii) If the term of a member of a board of trustees does not begin on January 1
410 because of the application of Subsection (1)(e), the term is shortened as necessary
411 to result in the term complying with the requirement under Subsection (1)(a) that
412 the successor member's term, regardless of whether the incumbent is the
413 successor, begins at noon on January 1 following the successor member's election
414 or appointment.
- 415 (iv) An adjustment under Subsection (2)(a)(ii) may not add more than a year to or
416 subtract more than a year from a member's term.
- 417 (b) Each board of trustees member shall serve until a successor is duly elected or
418 appointed and qualified, unless the member earlier is removed from office or resigns
419 or otherwise leaves office.
- 420 (c) If a member of a board of trustees no longer meets the qualifications of Subsection
421 17B-1-302(1), (2), (3), (4), (5), (6), or (7), or if the member's term expires without a
422 duly elected or appointed successor:
- 423 (i) the member's position is considered vacant, subject to Subsection (2)(c)(ii); and
424 (ii) the member may continue to serve until a successor is duly elected or appointed
425 and qualified.
- 426 (3)(a)(i) Before entering upon the duties of office, each member of a board of trustees shall
427 take the oath of office specified in Utah Constitution, Article IV,
428 Section 10.
- 429 (ii) A judge, county clerk, notary public, or the special district clerk may administer
430 an oath of office.
- 431 (b) The member of the board of trustees taking the oath of office shall file the oath of
432 office with the clerk of the special district.
- 433 (c) The failure of a board of trustees member to take the oath under Subsection (3)(a)
434 does not invalidate any official act of that member.
- 435 (4) A board of trustees member may serve any number of terms.

- (5)(a) Except as provided in Subsection (6), each midterm vacancy in a board of trustees position is filled in accordance with Section 20A-1-512.
- (b) When the number of members of a board of trustees increases in accordance with Subsection 17B-1-302(10), the appointing authority may appoint an individual to fill a new board of trustees position in accordance with Section 17B-1-304 or 20A-1-512.
- (6)(a) As used in this Subsection (6):
- (i) "Appointed official" means a person who:
 - (A) is appointed as a member of a special district board of trustees by a county or municipality that is entitled to appoint a member to the board; and
 - (B) holds an elected position with the appointing county or municipality.
 - (ii) "Appointing entity" means the county or municipality that appointed the appointed official to the board of trustees.
- (b) The board of trustees shall declare a midterm vacancy for the board position held by an appointed official if:
- (i) during the appointed official's term on the board of trustees, the appointed official ceases to hold the elected position with the appointing entity; and
 - (ii) the appointing entity submits a written request to the board to declare the vacancy.
- (c) Upon the board's declaring a midterm vacancy under Subsection (6)(b), the appointing entity shall appoint another person to fill the remaining unexpired term on the board of trustees.
- (7)(a) A member of a board of trustees shall obtain ~~[a fidelity bond or obtain theft or]~~ crime insurance ~~[for the faithful]~~ in relation to performance of the member's duties, in the amount ~~[and with the sureties or with an insurance company that]~~ set by the board of trustees~~[-prescribes]~~.
- (b) The special district:
- (i) may assist the board of trustees in obtaining ~~[a fidelity bond or obtaining theft or]~~ crime insurance as a group or for members individually; and
 - (ii) shall pay the cost of ~~[each fidelity bond or]~~ the premium for the insurance coverage required under this Subsection (7).
- (8)(a) In order to compensate for a change in the election year under Subsection 17B-1-306(14), the lieutenant governor may:
- (i) extend the term of an elected district board member by one year; or
 - (ii) subject to Subsection 17B-1-306(14)(b)(iii), and in accordance with Subsection (2)(a), shorten the term of an elected district board member by one year, if

- 470 necessary, to ensure that the term of approximately half of the board members
471 expires every two years.
- 472 (b) When the number of members of a board of trustees increases in accordance with
473 Subsection 17B-1-302(10), to ensure that the term of approximately half of the board
474 members expires every two years in accordance with Subsection (2)(a):
- 475 (i) the board shall set shorter terms for approximately half of the new board members,
476 chosen by lot; and
- 477 (ii) the initial term of a new board member position may be less than two or four
478 years.
- 479 (9)(a) A special district shall:
- 480 (i) post on the Utah Public Notice Website created in Section 63A-16-601 the name,
481 phone number, and email address of each member of the special district's board of
482 trustees;
- 483 (ii) update the information described in Subsection (9)(a)(i) when:
- 484 (A) the membership of the board of trustees changes; or
- 485 (B) a member of the board of trustees' phone number or email address changes;
486 and
- 487 (iii) post any update required under Subsection (9)(a)(ii) within 30 days after the date
488 on which the change requiring the update occurs.
- 489 (b) This Subsection (9) applies regardless of whether the county or municipal legislative
490 body also serves as the board of trustees of the special district.
- 491 Section 13. Section **17B-2a-1005** is amended to read:
- 492 **17B-2a-1005 . Water conservancy district board of trustees -- Selection of**
493 **members -- Number -- Qualifications -- Terms -- Vacancies -- Crime insurance --**
494 **Authority.**
- 495 (1) Members of the board of trustees for a water conservancy district shall be:
- 496 (a) elected in accordance with:
- 497 (i) the petition or resolution that initiated the process of creating the water
498 conservancy district; and
- 499 (ii) Section 17B-1-306;
- 500 (b) appointed in accordance with Subsection (2); or
- 501 (c) elected under Subsection (4)(a).
- 502 (2)(a) If the members of the board of trustees are appointed, within 45 days after the day
503 on which a water conservancy district is created as provided in Section 17B-1-215,

the board of trustees shall be appointed as provided in this Subsection (2).

(b) For a district located entirely within the boundaries of a single county, the county legislative body of that county shall appoint each trustee.

(c)(i) For a district located in more than a single county, the governor, with the advice and consent of the Senate, shall appoint each trustee from nominees submitted as provided in this Subsection (2)(c).

(ii)(A) Except as provided in Subsection (2)(c)(ii)(B), in a division composed solely of municipalities, the legislative body of each municipality within the division shall submit two nominees per trustee.

(B) The legislative body of a municipality may submit fewer than two nominees per trustee if the legislative body certifies in writing to the governor that the legislative body is unable, after reasonably diligent effort, to identify two nominees who are willing and qualified to serve as trustee.

(iii)(A) Except as provided in Subsection (2)(c)(iii)(B), in all other divisions, the county legislative body of the county in which the division is located shall submit three nominees per trustee.

(B) The county legislative body may submit fewer than three nominees per trustee if the county legislative body certifies in writing to the governor that the county legislative body is unable, after reasonably diligent effort, to identify three nominees who are willing and qualified to serve as trustee.

(iv) If a trustee represents a division located in more than one county, the county legislative bodies of those counties shall collectively compile the list of three nominees.

(v) For purposes of this Subsection (2)(c), a municipality that is located in more than one county shall be considered to be located in only the county in which more of the municipal area is located than in any other county.

(d) In districts where substantial water is allocated for irrigated agriculture, one trustee appointed in that district shall be a person who owns irrigation rights and uses those rights as part of that person's livelihood.

(3)(a) The board shall give written notice of the upcoming vacancy in an appointed trustee's term and the date when the trustee's term expires to the county legislative body in single county districts and to the nominating entities and the governor in all other districts:

(i) if the upcoming vacancy is in a single county district, at least 90 days before the

- 538 expiration of the trustee's term; and
- 539 (ii) for all other districts, on or before October 1 before the expiration of the
- 540 appointed trustee's term.
- 541 (b)(i) Upon receipt of the notice of the expiration of an appointed trustee's term or
- 542 notice of a vacancy in the office of an appointed trustee, the county or municipal
- 543 legislative body, as the case may be, shall nominate candidates to fill the
- 544 unexpired term of office pursuant to Subsection (2).
- 545 (ii) If a trustee is to be appointed by the governor and the entity charged with
- 546 nominating candidates has not submitted the list of nominees within 90 days after
- 547 service of the notice, the governor shall, with the advice and consent of the
- 548 Senate, make the appointment from qualified candidates without consultation with
- 549 the county or municipal legislative body.
- 550 (iii) If the governor fails to appoint, the incumbent shall continue to serve until a
- 551 successor is appointed and qualified.
- 552 (iv) Appointment by the governor vests in the appointee, upon qualification, the
- 553 authority to discharge the duties of trustee, subject only to the advice and consent
- 554 of the Senate.
- 555 (c) Each trustee shall hold office during the term for which appointed and until a
- 556 successor is duly appointed and has qualified.
- 557 (4)(a) Members of the board of trustees of a water conservancy district shall be elected,
- 558 if, subject to Subsection (4)(b):
- 559 (i) two-thirds of all members of the board of trustees of the water conservancy district
- 560 vote in favor of changing to an elected board; and
- 561 (ii) the legislative body of each municipality or county that appoints a member to the
- 562 board of trustees adopts a resolution approving the change to an elected board.
- 563 (b) A change to an elected board of trustees under Subsection (4)(a) may not shorten the
- 564 term of any member of the board of trustees serving at the time of the change.
- 565 (5) The board of trustees of a water conservancy district shall consist of:
- 566 (a) except as provided in Subsection (5)(b), not more than 11 persons who are residents
- 567 of the district; or
- 568 (b) if the district consists of five or more counties, not more than 21 persons who are
- 569 residents of the district.
- 570 (6) If an elected trustee's office is vacated, the vacated office shall be filled in accordance
- 571 with Section 17B-1-303.

(7) Each trustee shall ~~[furnish a corporate surety bond]~~ obtain crime insurance at the expense of the district, conditioned for the faithful performance of duties as a trustee.

(8)(a) The board of trustees of a water conservancy district may:

- (i) make and enforce all reasonable rules and regulations for the management, control, delivery, use, and distribution of water;
- (ii) withhold the delivery of water with respect to which there is a default or delinquency of payment;
- (iii) provide for and declare a forfeiture of the right to the use of water upon the default or failure to comply with an order, contract, or agreement for the purchase, lease, or use of water, and resell, lease, or otherwise dispose of water with respect to which a forfeiture has been declared;
- (iv) allocate and reallocate the use of water to lands within the district;
- (v) provide for and grant the right, upon terms, to transfer water from lands to which water has been allocated to other lands within the district;
- (vi) create a lien, as provided in this part, upon land to which the use of water is transferred;
- (vii) discharge a lien from land to which a lien has attached; and
- (viii) subject to Subsection (8)(b), enter into a written contract for the sale, lease, or other disposition of the use of water.

(b)(i) A contract under Subsection (8)(a)(viii) may provide for the use of water perpetually or for a specified term.

(ii)(A) If a contract under Subsection (8)(a)(viii) makes water available to the purchasing party without regard to actual taking or use, the board may require that the purchasing party give security for the payment to be made under the contract, unless the contract requires the purchasing party to pay for certain specified annual minimums.

(B) The security requirement under Subsection (8)(b)(ii)(A) in a contract with a public entity may be met by including in the contract a provision for the public entity's levy of a special assessment to make annual payments to the district.

Section 14. Section **51-7-15** is amended to read:

51-7-15 . Crime insurance for state treasurer and other public treasurers --

Reports to council.

(1)(a) The state treasurer, county, city, and town treasurers, the clerk or treasurer of each school district, and other public treasurers that the council designates by rule shall [be

~~bonded or may procure crime or theft]~~ obtain crime insurance as described in Section 17-16-11 in an amount of not less than that established by the council.

(b) The council shall base the minimum ~~[bond amount or crime or theft]~~ crime insurance coverage amount as described in Section 17-16-11 on the amount of public funds normally in the treasurer's possession or control.

~~[(2)(a) When a public treasurer deposits or invests public funds as authorized by this chapter, the public treasurer and the public treasurer's bondsmen or insurers are not liable for any loss of public funds invested or deposited unless the loss is caused by the malfeasance of the public treasurer or a member of the public treasurer's staff.]~~
~~[(b) A public treasurer and the public treasurer's bondsmen or insurers are liable for a loss for any reason from deposits or investments not made in conformity with this chapter and the rules of the council.]~~

~~[(3)]~~ (2)(a) A public treasurer shall file a written report with the council on or before January 31 and July 31 of each year.

(b) The report shall contain:

- (i) the information about the deposits and investments of that public treasurer during the preceding six months ending December 31 and June 30, respectively, that the council requires by rule; and
- (ii) information detailing the nature and extent of interest rate contracts permitted by Subsection 51-7-17(3).

(c) A public treasurer shall make copies of the report available to the public at the public treasurer's office during normal business hours.

Section 15. Section **52-1-1** is amended to read:

52-1-1 . Crime insurance to run to state, county, municipality, or other agency.

If a public officer is required to ~~[give a bond]~~ obtain crime insurance but the requirement does not ~~[prescribe to whom the bond is to be made, the bond shall be made to]~~ specify the beneficiary of the insurance policy, the policy shall specify the beneficiary as:

- (1) the state, if the public officer is a state officer;
- (2) the county, if the public officer is a county, precinct, or district officer;
- (3) the city or town, if the public officer is a municipal officer; or
- (4) the board of education, if the public officer is a school officer.

Section 16. Section **52-1-2** is amended to read:

52-1-2 . Crime insurance in favor of state -- Approval and recording -- Filing of oaths.

(1) Unless otherwise provided in statute, if a state officer or an official of a state institution is required to ~~[give an official bond to]~~ obtain crime insurance in favor of the state, the state officer or executive director of the state institution shall:

- (a) ensure that the ~~[bond is provided]~~ crime insurance policy is obtained as required by statute; and
- (b) keep ~~[the bond]~~ proof of insurance on file at the administrative office of the:
 - (i) state officer or the state institution; or
 - (ii) Division of Risk Management.

(2) A state official shall file the state official's oath of office with the Division of Archives and Records Service created under Section 63A-12-101.

Section 17. Section **52-1-3** is amended to read:

52-1-3 . County, precinct, and district officers -- Where filed.

Official oaths and ~~[bonds of]~~ proof of crime insurance relating to county, precinct and district officers shall be filed with the county clerk, except those of the county clerk which shall be filed with the county treasurer.

Section 18. Section **52-1-4** is amended to read:

52-1-4 . City officers -- Where filed.

Official oaths and ~~[bonds of]~~ proof of crime insurance relating to city officers shall be filed with the city recorder, except those of the city recorder which shall be filed with the city treasurer.

Section 19. Section **52-1-5** is amended to read:

52-1-5 . Town officers -- Where filed.

Official oaths and ~~[bonds of]~~ proof of crime insurance relating to town officers shall be filed with the town clerk, except those of the town clerk which shall be filed with the town treasurer.

Section 20. Section **52-1-6** is amended to read:

52-1-6 . School district officers -- Where filed.

Official oaths and ~~[bonds of]~~ proof of crime insurance relating to school district officers shall be filed with the clerk of the board of education, except those of the clerk which shall be filed with the treasurer of the board of education.

Section 21. Section **52-1-10** is amended to read:

52-1-10 . Duties imposed by subsequent laws to be covered by crime insurance.

~~[The bonds]~~ To the extent possible, crime insurance of all civil officers shall also cover duties required by laws passed subsequent to ~~[giving them. No bond shall be void for failure to~~

comply with the law as to matters of form, but it shall be valid as to all matters contained therein, if it complies substantially with the law] taking office.

Section 22. Section **52-1-13** is repealed and reenacted to read:

52-1-13 . Crime insurance as substitute for surety bond -- Requirements -- Failure to obtain and maintain crime insurance.

- (1) In all cases where a bond is required of a public officer in this state to ensure against malfeasance or misfeasance in office, crime insurance shall instead be obtained.
- (2) Crime insurance and the amount of coverage required is subject to approval as provided by law.
- (3) The several boards, courts, or officers authorized by law to approve crime insurance may require review and update of the insurance annually.
- (4) Intentional failure to obtain and maintain required crime insurance is malfeasance in office and may subject the officeholder to proceedings for removal from office.

Section 23. Section **52-2-1** is amended to read:

52-2-1 . Time in which to qualify -- Failure -- Office declared vacant.

- ~~[(1)]~~ When ~~[any person duly]~~ an individual elected or appointed to any office of the state or any of ~~[its]~~ the state's political subdivisions, fails to qualify for the office within 60 days after the date of the beginning of the term of office for which the ~~[person was]~~ individual is elected or appointed, the office is vacant and shall be filled as provided by law.
- ~~[(2)]~~ When a required bond of any officer of the state or of any of its political subdivisions is canceled, revoked, annulled or otherwise becomes void or of no effect, without another proper required bond being given so that continuance of the required bonded protection is afforded, the office of the officer is vacant and shall be filled as provided by law.]

Section 24. Section **59-2-314** is amended to read:

59-2-314 . Penalty for failure to complete assessment book.

Any assessor who fails to complete and deliver the assessment book to the county auditor within the time prescribed by law, or who fails to transmit the information required under Section 59-2-313 to the commission, shall pay a civil penalty of \$1,000~~[, to be recovered on the assessor's official bond, for the use of]~~ to the county, or ~~[deducted from salary by]~~ the county legislative body may deduct the civil penalty from the assessor's salary.

Section 25. Section **59-2-315** is amended to read:

59-2-315 . Crime insurance -- Liability for willful failure or neglect of duty -- Judgment.

- (1) The assessor ~~[and sureties are liable on the official bond for all taxes on property within~~

the county which, through willful failure or neglect, is not assessed or which has been willfully assessed at less than its fair market value] shall obtain crime insurance in relation to the duties of the assessor, in an amount set by the county legislative body.

- (2) The county attorney shall, upon showing of proper evidence and upon written demand by the commission or the county [-]legislative body, commence and prosecute to judgment an action [~~upon the assessor's bond for all taxes lost from~~] against the assessor for willful failure or neglect in assessing property.
- (3) If, during the trial of the action against the assessor, the value of the unassessed or underassessed property is determined, the assessor is liable for the difference between the amount of taxes collected and the amount of taxes which should have been collected pursuant to law.

Section 26. Section **63G-7-805** is amended to read:

63G-7-805 . Liability insurance -- Insurance for employees authorized.

- (1)[(a)] A governmental entity may insure any or all of its employees against liability, in whole or in part, for injury or damage resulting from an act or omission occurring during the performance of an employee's duties, within the scope of employment, or under color of authority, regardless of whether [~~or not that~~] the governmental entity is immune from suit for that act or omission.

[(e) Under any contract or policy of insurance providing coverage on behalf of a governmental entity or employee for any liability defined by this section, regardless of the source of funding for the coverage, the insurer has no right to indemnification or contribution from the governmental entity or its employee for any loss or liability covered by the contract or policy.]

- [(b)] (2) [~~Any expenditure for that insurance.~~] An expenditure for insurance described in Subsection (1) is for a public purpose.

- [(2) Any surety covering a governmental entity or its employee under any faithful performance surety bond has no right to indemnification or contribution from the governmental entity or its employee for any loss covered by that bond based on any act or omission for which the governmental entity would be obligated to defend or indemnify under the provisions of Section 63G-7-902.]

Section 27. Section **63H-7a-603** is amended to read:

63H-7a-603 . Financial officer -- Duties.

- (1) The executive director shall appoint a financial officer for the Administrative Services Division with the approval of the board.

- 742 (2) The financial officer shall be responsible for accounting for the authority, including:
743 (a) safekeeping and investment of public funds of the authority, including the funds
744 expended from the restricted accounts created in this chapter;
745 (b) the proper collection, deposit, disbursement, and management of the public funds of
746 the authority in accordance with Title 51, Chapter 7, State Money Management Act;
747 (c) having authority to sign all bills payable, notes, checks, drafts, warrants, or other
748 negotiable instruments in the absence of the executive director and the executive
749 director's designated employee;
750 (d) providing to the board and the executive director a statement of the condition of the
751 finances of the authority, at least annually and at such other times as shall be
752 requested by the board; and
753 (e) performing all other duties incident to the financial officer.

754 (3) The financial officer shall:

- 755 (a) ~~[be bonded]~~ obtain crime insurance in an amount established by the State Money
756 Management Council; and
757 (b) file written reports with the State Money Management Council pursuant to Section
758 51-7-15.

759 Section 28. Section **67-4-10** is amended to read:

760 **67-4-10 . Crime insurance.**

- 761 (1) The state treasurer, within 30 days after taking office, shall ~~[give to the state a~~
762 ~~surety-company bond]~~ obtain crime insurance in a sum to be determined by the State
763 Money Management Council.

- 764 (2) The state shall pay the premium of the ~~[surety-company bond]~~ crime insurance.

765 Section 29. Section **67-4-11** is amended to read:

766 **67-4-11 . Delict of treasurer -- Duties of auditor and governor -- Suspension.**

- 767 (1) The state auditor shall notify the governor if the state auditor examines the books of the
768 state treasurer, and finds that:

- 769 (a) the books do not correspond with the amount of funds on hand;
770 (b) the books do not show the actual condition of the funds;
771 (c) money belonging to the state has been embezzled, diverted, or in any manner taken
772 from the treasury without authority of law; or
773 (d) the state treasurer has been guilty of negligence in keeping the books or in taking
774 care of the public money.

- 775 (2) Upon receipt of the notice, the governor shall:

(a) take possession of all books, money, papers, and other property belonging to the state in the possession of the state treasurer; and

(b) temporarily suspend the state treasurer from office.

(3)(a) The state auditor shall:

(i) examine the books, papers, and all matters connected with the office of the suspended state treasurer; and

(ii) notify the governor of the findings.

(b) If, based upon the examination, the auditor concludes that the state treasurer has embezzled or converted to personal use the public money, or has been negligent in keeping the books, or in taking care of the public money, the governor shall appoint another person to replace the suspended state treasurer.

(c) The new state treasurer shall ~~[execute an official bond]~~ obtain crime insurance, and enter upon the office of state treasurer, as provided by law.

(d) The governor shall report all of the acts done under this section to the Legislature.

(4) The new state treasurer shall hold office until the suspended state treasurer is restored or until ~~[his]~~ a successor is elected and qualified.

Section 30. Section **67-9-1** is amended to read:

67-9-1 . Appointment -- Powers.

(1) The state auditor, the state treasurer, the attorney general, and the superintendent of public instruction may each appoint a deputy, who may, during the absence or disability of the principal, perform all the duties pertaining to the office, except those required of the principal as a member of any board.

(2) The principal shall be answerable for the neglect or misconduct in office of ~~[his]~~ the principal's deputy, and may require ~~[from him a bond for his own security. The appointment of a deputy shall be in writing, and shall be revocable at the pleasure of the principal; and all such appointments and revocations shall be filed with the lieutenant governor.]~~ the deputy to obtain crime insurance.

(3) The principal:

(a) shall, if the principal appoints a deputy:

(i) make the appointment in writing; and

(ii) file the written appointment with the lieutenant governor;

(b) may revoke the appointment of the principal's deputy, at will, in writing; and

(c) shall, if the principal revokes appointment of a deputy, file the written revocation with the lieutenant governor.

810 Section 31. Section **67-9-2** is amended to read:

811 **67-9-2 . Crime insurance.**

812 Where a deputy of any state officer is required to ~~[give a bond to the state , the deputy~~
- 813 ~~shall give a surety-company bond, and the premium therefor shall be paid by]~~ obtain crime
_ 814 insurance, the state shall pay the premium.

815 Section 32. Section **78B-2-310** is amended to read:

816 **78B-2-310 . Actions against public officers -- Within six years.**

817 An action by the state, [any] an agency, or a public corporation against [any] a public
818 officer for malfeasance, misfeasance, or nonfeasance in office or against [~~any surety upon his~~
- 819 ~~official bond]~~ a crime insurance policy in relation to the public officer's duties may be brought
820 within six years after the officer ceases to hold [his] the office.

821 Section 33. **Repealer.**

822 This bill repeals:

823 Section **52-1-12, Cost of bonds -- How paid.**

824 Section **52-1-11, Bonds to cover special penalties and liabilities.**

825 Section **52-1-9, Successive actions on official bonds.**

826 Section **52-1-8, Official bonds -- Actions on -- Parties.**

827 Section **52-1-7, Bonds to be deemed security.**

828 Section 34. **Effective Date.**

829 This bill takes effect on May 7, 2025.