

THE SURETY & FIDELITY ASSOCIATION OF AMERICA

MEMORANDUM

TO: Government Affairs Advisory Committee

FROM: Daniel Wanke

RE: Fidelity Bond Legislation

DATE: May 2, 2016

There are 19 states and the District of Columbia in session. In all states except New Jersey and Virginia, the 2016 sessions are the second year of a two-year session. North Carolina convened its regular session in April. Alabama, Arizona, Connecticut, Hawaii, Iowa, Kansas, Kentucky, Maine, Maryland, Mississippi, Nebraska, Tennessee, and Vermont have adjourned since the last report. Colorado, Illinois, Minnesota, and Missouri are projected to adjourn in May. The following report compiles and summarizes the fidelity bond legislation that SFAA is tracking as of May 2, 2016. For additional information on how SFAA is addressing these bills, as necessary, with the AIA, the local surety associations and other interested parties, please visit the Government Relations page of the SFAA website at www.surety.org.

Jurisdiction	Bill(s)	Recent History	Issue	SFAA Summary
CO	HB 1388	04/27/2016 HB 1388 passed the House.	Fidelity Bonds— Background Checks	HB 1388 would prohibit employers from stating in an advertisement or application that persons with a criminal history may not apply, or inquiring about or requiring disclosure of a job applicant's criminal history until the first interview or if there is a conditional offer of employment. Among the exceptions to this, the employer could inquire about the applicant's criminal history if the position requires the applicant to obtain a fidelity bond or equivalent bond and a conviction would disqualify him or her from obtaining it. (04/28)
CT	HB 5237	04/27/2016 HB 5237 passed the House.	Fidelity Bond— Background Checks	HB 5237, as amended, would revise existing law to prohibit employers from inquiring about a prospective employee's prior arrests, criminal charges or convictions on an initial employment application, unless the employer is required to do so by an applicable state or federal law, or a security or fidelity bond or an equivalent bond is required for the position. The bill would create the Fair Chance Employment Task Force to study issues such as employment opportunities available to individuals with criminal histories. (04/28)

OH	SB 175/ HB 229	04/20/2016 SB 175 passed the Senate. HB 229 has not moved since last reported.	Fidelity Bond—Trust Companies	SB 175/HB 229 would regulate family trust companies and would require them to provide fidelity bonds in an amount the company “considers advisable” on any active officer, manager, family member acting in a managerial capacity, or employee. The aggregate amount of the bonds could not be less than \$1 million. The bonds would indemnify the company against loss because of any dishonest, fraudulent, or criminal act or omission of the person covered under the bond. (04/21)
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