

1 [Official Bonds]  
 2 AMENDING CHAPTER 16 OF PART I OF THE SAN FRANCISCO MUNICIPAL CODE  
 3 (ADMINISTRATIVE CODE) BY REPEALING ARTICLE IX, SECTIONS 16.122 THROUGH  
 4 16.156 (BONDING OF CITY OFFICERS AND EMPLOYEES) AND BY ADDING A NEW  
 5 ARTICLE IX, SECTIONS 16.122 THROUGH 16.127, TO PROVIDE FOR BONDING OF CITY  
 6 OFFICERS AND EMPLOYEES.

7  
8 Note: Additions are underlined; deletions are in ((double parentheses)).

9  
10 Be it ordained by the People of the City and County of San Francisco:

11  
12 Section 1. Chapter 16 of the San Francisco Administrative Code is hereby amended  
13 by repealing Article IX, Sections 16.122 through 16.156, in its entirety.

14  
15 **((ARTICLE IX**  
16 **BONDING OF CITY OFFICERS AND EMPLOYEES))**

17  
18 **((Division 1**  
19 **Blanket Bond For All Employees))**

20  
21 **((SEC. 16.122. ALL EMPLOYEES TO BE BONDED BY BLANKET BOND.**

22 Pursuant to the provisions of the Charter, all employees of the City and County shall be  
23 bonded by a blanket bond as provided by this Division.))

1 **((SEC. 16.123. TO BE PAYABLE TO CITY AND COUNTY.**

2 The bond required by the preceding section shall be payable to the City and County.))

3  
4 **((SEC. 16.124. BOND TO INURE TO BENEFIT OF CITY AND COUNTY; SUIT ON BOND.**

5 The bond furnished pursuant to this Division shall inure to the benefit of the officer  
6 liable for the acts and omissions of employees covered by the bond and also to the benefit of  
7 the City and County. The City and County and each such officer may singly or jointly bring  
8 suit on the bond. A taxpayer may also bring suit on the bond, but only as provided in Section  
9 7.700 of the Charter.))

10  
11 **((SEC. 16.125. SURETY TO BE AUTHORIZED TO DO BUSINESS IN STATE.**

12 The surety of the bond required by this Division shall be a duly organized surety  
13 company authorized to do surety business in the State in the manner provided by law.))

14  
15 **((SEC. 16.126. TERM OF BOND.**

16 The term of the bond given pursuant to this Division shall be for a three year period.))

17  
18 **((SEC. 16.127. CONDITIONS OF BOND.**

19 The condition of the bond required by this Division shall be that each of the employees  
20 referred to in Section 16.122 of this Code shall well, truly, honestly and faithfully perform each  
21 and all duties required of him by law at the time the bond is executed, and also all such  
22 additional duties as may be imposed upon or required of him by any existing law or laws  
23 enacted subsequently to the execution of the bond; and that if within the term of the bond his  
24 employment shall be terminated for any reason whatsoever he shall surrender to his  
25 immediate superior or to the head of the office, bureau or division in which he has been

1 employed, all books, papers, records, writings, documents, moneys, effects and property  
2 appertaining or belonging to his position or employment or in his custody as such employee.))

3  
4 **((SEC. 16.128. OBLIGATION OF SURETY; LIMIT OF LIABILITY.**

5 The bond required by this Division shall be in force and obligatory upon the surety  
6 therein for any and all breaches of the conditions thereof. In no event shall the liability of the  
7 surety exceed the sum of \$50,000 on any one employee or the sum of \$50,000 as to any one  
8 loss.))

9  
10 **((SEC. 16.129. PREMIUM TO BE PAID BY CITY AND COUNTY.**

11 The premium or charge for the bond furnished under the provisions of this Division  
12 shall be paid by the City and County. The money required to pay the premium on the bond  
13 shall be provided in accordance with the budget and fiscal provisions of the Charter of the City  
14 and County.))

15  
16 **((SEC. 16.130. APPROVAL OF BOND BY CITY ATTORNEY AND CONTROLLER.**

17 The bond required by this Division shall be approved as to form by the City Attorney  
18 and as to the sufficiency and solvency of the surety or sureties thereon by the Controller.))

19  
20 **((SEC. 16.131. FILING AND CUSTODY OF BOND.**

21 The bond required by this Division shall be filed with the Controller, who shall be its  
22 custodian.))

1 **((SEC. 16.132. BOND TO BE AVAILABLE FOR PUBLIC INSPECTION; RECORDING.**

2 The bond required by this Division, and all riders and endorsements thereto, shall be  
3 available at all times for public inspection and there need be no recording of the blanket bond,  
4 or its amendments.))

5  
6 **((SEC. 16.133. TERMINATION OR CANCELLATION OF BOND.**

7 The bond given pursuant to this Division (shall) be deemed terminated as to any  
8 employee: (1) upon the date of discovery by the Controller of the City and County of any  
9 fraudulent or dishonest act upon the part of such employee; or (2) upon the death,  
10 resignation, or removal of such officer. The bond (may) be cancelled in its entirety or as to  
11 any employee covered thereby: (1) by written notice given to the surety by the Controller of  
12 the City and County; or (2) by not less than 30 days' written notice given by the surety to the  
13 Controller of the City and County. Such cancellation notices shall be sent by registered mail.))

14  
15 **((SEC. 16.134. APPLICABILITY OF STATE LAW.**

16 As to all subject matters relating to official bonds, other than those specifically covered  
17 in this Division and the Charter, the provisions of the law of the state shall be complied with  
18 and be applicable to the bond given pursuant to the provisions of this Division.))

19  
20 **((Division 2**

21 **Bonds Of Officers Required By Charter Or**  
22 **General Statutes Of The State To Be Bonded))**

1 ((SEC. 16.136. OFFICERS REQUIRED TO BE BONDED.

2 Pursuant to the provisions of the Charter and the general statutes of the State, the  
3 incumbents of the office of the City and County as are enumerated in Section 16.136-1 of this  
4 Code shall each give and execute an official bond to the City and County and the state as  
5 provided by this Division. Each such bond shall be in the amount specified in such section.))

6  
7 ((SEC. 16.136-1. ENUMERATION OF OFFICERS AND AMOUNT OF BONDS.

8 The officers of the City and County hereinafter mentioned shall each give bond,  
9 pursuant to the provisions of Section 16.136 of this Code, in the following amounts:

10	Treasurer	\$ 200,000
11	Controller	100,000
12	Tax collector	100,000
13	Tax collector as license collector	10,000
14	Assessor	50,000
15	County clerk	50,000
16	Sheriff, civil	50,000
17	Sheriff, criminal	50,000
18	Public administrator	50,000
19	Public administrator as public guardian	10,000
20	Mayor	25,000
21	City Attorney	10,000
22	District Attorney	10,000
23	Public Defender	10,000
24	Members of the Board of Supervisors, each	5,000
25	Members of the Health Service Board, each	10,000))

1  
2 **((SEC. 16.137. APPLICABILITY OF STATE STATUTES.**

3           The general statutes of the State relating to official bonds shall be complied with and  
4 be applicable to the bonds of officers given pursuant to the provisions of this Division. In aid  
5 and furtherance of such statutes, additional provisions are provided in this Division for the  
6 purpose of supplementing such statutes.))

7  
8 **((SEC. 16.138. TERM OF BOND.**

9           The term of any individual official bond shall be for the full term of office of the officer  
10 covered by the bond, unless the City Risk Manager determines that bonds for the full term of  
11 office are not commercially available or are not available at economically feasible terms and  
12 rates.))

13  
14 **((SEC. 16.139. PREMIUMS TO BE PAID BY CITY AND COUNTY; LIMITATION ON**  
15 **AMOUNT OF PREMIUMS.**

16           The premiums or charges for all bonds furnished under the provisions of this Division  
17 shall be paid by the City and County; provided, however, that such premiums or charges shall  
18 not exceed the rate of two percent per annum of the amounts for which the officers specified  
19 in this Division are bonded. The limitation on premiums may hereafter be adjusted as  
20 necessary by the City Risk Manager, with the approval by resolution of the Board of  
21 Supervisors.

22           The moneys required to pay the premium of the bonds shall be provided in accordance  
23 with the budget and fiscal provisions of the Charter.))

1 **((SEC. 16.140. APPROVAL OF BONDS.**

2 In addition to the approvals required by State statutes, all bonds shall be approved as  
3 to form by the City Attorney and shall be approved as to sufficiency and solvency of surety by  
4 the Controller.))

5  
6 **((SEC. 16.141. RECORDATION OF BONDS.**

7 Before filing of bonds, as provided by this Division, all bonds shall be recorded in the  
8 office of the County Recorder, who shall charge no recording fee.))

9  
10 **((SEC. 16.142. FILING AND CUSTODY OF BONDS; NEW BOND OR RENEWAL TO BE**  
11 **FILED PRIOR TO EXPIRATION.**

12 The bond of the Controller shall be filed with the Mayor, who shall be the custodian  
13 thereof. All other bonds shall be filed with the Controller, who shall be the custodian thereof.  
14 Prior to the expiration date of the then existing bond of any officer, a new bond, or evidence  
15 that the then existing bond has been renewed, as required by Section 16.138 of this Code  
16 shall be filed as provided by this Division.))

17  
18 **((Division 3**

19 **Bonds Of Officers Not Specifically**  
20 **Required By Charter To Be Bonded))**

21  
22 **((SEC. 16.144. OFFICERS TO BE BONDED BY BLANKET BOND.**

23 All officers of the City and County, other than those enumerated in Section 16.136-1,  
24 shall be bonded by a blanket bond as provided by this Division.))

1 **((SEC. 16.145. TO BE PAYABLE TO CITY AND COUNTY.**

2 The bond required by the preceding section shall be payable to the City and County.))

3  
4 **((SEC. 16.146. SURETY TO BE AUTHORIZED TO DO BUSINESS IN STATE.**

5 The surety of the bond required by this Division shall be a duly organized surety  
6 company authorized to do surety business in the state in the manner provided by law.))

7  
8 **((SEC. 16.147. TERM OF BOND.**

9 The term of the bond given pursuant to this Division shall be for a three-year period.))

10  
11 **((SEC. 16.148. CONDITIONS OF BOND.**

12 The condition of the bond required by this Division shall be that each of the officers  
13 referred to in Section 16.144 of this Code shall well, truly, honestly and faithfully perform each  
14 and all official duties required of him or her by law at the time the bond is executed, and also  
15 such additional duties as may be imposed upon or required of him or her by any existing law  
16 or laws enacted subsequently to the execution of the bond; and upon his or her resignation or  
17 removal from office, or upon the expiration of his or her term of office, or upon his or her  
18 otherwise vacating the office during the term of the bond, he or she shall surrender to his or  
19 her successor, immediate superior, board or commission, or other person entitled thereto, all  
20 books, papers, records, writings, documents, moneys, effects and property appertaining or  
21 belonging to his or her office or in his or her custody as such officer.

22 The blanket bond executed pursuant to this Division shall be in force and obligatory  
23 upon the surety therein and upon each of the officers referred to in Section 16.144 of this  
24 Code for any and all breaches of the conditions thereof committed during the time such officer  
25 continues to discharge any of the duties of or hold the office and whether such breaches are



1 committed or suffered by such officer, his or her deputy, or clerk, except that no officer whose  
2 sole compensation by virtue of his or her office is a fixed salary established by the Legislature  
3 or the Board of Supervisors shall be personally liable for the negligent act or omission of any  
4 deputy or employee serving under him or her and performing the duties of his or her office  
5 where the appointment or qualification of such deputy or employee is required to be and has  
6 been approved by the Board of Supervisors or by the Civil Service Commission, unless the  
7 officer failed to exercise due care in the selection, appointment or supervision of such deputy  
8 or employee, or negligently failed to suspend or secure the discharge of such deputy or  
9 employee after knowledge or notice of his or her inefficiency or incompetency.

10 Nothing in this Section shall be interpreted as placing any liability upon the principal  
11 officer for the act of a deputy or employee unless such liability is otherwise imposed upon the  
12 principal officer by law, nor shall this Section be construed or interpreted as releasing or  
13 relieving the City and County of any liability for the negligent act or omission of any such  
14 deputy or employee otherwise imposed by law.))

15  
16 **((SEC. 16.149. OBLIGATION OF SURETY; LIMIT OF LIABILITY.**

17 The bond required by this Division shall be in force and obligatory upon the surety  
18 therein for any and all breaches of the conditions thereof. In no event shall the liability of the  
19 surety exceed the sum of \$50,000 as to any one loss.))

20  
21 **((SEC. 16.150. PREMIUM TO BE PAID BY CITY AND COUNTY.**

22 The premium or charge for the bond furnished under the provisions of this Division  
23 shall be paid by the City and County. The money required to pay the premium on the bond  
24 shall be provided in accordance with the budget and fiscal provisions of the Charter.))

1 **((SEC. 16.151. APPROVAL OF BOND BY CITY ATTORNEY AND CONTROLLER.**

2 The bond required by this Division shall be approved as to form by the City Attorney  
3 and as to the sufficiency and solvency of the surety by the Controller.))

4  
5 **((SEC. 16.152. RECORDATION OF BOND.**

6 Before filing the bond as provided by this Division, the bond shall be recorded in the  
7 office of the County Recorder, who shall charge no recording fee.))

8  
9 **((SEC. 16.153. FILING AND CUSTODY OF BOND.**

10 The bond required by this Division shall be filed with the Controller, who shall be its  
11 custodian.))

12  
13 **((SEC. 16.154. APPLICABILITY OF STATE STATUTES.**

14 As to all subject matters relating to official bonds, other than those specifically covered  
15 in this Division and the Charter, the provisions of the law of the State shall be complied with  
16 and be applicable to the blanket bond of officers given pursuant to the provisions of this  
17 Division.))

18  
19 **((SEC. 16.155. TERMINATION AND CANCELLATION OF BOND.**

20 The bond given pursuant to this division (shall) be deemed terminated as to any officer:  
21 (a) upon the date of discovery by the Controller of the City and County of any fraudulent or  
22 dishonest act upon the part of such officer; or (b) upon the death, resignation, or removal of  
23 such officer. The bond (may) be cancelled in its entirety or as to any officer covered thereby:  
24 (a) by written notice given to the surety by the Controller of the City and County; or (b) by not  
25

1 less than 30 days' written notice given by the surety to the Controller of the City and County.  
2 Such cancellation notices shall be sent by registered mail.))

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4 **((SEC. 16.156. INDIVIDUAL BOND OF OFFICER.**

5 Any officer as to whom the blanket bond has been terminated or cancelled under the  
6 provisions of Section 16.155 shall give an individual bond in the amount of the blanket bond  
7 under the provisions of Division 2 of this Article.))

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1 Section 2. Chapter 16 of the San Francisco Administrative Code is hereby amended  
2 by adding a new Article IX, Sections 16.122 through 16.127, to read as follows:

3  
4 **ARTICLE IX**

5 **BONDING OF CITY OFFICERS AND EMPLOYEES**

6  
7 **SEC. 16.122. BONDS; DESIGNATED OFFICERS; ALL OTHERS.**

8 (a) The Treasurer, Controller and Tax Collector shall be bonded by a faithful  
9 performance fidelity bond, individually or on a blanket basis, provided such coverage is  
10 commercially available at a reasonable cost, in the amount of \$5,000,000, with commercially  
11 reasonable deductibles permitted.

12 (b) All other officers and employees of the City and County shall be bonded by a  
13 blanket dishonesty bond, provided such coverage is commercially available at a reasonable  
14 cost, in the amount of \$5,000,000, with commercially reasonable deductibles permitted.

15 (c) The bonds shall be payable to the City and County.

16 (d) The bonds shall inure to the benefit of any officer liable for the acts and omissions  
17 of officers and employees covered by the bonds and also to the benefit of the City and  
18 County.

19 (e) The City and County and each such officer may singly or jointly bring suit on the  
20 bonds.

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1 **SEC. 16.123. AUTHORIZED SURETIES OR INSURERS; TERMS AND CONDITIONS OF**  
2 **THE BOND.**

3 (a) The surety or insurer of the bond shall be a duly organized corporate surety  
4 insurance company authorized to do surety business in the State in the manner provided by  
5 law.

6 (b) The condition of the bonds shall be that each of the officers referred to in Section  
7 16.122(a) of this Code shall faithfully and truly perform each and all duties required of that  
8 officer by law at the time the bonds are executed, and also all such additional duties as may be  
9 imposed upon or required by any existing law or laws enacted subsequently to the execution of  
10 the bond. The bonds shall be in force and obligatory upon the surety or insurer for any and all  
11 breaches of the conditions thereof.

12 (c) The premium charged for the bonds shall be paid by the City and County. The  
13 money required to pay the premium on the bonds shall be provided in accordance with the  
14 budget and fiscal provisions of the Charter of the City and County.

15  
16 **SEC. 16.124. APPROVALS; FILING AND CUSTODY; PUBLIC INSPECTION.**

17 (a) The bonds shall be approved as to form by the City Attorney and as to the  
18 sufficiency and solvency of the surety or insurer thereon by the Controller.

19 (b) The bonds required under section 16.122 shall be recorded in the office of the  
20 County Recorder, who shall charge no recording fee, and shall be filed with the Controller, who  
21 shall be the custodian thereof.

22 (c) The bonds, and all endorsements and riders thereto, shall be available during normal  
23 business hours for public inspection.

1 **SEC. 16.125. CANCELLATION.**

2 The bonds may be canceled in their entirety or as to any officer covered thereby: (1) by  
3 written notice given to the surety or insurer by the Controller of the City and County; or (2) by  
4 not less than 30 days' written notice given by the surety or insurer to the Controller of the City  
5 and County. Such cancellation notices shall be sent by registered mail.

6  
7 **SEC. 16.126. APPLICABILITY OF STATE LAW; AVAILABILITY OF COVERAGE.**

8 (a) As to all subject matters relating to official bonds, other than those specifically  
9 covered in this Article and the Charter, the provisions of the law of the state shall be complied  
10 with and be applicable to the bond given pursuant to the provisions of this Article.

11 (b) The Risk Manager shall obtain such bonds on behalf of the City and County. In the  
12 event bond coverage becomes commercially unavailable in the forms prescribed, the Risk  
13 Manager shall arrange coverage substantially equal to that prescribed herein or shall advise the  
14 Board of Supervisors of its unavailability.

15  
16 **SEC. 16.127. ANNUAL REVIEW.**

17 By March 31<sup>st</sup> of every year, the City's Office of Risk Management, in consultation with  
18 the Controller and the City Attorney, shall report to the Board of Supervisors whether any  
19 changes to these bonding requirements are necessary or appropriate.

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SUPERVISOR KAUFMAN  
BOARD OF SUPERVISORS

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APPROVED AS TO FORM:

LOUISE H. RENNE, City Attorney

By:



THOMAS J. OWEN  
Deputy City Attorney

SUPERVISOR KAUFMAN  
BOARD OF SUPERVISORS



City and County of San Francisco

City Hall  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102-4689

Tails

Ordinance

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File Number: 000356

Date Passed:

Ordinance amending Chapter 16 of the Administrative Code by repealing Article IX, Sections 16.222 through 16.156 (Bonding of City officers and employees) and by adding a new Article IX, Sections 16.222 through 16.127, to provide for bonding of City officers and employees.

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April 10, 2000 Board of Supervisors — PASSED, ON FIRST READING

Ayes: 11 - Ammiano, Becerril, Bierman, Brown, Katz, Kaufman, Leno, Newsom, Teng, Yaki, Yee

April 17, 2000 Board of Supervisors — FINALLY PASSED

Ayes: 8 - Ammiano, Becerril, Brown, Kaufman, Leno, Newsom, Yaki, Yee  
Absent: 3 - Bierman, Katz, Teng



File No. 000356

I hereby certify that the foregoing Ordinance was FINALLY PASSED on April 17, 2000 by the Board of Supervisors of the City and County of San Francisco.



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Gloria L. Young  
Clerk of the Board

APR 28 2000

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Date Approved



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Mayor Willie L. Brown Jr.