

ALABAMA DEPARTMENT OF AGRICULTURE AND INDUSTRIES
MARKETING
ADMINISTRATIVE CODE

CHAPTER 80-8-3
BONDING COOPERATIVE OFFICERS

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80-8-3-.01 **Purpose.** The purpose of this regulation is to set out the minimum amount of bond required under Code of Ala. 1975, § 2-10-23, for persons handling or controlling money or property of associations as defined under §2-10-20 above.

Author: Charles H. Barnes

Statutory Authority: Code of Ala. 1975, §§2-3-4, 2-10-23.

History: Filed April 19, 1982.

80-8-3-.02 **Previous Regulations Repealed.** Any and all prior regulations promulgated for the purpose set out in Rule 80-8-3-.01 above are hereby repealed and withdrawn. The following Chapter is submitted in their place.

Author: Charles H. Barnes

Statutory Authority: Code of Ala. 1975, §§2-3-4, 2-10-23.

History: Filed April 19, 1982.

80-8-3-.03 **Minimum Bond Requirements.**

(1) Any persons required to be bonded under the provisions of Code of Ala. 1975, §2-10-23, shall be bonded in an amount not less than \$5,000. Said bond shall be in favor of the association conditioned upon the faithful performance of their duties in handling and controlling the property and money of the association.

(2) The minimum bond amount set out in Paragraph (1) above shall not prohibit the association, through its board of directors or by the majority of its members in any regular or

special meeting, from requiring any other bond amount over and above this minimum.

(3) Any association existing as of the effective date of this rule whose officers handle and control the money and property of the association that are bonded in an amount less than \$5,000 shall be granted reasonable time to comply with this rule. Upon a person's failure to procure added bond coverage up to the minimum required, the association shall then remove said person from the business of handling and controlling the money and property of the association.

Author: Charles H. Barnes

Statutory Authority: Code of Ala. 1975, §§2-3-4, 2-10-23.

History: Filed April 19, 1982.

80-8-3-.04 **Procedure When Bond Cancelled.** When a person required to be bonded under Code of Ala. 1975, §2-10-23, has the bond cancelled, or in any other manner is not covered under the bond, the association shall then immediately, as provided by law, remove such person from any position with the association that is in control of, or handling the money or property of, the association. Failure of the association to take these steps will be considered grounds for revocation of its permit.

Author: Charles H. Barnes

Statutory Authority: Code of Ala. 1975, §§2-3-4, 2-10-23.

History: Filed April 19, 1982.