

§ 159-29. Fidelity bonds.

(a) The finance officer shall give a true accounting and faithful performance bond with sufficient sureties in an amount to be fixed by the governing board. A person may not be appointed as a finance officer if the person is unable to obtain the bond required by this section. The premium on the bond shall be paid by the local government or public authority. The amount of the bond fixed by the governing board may not be less than the greater of the following:

- (1) Fifty thousand dollars (\$50,000).
- (2) An amount equal to ten percent (10%) of the unit's annually budgeted funds, up to one million dollars (\$1,000,000).

(b) Each officer, employee, or agent of a local government or public authority who handles or has in his custody more than one hundred dollars (\$100.00) of the unit's or public authority's funds at any time, or who handles or has access to the inventories of the unit or public authority, shall, before being entitled to assume his duties, give a faithful performance bond with sufficient sureties payable to the local government or public authority. A person who is unable to secure the bond required by this section cannot assume the duties for which a bond is required under this section. The governing board shall determine the amount of the bond, and the unit or public authority may pay the premium on the bond. Each bond, when approved by the governing board, shall be deposited with the clerk to the board.

If another statute requires an officer, employee, or agent to be bonded, this subsection does not require an additional bond for that officer, employee, or agent.

(c) A local government or public authority may adopt a system of blanket faithful performance bonding as an alternative to individual bonds. If such a system is adopted, statutory requirements of individual bonds, except for elected officials and for finance officers and tax collectors by whatever title known, do not apply to an officer, employee, or agent covered by the blanket bond. However, although an individual bond is required for an elected official, a tax collector, or finance officer, such an officer or elected official may also be included within the coverage of a blanket bond if the blanket bond protects against risks not protected against by the individual bond. (1971, c. 780, s. 1; 1975, c. 514, s. 14; 1987 (Reg. Sess., 1988), c. 975, s. 32; 2005-238, s. 2; 2022-53, s. 9(a).)