

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2007

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SENATE BILL 881
Judiciary II (Criminal) Committee Substitute Adopted 4/25/07

Short Title: Define Residency Requirements/Bail Bondsmen. (Public)

Sponsors:

Referred to:

March 19, 2007

A BILL TO BE ENTITLED

AN ACT TO DEFINE THE RESIDENCY REQUIREMENTS FOR LICENSURE
UNDER THE LAWS PERTAINING TO BAIL BONDSMEN AND RUNNERS
AND TO MAKE OTHER STYLISTIC CHANGES.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 58-71-1 reads as rewritten:

"§ 58-71-1. Definitions.

~~The following words when used in this Article shall have the following meanings:~~
The following definitions apply in this Article:

- (1) ~~"Accommodation bondsman" is a~~ Accommodation bondsman. – A person who shall not charge a fee or receive any consideration for action as surety and who endorses the bail bond after providing satisfactory evidences of ownership, value, and marketability of real or personal property to the extent necessary to reasonably satisfy the official taking bond that the real or personal property will in all respects be sufficient to assure that the full principal sum of the bond will be realized if there is a breach of the conditions of the bond. "Consideration" as used in this subdivision does not include the legal rights of a surety against a principal by reason of breach of the conditions of a bail bond nor does it include collateral furnished to and securing the surety as long as the value of the surety's rights in the collateral do not exceed the principal's liability to the surety by reason of a breach in the conditions of the bail bond.
- (2) ~~"Bail bond" shall mean an~~ Bail bond. – An undertaking by the principal to appear in court as required upon penalty of forfeiting bail to the State in a stated amount; and may include an unsecured appearance bond, a premium-secured appearance bond, an appearance bond secured by a cash deposit of the full amount of the bond, an appearance bond secured by a mortgage pursuant to G.S. 58-74-5, and

1 an appearance bond secured by at least one surety. A bail bond may
2 also include a bond securing the return of a motor vehicle subject to
3 forfeiture in accordance with G.S. 20-28.3(e).

4 (3) ~~"Bail bondsman" shall mean a~~ Bail bondsman. – A surety bondsman,
5 professional bondsman or an accommodation bondsman as ~~hereinafter~~
6 ~~defined.~~ defined in this section.

7 (4) ~~"Commissioner" shall mean the~~ Commissioner. – The North Carolina
8 Commissioner of Insurance.

9 (4a) ~~"First year licensee" means any~~ First-year licensee. – Any person who
10 has been licensed as a bail bondsman or runner under this Article and
11 who has held the license for a period of less than 12 months.

12 (5) ~~"Insurer" shall mean any~~ Insurer. – Any domestic, foreign, or alien
13 surety company which has qualified generally to transact surety
14 business and specifically to transact bail bond business in this State.

15 (6) ~~"Obligor" shall mean a~~ Obligor. – A principal or a surety on a bail
16 bond.

17 (7) ~~"Principal" shall mean a~~ Principal. – A defendant or witness obligated
18 to appear in court as required upon penalty of forfeiting bail under a
19 bail bond or a person obligated to return a motor vehicle subject to
20 forfeiture in accordance with G.S. 20-28.3(e).

21 (8) ~~"Professional bondsman" shall mean any~~ Professional bondsman. –
22 Any person who is approved and licensed by the Commissioner and
23 who pledges cash or approved securities with the Commissioner as
24 security for bail bonds written in connection with a judicial proceeding
25 and who receives or is promised money or other things of value
26 therefor in exchange for writing the bail bonds.

27 (8a) Resident. – A person who lives in this State for at least six consecutive
28 months immediately before applying for a license under this Article.

29 (9) ~~"Runner" shall mean a~~ Runner. – A person employed by a bail
30 bondsman for the purpose of assisting the bail bondsman in presenting
31 the defendant in court when required, ~~or to assist~~ assisting in the
32 apprehension and surrender of defendant to the court, or keeping the
33 defendant under necessary surveillance, or to execute ~~executing~~ bonds
34 on behalf of the licensed bondsman when the power of attorney has
35 been duly recorded. "Runner" does not include, however, include
36 a duly licensed attorney-at-law or a law-enforcement officer assisting a
37 bondsman.

38 (9a) ~~"Supervising bail bondsman" means any~~ Supervising bail bondsman. –
39 Any person licensed by the Commissioner as a professional bondsman
40 or surety bondsman who employs or contracts with any new licensee
41 under this Article.

42 (10) ~~"Surety" shall mean one~~ Surety. – One who, with the principal, is
43 liable for the amount of the bail bond upon forfeiture of bail.

1 (11) ~~"Surety bondsman" means any~~ Surety bondsman. – Any person who is
2 licensed by the Commissioner as a surety bondsman under this Article,
3 is appointed by an insurer by power of attorney to execute or
4 countersign bail bonds for the insurer in connection with judicial
5 proceedings, and who receives or is promised consideration for doing
6 so."

7 **SECTION 2.** G.S. 58-71-50(b) reads as rewritten:

8 "(b) Every applicant for a license under this Article as a bail bondsman or runner
9 must meet all of the following qualifications:

- 10 (1) Be 18 years of age or over.
11 (2) Be a resident of this State.
12 (3) Repealed by Session Laws 1998-211, s. 23.
13 (4) Have knowledge, training, or experience of sufficient duration and
14 extent to provide the competence necessary to fulfill the
15 responsibilities of a licensee.
16 (5) Have no outstanding bail bond obligations.
17 (6) Have no current or prior violations of any provision of this Article or
18 of Article 26 of Chapter 15A of the General Statutes or of any similar
19 provision of law of any other state.
20 (7) Not have been in any manner disqualified under the laws of this State
21 or any other state to engage in the bail bond business.
22 (8) Hold a valid and current North Carolina drivers license."

23 **SECTION 3.** G.S. 58-71-50 is amended by adding a new subsection to read:

24 "(c) An applicant for a license as a bail bondsman or runner shall provide to the
25 Commissioner at least two of the following documents as proof of residency in this
26 State:

- 27 (1) A pay stub showing the applicant's residential address in this State.
28 (2) A utility bill showing the applicant's residential address in this State.
29 (3) A written lease agreement or contract for purchase and sale signed by
30 the applicant and for a residence located in this State.
31 (4) A receipt for personal property taxes paid by the applicant to a North
32 Carolina unit of local government.
33 (5) A receipt for real property taxes paid by the applicant to a North
34 Carolina unit of local government.
35 (6) A monthly or quarterly statement showing the applicant's residential
36 address in this State and issued by a financial institution for an account
37 held by the applicant.

38 Subject to rules adopted by the Commissioner, an applicant may be required to
39 provide additional documentation as proof of residency in this State."

40 **SECTION 4.** This act becomes effective October 1, 2007, and applies to
41 applications for licensure made on or after that date.