

1 **State of Arkansas**  
2 **78th General Assembly**  
3 **Regular Session, 1991**  
4 **By: Senator Edwards**

# A Bill

**SENATE BILL 594**

## For An Act To Be Entitled

8 "AN ACT TO AMEND ARKANSAS CODE 23-63-1002 TO PRESCRIBE THE  
9 REQUIREMENTS FOR ISSUERS OF LICENSE AND PERMIT BONDS NOW  
10 OR HEREAFTER REQUIRED BY THE STATE OR ANY OF ITS AGENCIES  
11 OR DEPARTMENTS AND BY MUNICIPAL CORPORATIONS OR ANY AGENCY  
12 OR DEPARTMENT THEREOF; AND FOR OTHER PURPOSES."

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14 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

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16 SECTION 1. Arkansas Code 23-63-1002 is hereby amended to read as  
17 follows:

18 "23-63-1002. Bonds given by state, county, or municipal officers, and  
19 for licenses and permits.

20 (a) All bonds or other obligations required or desired to be given by  
21 any state, county, or municipal officer for the due performance of the duties  
22 of his office or for the due accounting of money coming to his hands or for  
23 any other purpose whatever shall be sufficient when executed by a surety  
24 insurer authorized to transact business under this code as sole surety upon  
25 the bonds or obligations, whether or not previous laws required the bond to be  
26 executed by more than one (1) surety, or, provided that one (1) or more of the  
27 sureties upon the bond should be resident of this state, or any particular  
28 county therein, or resident of any specified territory.

29 (b) All officers, courts, and boards of this state, any county therein,  
30 or any municipality whose duty it is or shall be to approve the official bonds  
31 of any state, county, or municipal officer shall approve the bond as to its  
32 sureties when the insurer is the sole surety thereon.

33 (c) A surety contract to the State of Arkansas or any agency or  
34 department thereof or to a municipal corporation or any agency or department  
35 thereof for not more than five thousand dollars (\$5,000) issued by a general

1 business corporation, validly organized and existing under the laws of this  
2 State pertaining to domestic corporations, and which:

3           (A) has previously registered with the Insurance Commissioner on  
4 forms prescribed by such Commissioner evidencing its purpose to issue only  
5 license permit bonds for the faithful performance of any license permit to be  
6 issued designating the State of Arkansas or any agency or department thereof  
7 or a municipal corporation or agency thereof as obligee; and

8           (B) which has previously deposited and thereafter maintains with  
9 the Insurance Commissioner securities in the sum of not less than *fifty*  
10 thousand dollars (\$50,000) executed to the State of Arkansas which are issued  
11 by a nonaffiliated corporate entity and approved by the Insurance  
12 Commissioner; and

13           (C) which is not transacting any insurance business in this State  
14 which requires compliance with the provisions of the Arkansas Insurance Code,  
15 Sections 23-60-101 et seq."

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17           SECTION 2. All provisions of this act of a general and permanent nature  
18 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code  
19 Revision Commission shall incorporate the same in the Code.

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21           SECTION 3. If any provision of this act or the application thereof to  
22 any person or circumstance is held invalid, such invalidity shall not affect  
23 other provisions or applications of the act which can be given effect without  
24 the invalid provision or application, and to this end the provisions of this  
25 act are declared to be severable.

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27           SECTION 4. All laws and parts of laws in conflict with this act are  
28 hereby repealed.

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30           SECTION 5. EMERGENCY. It is hereby found and determined by the General  
31 Assembly that many of the State departments and agencies and municipal  
32 corporations and their agencies within the State require license permit bonds  
33 for various crafts such as plumbers, electricians and contractors and permit  
34 such as for the replacement of streets or highways when excavation therein is  
35 required for construction or repairs; that competition is quite limited in the

1 bonding industry with most of the premium payments paid to foreign  
2 corporations; that lack of competition in the field increases the cost and the  
3 inconvenience to craftsmen and others in the building trades and industry; and  
4 this act is necessary to increase competition and convenience and economic  
5 development for the people of this State and should be given effect  
6 immediately. Therefore an emergency is hereby declared to exist and this act  
7 being necessary for the preservation of the public peace, health and safety  
8 shall be in full force and effect from and after its passage and approval.

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*/s/Edwards*