

Act 792 of the 1989 Regular Session.

Act 792

HB1904

By: Representative Parkerson

"AN ACT TO AMEND ARKANSAS CODE 17-21-306 TO ALLOW THE STATE BOARD OF COLLECTION AGENCIES TO DISPOSE OF FORFEITED SURETY BONDS TO AGGRIEVED PERSONS OR TO DIRECT THE SURETIES TO DEAL DIRECTLY WITH AGGRIEVED PERSONS; AND FOR OTHER PURPOSES."

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

SECTION 1. Arkansas Code 17-21-306 is hereby amended to read as follows:

"17-21-306. Bond. (a) The board shall require each licensee to secure a bond of five thousand dollars (\$5,000) for its main office, plus an additional bond of one thousand five hundred dollars (\$1,500) for each branch office, with the security on the bond to be approved by the board. It is the specific intent of this chapter to permit the posting of a surety bond, certificate of deposit, or cash bond.

(b) This bond shall provide that the person, partnership, association, or corporation giving the bond shall, upon written demand, pay and turn over to or for the person, partnership, association, or corporation from whom any account, bill, or other indebtedness is taken for collection in accordance with the terms of the agreement upon which it was received for collection.

(c) The aggregate liability of the surety for all breaches of the conditions of the bond shall, in no event, exceed the amount of the bond. The surety shall have a right to cancel such bond upon giving thirty (30) days' notice to the board and thereafter shall be relieved of liability for any breach of condition occurring after the effective date of the cancellation.

(d) This bond shall be made payable to the State Board of Collection Agencies. The Board may promulgate regulations under which it can disburse bond funds to claimants and if the bonds are insufficient to satisfy all legitimate claims the Board shall distribute the funds pro rata among the claimants. In the discretion of the Board, it may require the sureties to deal directly with the claimants pursuant to regulations promulgated by the Board."

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

SECTION 3. All laws and parts of laws in conflict with this Act are hereby repealed.

SECTION 4. Emergency. It is hereby found and determined by the General Assembly that the present law is not clear regarding the disposition of surety bonds by the State Board of Collection Agencies; that it currently holds some forfeited bonds that should be disposed of as soon as possible; that this Act provides for the disposition of those bonds; and therefore this Act should be given immediate effect. Therefore, an emergency is hereby declared to exist and this Act being immediately necessary for the preservation of the public peace, health and safety shall be in full force and effect from and after its passage and approval.

APPROVED: March 21, 1989

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