

RULE AND REGULATION 1 – REGULATION OF BAIL BOND BUSINESS

SECTION 42. BAIL BOND RECOVERY FUND

Arkansas Code Ann. § 19-6-826 created the Bail Bond Recovery Fund. The fees collected under the provisions of Ark. Code Ann. § 17-19-301(g)(1)(A) are designated as the Bail Bond Recovery Fund, which shall be administered by the Board.

- A. The Board will pay a claim against the Recovery Fund for an unpaid bond forfeiture judgment in accordance with the following process:
 - (1) Pursuant to Ark. Code Ann. § 17-19-208, a Court sends the Board the statutorily-required documentation regarding an unpaid bond forfeiture;
 - (2) The bail bond company's security deposit(s) is seized by the Board pursuant to Ark. Code Ann. § 17-19-112 and paid to the Court;
 - (3) The Board disperses the amount payable, which is calculated under subsection B. below, from the Recovery Fund to the Court.
- B. The maximum fund available for disbursement under this section is fifty percent (50%) of the amount of the bond that is left unpaid after deducting the amount of the security deposit under A.(2) above. The maximum amount payable from the Recovery Fund is ten thousand dollars (\$10,000) per bond forfeiture judgment.
- C. Failure of an entity subject to these rules to remit or pay fees as required under Arkansas Code Ann. § 17-19-301, or to file the quarterly reports required under that section, may result in discipline pursuant to Ark. Code Ann. § 17-19-210.

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- C. Failure of an entity subject to these rules to remit or pay fees as required under Arkansas Code Ann. § 17-19-301, or to file the quarterly reports required under that section, may result in discipline pursuant to Ark. Code Ann. § 17-19-210.

1 State of Arkansas
2 89th General Assembly
3 Regular Session, 2013

As Engrossed: H3/25/13
A Bill

HOUSE BILL 1841

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By: Representative Wright

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For An Act To Be Entitled

AN ACT CONCERNING FEES FOR BAIL ~~BONDS~~; TO DECLARE AN
EMERGENCY; AND FOR OTHER PURPOSES.

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Subtitle

CONCERNING FEES FOR BAIL BONDS.

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

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SECTION 1. Arkansas Code § 14-52-111 is amended to read as follows:
14-52-111. Fees for bail or delivery bond.

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Every A municipal police department in this state ~~is authorized to may~~
charge and collect a ~~twenty dollar (\$20.00) fee of twenty dollars (\$20.00)~~
for taking and entering every a bail or delivery bond.

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SECTION 2. Arkansas Code §§ 17-19-301(d) and (e), concerning bail
bonds, are amended to read as follows:

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(d)(1)(A) In addition to the ~~ten percent (10%)~~ ten-percent bail or
appearance bond premium or compensation allowed in subsection (a) of this
section, and ~~commencing~~ starting on ~~April 1, 1993~~ July 1, 2013, each licensed
professional bail bond company, sheriff, or keeper of the jail shall charge
and collect as a nonrefundable administrative and regulatory fee for the
~~State Insurance Department Trust Fund~~ board an additional ten dollars
(\$10.00) per bond fee for giving bond for every bail and appearance bond
issued by the licensed professional bail bond company by or through its
individual licensees, sheriff, or keeper of the jail.

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(B) The administrative and regulatory fees payable by
these companies to the fund for the support and operation of the ~~department~~

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1 board, and collected by the bail bond companies, sheriff, or keeper of the
2 jail as required by this section, shall be reported and filed with the
3 ~~Insurance Commissioner~~ board no later than fifteen (15) calendar days after
4 the end of each calendar quarter, contemporaneous with the professional bail
5 bond company's filing of its quarterly bail bond report with the ~~department~~
6 board.

7 (C) A notarized annual reconciliation of all ~~such~~ fees
8 collected in the preceding calendar year for the fund shall be filed by each
9 licensed professional bail bond company at a time and on forms prescribed by
10 the ~~commissioner~~ board.

11 (D) The ~~commissioner~~ Executive Director of the
12 Professional Bail Bond Company and Professional Bail Bondsman Licensing Board
13 may ~~in his or her discretion~~ grant an extension for good cause shown upon
14 timely written request.

15 (E) ~~In no event shall the~~ The administrative and
16 regulatory fees payable by the bail bond companies, sheriff, or keeper of the
17 jail to the fund shall not exceed ten dollars (\$10.00) per bond, as required
18 by this subchapter, exclusive of statutory licensure fees elsewhere in this
19 chapter.

20 (F) Upon collection of the fees and any monetary
21 penalties, the board shall deposit as special revenues:

22 (i) Sufficient fees and penalties directly into the
23 Bail Bondsman Board Fund to provide for the personal services and operating
24 expenses of the board under subsection (g) of this section; and

25 (ii) The remainder of all fees and penalties
26 directly into the Domestic Peace Fund administered by the Arkansas Child
27 Abuse/Rape/Domestic Violence Commission.

28 (2)(A) Absent an extension ~~the commissioner~~ granted by the
29 executive director for good cause to a company and in addition to any license
30 suspension or revocation, the ~~commissioner~~ executive director may ~~in his or~~
31 ~~her discretion~~ order after notice and a hearing a professional bail bond
32 company failing timely to report or pay the regulatory fee to the fund by and
33 through the ~~commissioner~~ executive director shall be liable to the fund for a
34 monetary penalty of one hundred dollars (\$100) per day for each day of
35 delinquency.

36 (B) The ~~commissioner~~ board may pursue any appropriate

1 legal remedies on behalf of the fund to collect any delinquent fees and
2 penalties owed pursuant to under this section as special revenues to the
3 fund.

4 (3) Upon collection of the regulatory fees and any monetary
5 penalties payable to the fund and assessed under this section, the
6 ~~commissioner~~ executive director shall deposit all fees and penalties directly
7 into the fund as special revenues.

8 (4)(A) Upon failure of the bail bond company to remit the fees
9 timely, the ~~commissioner~~ board may pursue civil legal remedies against the
10 noncomplying bail bond company on behalf of the fund to recover the balance
11 of the fees and any penalties owed.

12 (B)(i) ~~In its discretion, the~~ The board may also fine, or
13 suspend or revoke the license of, any professional bail bond company failing
14 to make a quarterly report or remit or pay timely the fees required by this
15 section as required by law.

16 (ii) The board may promulgate rules for enforcement.

17 (5)(A) Other than sole proprietors licensed as professional bail
18 bond companies, individual bail bondsmen are exempt from the duty and
19 responsibility of payment of the administrative and regulatory fees to the
20 ~~fund~~ Bail Bondsman Board Fund, except that the individual licenses of such
21 individual employees of the professional bail bond company may be suspended
22 or revoked by the ~~commissioner pursuant to~~ board under the administrative
23 procedures provided in this chapter if the individual licensee fails to
24 comply with his or her duties in proper collection of the bail bond premiums
25 earmarked for later payment to the ~~fund pursuant to~~ Bail Bond Operating Fund
26 under this subsection, if he or she converts such the moneys to his or her
27 own use, or if he or she commits other infractions in regard to collection of
28 such premium amounts.

29 (B) In those instances, the violations of the individual
30 may in the ~~commissioner's~~ board's discretion be attributed to the employing
31 professional bail bond company for good cause shown, and ~~its~~ the license of
32 the employing professional bail bond company may be sanctioned by the
33 ~~commissioner pursuant to~~ executive director under the administrative
34 procedures provided in this chapter.

35 (C) Further, upon criminal conviction of the individual
36 bondsman for theft of property in connection with fraudulent conversion of

1 those premium amounts due the ~~fund~~ Bail Bondsman Board Fund, the board shall
2 revoke the individual's license, ~~and in its discretion,~~ fine or suspend or
3 revoke the license of, the employing professional bail bond company if it
4 assisted the individual in such fraudulent conduct.

5 (6)(A) For purposes of § 17-19-205 requiring the professional
6 bail bond company's deposit of a letter of credit or certificate of deposit
7 for the faithful performance of its duties, the company's payment of the
8 administrative and regulatory fee ~~as required by this subsection shall be~~
9 ~~considered to be and shall be a~~ is the duty of the licensee so as to allow
10 the ~~commissioner~~ executive director to make a claim against the security
11 deposit required in § 17-19-205 on behalf of the ~~fund~~ Bail Bondsman Board
12 Fund for the balance of any owed and unpaid administrative and regulatory
13 fees the professional bail bond company still owes to the ~~fund~~ Bail Bondsman
14 Board Fund, and the ~~commissioner~~ executive director shall promptly ~~proceed to~~
15 make claims against ~~such~~ security deposits on behalf of the ~~fund~~ Bail
16 Bondsman Board Fund, up to the limit of the company's deposit for any
17 remaining fee balance due, in the manner provided in this subchapter for any
18 claim against the deposit required ~~herein~~ in this subchapter.

19 (B) ~~Under no circumstances shall such deposits~~ Deposits
20 held for the ~~fund~~ Bail Bondsman Board Fund, or fees or any moneys deposited
21 into the ~~fund~~ Bail Bondsman Board Fund ~~are not~~ subject to any levy or
22 assessment of any kind, including forfeiture claims, misconduct claims, or
23 general creditor claims of the bail bond company, subject to garnishment or
24 other creditors' remedies under Title 16 of this Code or other provisions of
25 Arkansas law.

26 (e)(1) In addition to the premiums, compensation, and fees allowed in
27 subsections (a) and (d) of this section, each sheriff, keeper of the jail, or
28 bail bond company shall charge and collect twenty dollars (\$20.00) as a
29 nonrefundable fee for the Arkansas Public Defender Commission.

30 (2) All fees collected shall be forwarded to the ~~commission~~
31 board for deposit into the Public Defender User Fee Fund.

32 (3)(A) The commission shall deposit the money collected into the
33 existing account within the State Central Services Fund entitled "Public
34 Defender User Fees".

35 (B)(i) Three dollars (\$3.00) of each fee collected under
36 this section shall be remitted to each county in the state to defray the

1 operating expenses of each county's public defender office.

2 (ii) The commission shall remit quarterly to each
3 county treasurer the county's portion of the fee collected under this section
4 using the formula for the County Aid Fund under § 19-5-602.

5 (4) The fees collected by the bail bond companies required under
6 this subsection shall be reported and filed with the commission quarterly.

7 (5) A notarized annual reconciliation of all fees collected in
8 the preceding calendar year shall be filed by each bail bond company by
9 February 15 on forms provided by the ~~commission~~ board.

10 (6) In addition to the bail or appearance bond premium or
11 compensation allowed under this section and § 17-19-111, each licensed
12 professional bail bond company, sheriff, or keeper of the jail shall charge
13 and collect a processing fee of five dollars (\$5.00) on each bail bond in
14 order to defray the surety's costs incurred by the quarterly and annual
15 reports to the commission and to further defray the surety's costs incurred
16 in the collection of all fees ~~due owing and collected~~ on behalf of the
17 commission.

18 (7) The ~~commission~~ board may pursue any appropriate legal remedy
19 for the collection of any delinquent fees owed under this subsection.

20 (8) Upon collection of any fees and penalties, the ~~commission~~
21 board shall deposit forward all fees and penalties directly to the commission
22 for deposit into the Public Defender User Fees Fund account within the State
23 Central Services Fund.

24
25 SECTION 3. Arkansas Code § 17-19-301, concerning bond requirements and
26 the posting of a bondsmen list, is amended to add additional subsections to
27 read as follows:

28 (f)(1) In addition to the premiums, compensation, and fees allowed
29 under this chapter, each professional bail bond company, sheriff, keeper of
30 the jail, or person authorized to take bail under § 16-84-102 shall charge
31 and collect as a nonrefundable administrative bail bond fee for the Arkansas
32 Counties Alcohol and Drug Abuse and Crime Prevention Program Fund an
33 additional fee of six dollars (\$6.00) per bail bond for giving bond for every
34 bail bond issued by the professional bail bond company by or through its
35 individual licensees, sheriff, keeper of the jail, or any person authorized
36 to take bail under § 16-84-102.

1 (2) The fees and penalties collected under this subsection by a
2 professional bail bond company, sheriff, keeper of the jail, or a person
3 authorized to take bail under § 16-84-102 shall be forwarded to the
4 Professional Bail Bond Company and Professional Bail Bondsman Licensing Board
5 for deposit into the Arkansas Counties Alcohol and Drug Abuse and Crime
6 Prevention Program Fund.

7 (3) The board shall deposit the money collected into the
8 existing account within the Arkansas Counties Alcohol and Drug Abuse and
9 Crime Prevention Program Fund to be used for the establishment and operation
10 of alcohol abuse programs, drug abuse programs, crime prevention programs,
11 and other related purposes in the counties.

12 (4) The fees required under this subsection and collected by the
13 bail bond companies, sheriff, keeper of the jail, or persons authorized to
14 take bail under § 16-84-102 shall be reported quarterly and filed with the
15 board.

16 (5)(A) Within fifteen (15) days after receiving the quarterly
17 fees from the bail bond companies, sheriff, keeper of the jail, or persons
18 authorized to take bail under § 16-84-102, the board shall remit the fees
19 collected under this subsection to the Arkansas Sheriffs' Association.

20 (B) The Arkansas Sheriffs' Association is the official
21 organization of sheriffs in this state and is organized and exists under the
22 Arkansas Nonprofit Corporation Act, §§ 4-28-201 - 4-28-206 and §§ 4-28-209 -
23 4-28-224.

24 (6) A notarized annual reconciliation of all fees collected in
25 the preceding calendar year shall be filed on forms provided by the board by
26 each professional bail bond company, sheriff, keeper of the jail, or person
27 authorized to take bail under § 16-84-102 by February 15.

28 (7) The Department of Finance and Administration may pursue any
29 appropriate legal remedy for the collection of delinquent fees and penalties
30 owed under this subsection against an entity that has a duty to collect the
31 fee under this subsection.

32 (8) The board shall promulgate rules to suspend, revoke, or take
33 disciplinary action for noncompliance in failure to remit or pay fees under
34 this section or in failure to report under this section.

35 (g)(1)(A) In addition to the premiums and fees allowed under this
36 chapter, each professional bail bond company, sheriff, keeper of the jail, or

1 person authorized to take bail under § 16-84-102 shall charge and collect an
2 additional fee of four dollars (\$4.00) per bail bond for every bail bond
3 issued by the professional bail bond company by or through its individual
4 licensees, sheriff, keeper of the jail, or any person authorized to take bail
5 under § 16-84-102.

6 (B) The administrative bail bond fee is nonrefundable and
7 shall be deposited into the Bail Bond Recovery Fund.

8 (2) The fees and penalties collected under this subsection by
9 the professional bail bond company, sheriff, keeper of the jail, or a person
10 authorized to take bail under § 16-84-102 shall be forwarded to the board for
11 deposit into the Bail Bond Recovery Fund.

12 (3)(A) The board shall deposit the money collected into the
13 existing account within the Bail Bond Recovery Fund.

14 (B) Use of the funds from the Bail Bond Recovery Fund
15 shall be for professional bail bond forfeitures.

16 (4) The fees collected by the bail bond company, sheriff, keeper
17 of the jail, or a person authorized to take bail under § 16-84-102 required
18 under this subsection shall be reported quarterly and filed with the board.

19 (5) A notarized annual reconciliation of all fees collected in
20 the preceding calendar year shall be filed on forms provided by the board by
21 each professional bail bond company, sheriff, keeper of the jail, or person
22 authorized to take bail under § 16-84-102 by February 15.

23 (6) The board may pursue any appropriate legal remedy for the
24 collection of delinquent fees and penalties owed under this subsection
25 against an entity that has a duty under this subsection to collect the fee.

26 (7) The board shall promulgate rules to suspend, revoke, or take
27 disciplinary action for noncompliance in failure to remit or pay fees under
28 this section or for failure to report under this section.

29 (h) A sheriff, keeper of the jail, and any bail bond company shall
30 collect fees as required under §§ 14-52-111, 17-19-111, 17-19-301, and 21-6-
31 307 and other fees as required by law.

32
33 *SECTION 4. Arkansas Code § 19-5-1088 is amended to read as follows:*
34 *19-5-1088. Bail Bondsman Board Fund.*

35 *(a) There is hereby established on the books of the Treasurer of*
36 *State, the Auditor of State, and the Chief Fiscal Officer of the State a fund*

1 to be known as the "Bail Bondsman Board Fund".

2 (b) This fund shall consist of those moneys transferred from the State
3 Insurance Department Trust Fund collected under §§ 17-19-111 and 17-19-301
4 and other moneys from the collection of fees, there to be used exclusively
5 for the operation of the Professional Bail Bond Company and Professional Bail
6 Bondsman Licensing Board.

7
8 **SECTION 5.** Arkansas Code Title 19, Chapter 6, Subchapter 8, is amended
9 to add additional sections to read as follows:

10 19-6-819. Arkansas Sheriffs' Association Education Fund.

11 (a) There is created on the books of the Treasurer of State, the
12 Auditor of State, and the Chief Fiscal Officer of the State a special revenue
13 fund to be known as the "Arkansas Sheriffs' Association Education Fund".

14 (b) The fund shall be used by the Arkansas Sheriffs' Association
15 exclusively for the performance of its duties as the official agency of the
16 sheriffs of this state, including without limitation:

17 (1) Receiving and using funds for a continuing study of ways to
18 improve the administration of sheriffs' offices; and

19 (2) Developing and improving education programs designed for
20 sheriffs' offices in Arkansas.

21
22 19-6-820. Bail Bond Recovery Fund.

23 (a) There is created on the books of the Treasurer of State, the
24 Auditor of State, and the Chief Fiscal Officer of the State a special revenue
25 fund to be known as the "Bail Bond Recovery Fund".

26 (b)(1) All moneys collected under § 17-19-301(g) shall be deposited
27 into the State Treasury to the credit of the fund as special revenues.

28 (2) The fund shall also consist of any other revenues authorized
29 by law.

30 (c) The fund shall be used exclusively for the recovery of forfeited
31 professional bonds.

32 (d) The Professional Bail Bond Company and Professional Bail Bondsman
33 Licensing Board shall promulgate rules concerning the disbursements of the
34 fund.

35 (e)(1) The board shall promulgate rules to suspend, revoke, or take
36 disciplinary action for non-compliance in failure to remit or pay fees under

1 this section or for failure to report under this section.

2 (2) The Department of Finance and Administration may pursue any
3 appropriate legal remedy for the collection of and remittance of the
4 delinquent fees and penalties owed under this section against any entity that
5 has a duty to collect or remit these fees.

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11 /s/Wright
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14 APPROVED: 04/16/2013
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