

1 **State of Arkansas**  
2 **79th General Assembly**  
3 **Regular Session, 1993**

# **A Bill**

**HOUSE BILL 1353**

4 **By: Representatives McKissack, S. Miller, and Wilkins**

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## **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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## **Subtitle**

15 "TO PRESCRIBE REQUIREMENTS FOR ISSUERS OF LICENSE AND  
16 PERMIT BONDS."

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

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

22 "23-63-1002. Bonds given by state, county, or municipal officers, and  
23 for licenses and permits.

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

33 (b) All officers, courts, and boards of this state, any county therein,  
34 or any municipality whose duty it is or shall be to approve the official bonds  
35 of any state, county, or municipal officer shall approve the bond as to its

1 sureties when the insurer is the sole surety thereon.

2 (c) A surety contract to the State of Arkansas or any agency or  
3 department thereof or to a municipal corporation or any agency or department  
4 thereof for not more than ten thousand dollars (\$10,000) issued by a general  
5 business corporation, validly organized and existing under the laws of this  
6 State pertaining to domestic corporations, and which:

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

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

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

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

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

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

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34 SECTION 5. EMERGENCY. It is hereby found and determined by the General  
35 Assembly that many of the State departments and agencies and municipal

1 corporations and their agencies within the State require license permit bonds  
2 for various crafts such as plumbers, electricians and contractors and permit  
3 such as for the replacement of streets or highways when excavation therein is  
4 required for construction or repairs; that competition is quite limited in the  
5 bonding industry with most of the premium payments paid to foreign  
6 corporations; that lack of competition in the field increases the cost and the  
7 inconvenience to craftsmen and others in the building trades and industry; and  
8 this act is necessary to increase competition and convenience and economic  
9 development for the people of this State and should be given effect  
10 immediately. Therefore an emergency is hereby declared to exist and this act  
11 being necessary for the preservation of the public peace, health and safety  
12 shall be in full force and effect from and after its passage and approval.

13 */s/Rep. McKissack, et al*

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***As Engrossed: 2/25/93***

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