

1 State of Arkansas
2 80th General Assembly
3 Regular Session, 1995

A Bill

HOUSE BILL 1542

4 By: Representative Calhoun
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For An Act To Be Entitled

8 "AN ACT TO AMEND ARK. CODE ANN. § 17-17-205 *PERTAINING TO*
9 *PROFESSIONAL BAIL BOND COMPANIES; AND FOR OTHER PURPOSES.*"

Subtitle

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12 "AN ACT TO AMEND ARK. CODE ANN. § 17-17-
13 *205 PERTAINING TO PROFESSIONAL BAIL BOND*
14 *COMPANIES.*"

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16 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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18 SECTION 1. Arkansas Code Annotated §17-17-205 is hereby amended to
19 read as follows: "§ 17-17-205. Letter of credit or certificate of deposit
20 required.

21 (a)(1) An applicant for a professional bail bond company license shall
22 file with the commissioner an irrevocable letter of credit from an Arkansas
23 chartered bank or a federally chartered bank in Arkansas or a certificate of
24 deposit.

25 (2)(A) The letter of credit or certificate of deposit shall be
26 approved by the commissioner as to form and sufficiency and shall be
27 conditioned upon faithful performance of the duties of the licensee.

28 (B) A professional bail bond company may file a letter of
29 credit or certificate of deposit in a minimum amount of twenty-five thousand
30 dollars (\$25,000), provided they do not exceed the maximum amount of
31 unsecured bond commitments as provided in § 17-17-304.

32 (C) Professional bail bond companies and professional bail
33 bondsmen who were licensed under Act 400 of 1971 [repealed] prior to March 8,
34 1989, shall only be required to file or have on file with the Insurance
35 Commissioner a letter of credit or certificate of deposit approved by the

1 commissioner as to form and sufficiency, in a minimum amount of five thousand
2 dollars (\$5,000), conditioned upon the faithful performance of the duties of
3 the licensee, provided they do not exceed the maximum amount of unsecured
4 bond commitments as provided in § 17-17-304.

5 (b) No letter of credit or certificate of deposit shall be subject to
6 termination or cancellation by either party in less than sixty (60) days
7 after the giving of written notice thereof to the other parties and to the
8 commissioner.

9 (c) No termination or cancellation shall affect the liability of the
10 surety or sureties on a bond incurred prior to the effective date of
11 termination or cancellation.

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

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

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

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26 SECTION 5. Emergency. It has been found and determined by the General
27 Assembly that the present law presents a hardship on those applying for a
28 *professional bail bond company license by posting a letter of credit or*
29 *certificate of deposit in the amount of \$100,000; that a change in the*
30 *present law* is necessary to avoid this hardship and that immediate passage of
31 this act is necessary to eliminate this hardship. Therefore, an emergency is
32 hereby declared to exist and this act being necessary for the immediate
33 preservation of the public peace, health and safety shall be in full force
34 and effect from and after its passage and approval.

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/s/Rep. Calhoun