

1 State of Arkansas
2 80th General Assembly
3 Regular Session, 1995
4 By: Representative Pappas

A Bill

HOUSE BILL 1676

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."

Subtitle

14 "TO PRESCRIBE REQUIREMENTS FOR ISSUERS
15 OF LICENSE, PERMIT AND NOTARY PUBLIC
16 BONDS."
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19 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

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

23 "§ 23-63-1002. Bonds given by state, county, or municipal officers, and
24 bonds required for licenses, permits and notary publics.

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

34 (b) All officers, courts, and boards of this state, any county
35 therein, or any municipality whose duty it is or shall be to approve the

1 official bonds of any state, county, or municipal officer shall approve the
2 bond as to its sureties when the insurer is the sole surety thereon.

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

9 (1) has previously registered with the Insurance Commissioner on
10 forms prescribed by such commissioner evidencing its purpose to issue only
11 *license, permit and notary public bonds for the faithful performance of any*
12 *license or permit to be issued* designating the state of Arkansas or any
13 agency or department thereof or a municipal corporation or agency thereof as
14 *obligee or for the faithful performance of the notary public*; and

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

20 (3) which is not transacting any insurance business in this
21 state which requires compliance with the provisions of the Arkansas Insurance
22 Code, Sections 23-60-101, et seq."

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

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

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

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SECTION 5. EMERGENCY. It is hereby found and determined by the General Assembly that many of the state departments and agencies and municipal corporations and their agencies within the state require license permit bonds for various crafts such as plumbers, electricians and contractors and permits such as for the replacement of streets or highways when excavation therein is required for construction or repairs; that competition is quite limited in the bonding industry with most of the premium payments paid to foreign corporations; that lack of competition in the field increases the cost and the inconvenience to craftsmen and others in the building trades and industry; and this act is necessary to increase competition and convenience and economic development for the people of this state and should be given effect immediately. Therefore, an emergency is hereby declared to exist and this act being necessary for the immediate preservation of the public peace, health and safety shall be in full force and effect from and after its passage and approval.

/s/Rep. Pappas

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