

Stricken language would be deleted from and underlined language would be added to law as it existed prior to the 82nd General Assembly.

1 State of Arkansas  
2 82nd General Assembly  
3 Regular Session, 1999  
4

*As Engrossed: S3/1/99 S3/9/99 S3/29/99*

# A Bill

SENATE BILL 496

5 By: Senator Edwards  
6 By: *Representatives Wilkins, C. Johnson*  
7

## For An Act To Be Entitled

10 "AN ACT TO AMEND ARKANSAS CODE 23-63-1002 TO PRESCRIBE  
11 THE REQUIREMENTS FOR ISSUERS OF SURETY BONDS REQUIRED  
12 BY THE STATE AND ITS POLITICAL SUBDIVISIONS; AND FOR  
13 OTHER PURPOSES. "

## Subtitle

15 "TO AMEND ARKANSAS CODE 23-63-1002 TO  
16 PRESCRIBE THE REQUIREMENTS FOR ISSUERS  
17 OF SURETY BONDS REQUIRED BY THE STATE  
18 AND ITS POLITICAL SUBDIVISIONS. "  
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21  
22 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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24 *SECTION 1. Arkansas Code 23-63-1002 is amended to add the following*  
25 *subsections to read as follows:*

26 *"(c) Any entity which meets the requirements of the Arkansas Insurance*  
27 *Code pertaining to surety companies, other than the minimum security deposit*  
28 *provision, shall be entitled to a certificate of authority from the Insurance*  
29 *Commissioner authorizing the entity to issue surety contracts for notary*  
30 *public bonds or license and permit bonds to the State of Arkansas or any*  
31 *agency or department thereof or to any municipal corporation or any agency or*  
32 *department thereof for not more than five thousand dollars (\$5,000), provided*  
33 *that the entity has previously deposited and thereafter maintains with the*  
34 *Insurance Commissioner securities in the sum of one percent (1%) of the*  
35 *premium charged on outstanding bonds, but in no event in a sum less than*  
36 *seventy-five thousand dollars (\$75,000)."*

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

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6 SECTION 3. If any provision of this act or the application thereof to  
7 any person or circumstance is held invalid, such invalidity shall not affect  
8 other provisions or applications of the act which can be given effect without  
9 the invalid provision or application, and to this end the provisions of this  
10 act are declared to be severable.

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

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15 SECTION 5. EMERGENCY CLAUSE. It is hereby found and determined by the  
16 Eighty-second General Assembly that many state agencies and municipal  
17 corporations require license permit bonds for various crafts such as plumbers,  
18 electricians and contractors and require bonds for the replacement of streets  
19 or highways when excavation therein is required for construction or repairs;  
20 that competition is quite limited in the bonding industry with most of the  
21 premium payments paid to foreign corporations; that lack of competition in the  
22 field increases the cost and the inconvenience to craftsmen and others in the  
23 building trades and industry; and this act is necessary to increase  
24 competition and convenience and economic development for the people of this  
25 state and should be given effect immediately. Therefore, an emergency is  
26 declared to exist and this act being immediately necessary for the  
27 preservation of the public peace, health and safety shall become effective on  
28 the date of its approval by the Governor. If the bill is neither approved nor  
29 vetoed by the Governor, it shall become effective on the expiration of the  
30 period of time during which the Governor may veto the bill. If the bill is  
31 vetoed by the Governor and the veto is overridden, it shall become effective  
32 on the date the last house overrides the veto.

33 /s/ Edwards  
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