

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2011

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HOUSE BILL 649
Committee Substitute Favorable 5/16/11

Short Title: Amend Grounds/License Revocat'n/Bail Bondsman.

(Public)

Sponsors:

Referred to:

April 6, 2011

1 A BILL TO BE ENTITLED
2 AN ACT TO AMEND THE LAWS PERTAINING TO GROUNDS FOR REVOCATION OF
3 LICENSURE UNDER THE LAWS REGULATING BAIL BONDSMEN.

4 The General Assembly of North Carolina enacts:

5 **SECTION 1.** Article 71 of Chapter 58 of the General Statutes is amended by
6 adding a new section to read:

7 "**§ 58-71-16. No return of premium; bond reduction.**

8 Notwithstanding any other provision of law or rules adopted by the Commissioner under
9 this Article, if after an agreement has been entered into between a defendant and a surety the
10 defendant's bond is reduced, the surety shall not be required to return any portion of the
11 premium to the defendant."

12 **SECTION 2.** G.S. 58-71-80 reads as rewritten:

13 "**§ 58-71-80. Grounds for denial, suspension, ~~revocation or refusal to renew~~**
14 **~~licenses, probation, revocation, or nonrenewal of licenses.~~**

15 (a) The Commissioner may deny, place on probation, suspend, revoke, or refuse to
16 renew any license issued under this Article Article, in accordance with the provisions of Article
17 3A of Chapter 150B of the General Statutes, for any one or more of the following causes:

- 18 ...
- 19 (5) ~~Fraudulent~~ Fraudulent, coercive, or dishonest practices in the conduct of
20 business under the license or demonstrating incompetence,
21 untrustworthiness, or financial irresponsibility in the conduct of business in
22 this State or any other jurisdiction.
- 23 (6) Conviction of a crime involving dishonesty, breach of trust, or moral
24 turpitude.
- 25 (7) Failure to comply with or violation of the provisions of this Article or of any
26 order, subpoena, rule or regulation of the Commissioner Commissioner or
27 person with similar regulatory authority in another jurisdiction.
- 28 ...
- 29 (14a) Having any professional license denied, suspended, or revoked in this State
30 or any other jurisdiction for causes substantially similar to those listed in this
31 subsection.
- 32 (14b) Violating any (i) law governing bail bonding or insurance in this State or any
33 other jurisdiction or (ii) rule of the Financial Industry Regulatory Authority
34 (FINRA).
- 35 (14c) Failing to comply with an administrative order or court order imposing a
36 child support obligation after entry of a final judgment or order finding the
37 violation to have been willful.



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1 (14d) Failing to pay State income tax or comply with any administrative or court
2 order directing payment of State income tax after entry of a final judgment
3 or order finding the violation to have been willful.

4 (14e) Forging another's name to any document related to a bail bond transaction.

5 "

6 **SECTION 3.** G.S. 58-71-115 is amended by adding the following new subsection
7 to read:

8 "(c) Notwithstanding any other provision of this Article, any documents, materials, or
9 other information in the control or possession of the Commissioner or any organization of
10 which the Commissioner is a member that are (i) furnished by an insurer or an employee or
11 agent thereof acting on behalf of the insurer under this section or (ii) obtained by the
12 Commissioner in an investigation under this section shall be confidential, by law, and
13 privileged, shall not be considered public records under G.S. 58-2-100 or Chapter 132 of the
14 General Statutes, shall not be subject to subpoena, and shall not be subject to discovery in any
15 civil action other than a proceeding brought by the Commissioner against a person to whom the
16 documents, materials, or other information relate. However, the Commissioner may use the
17 documents, materials, or other information in the furtherance of any regulatory or legal action
18 brought as a part of the Commissioner's duties. Neither the Commissioner nor any person who
19 received documents, materials, or other information while acting under the authority of the
20 Commissioner shall be permitted or required to testify in any civil action other than a
21 proceeding brought by the Commissioner against a person to whom the documents, materials,
22 or other information relate."

23 **SECTION 4.** Article 71 of Chapter 58 of the General Statutes is amended by
24 adding a new section to read:

25 "**§ 58-71-122. Transfer of business by bail bondsman.**

26 A licensed professional bondsman may contract to transfer, convey, or assign the
27 professional bondsman's business to another professional bondsman licensed under this Article.
28 The contract shall include a list of the transferring professional bondsman's pending
29 outstanding bail bond obligations and shall be filed with the Commissioner. The contract shall
30 allow for the transferring professional bondsman to transfer, convey, or assign assets to the
31 purchasing professional bondsman that include, but are not limited to, any pledged cash or any
32 pledged approved securities with the Commissioner as security for bail bonds. Notwithstanding
33 the filing of the contract with the Commissioner, the transferor remains responsible for all
34 outstanding bond obligations until relieved from an individual obligation pursuant to
35 G.S. 15A-534(h), by a substitution of surety pursuant to G.S. 15A-538, or satisfaction of any
36 final judgment of forfeiture entered thereon."

37 **SECTION 5.** This act is effective when it becomes law.