

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005

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SENATE BILL 707
Judiciary I Committee Substitute Adopted 4/6/05
House Committee Substitute Favorable 7/7/05

Short Title: Agent/Bail Bonds Applicant Petition Deadline.

(Public)

Sponsors:

Referred to:

March 21, 2005

A BILL TO BE ENTITLED

AN ACT TO CLARIFY THAT THE THIRTY-DAY DEADLINES IMPOSED UPON AGENTS AND BAIL BONDSMEN SEEKING INTERNAL ADMINISTRATIVE REVIEW OF A DENIAL OF LICENSURE AND SUBSEQUENTLY SEEKING A HEARING UNDER ARTICLE 3A OF CHAPTER 150B OF THE GENERAL STATUTES ARE MANDATORY, NOT OPTIONAL.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 58-33-30(g) reads as rewritten:

"(g) Denial of License. – If the Commissioner finds that the applicant has not fully met the requirements for licensing, ~~he~~ the Commissioner shall refuse to issue the license and shall notify in writing the applicant and the appointing insurer, if any, of ~~such~~ the denial, stating the grounds ~~therefor~~ for the denial. The application may also be denied for any reason for which a license may be suspended or revoked or not renewed under G.S. 58-33-46. ~~Within 30 days after service of the notification, the applicant may~~ In order for an applicant to be entitled to a review of the Commissioner's action to determine the reasonableness of the action, the applicant must make a written demand upon the Commissioner for a review to determine the reasonableness of the Commissioner's action, no later than 30 days after service of the notification upon the applicant. The review shall be completed without undue delay, and the applicant shall be notified promptly in writing ~~as to the~~ of the outcome of the review. ~~Within 30 days after service of the notification as to the outcome, the applicant may~~ In order for an applicant who disagrees with the outcome of the review to be entitled to a hearing under Article 3A of Chapter 150B of the General Statutes, the applicant must make a written demand upon the Commissioner for a hearing under Article 3A of Chapter 150B of the General Statutes if the applicant disagrees with the outcome, no later than 30 days after service upon the applicant of the notification of the outcome."

SECTION 2. G.S. 58-71-85(b) reads as rewritten:

1 "(b) Whenever the Commissioner denies an initial application for a license or an
2 application for a reissuance of a license, ~~he~~the Commissioner shall notify the applicant
3 and advise, in writing, the applicant of the reasons for the denial of the license. The
4 application may also be denied for any reason for which a license may be suspended or
5 revoked or not renewed under G.S. 58-71-80(a). ~~Within 30 days after service of the~~
6 ~~notification, the applicant may~~ In order for an applicant to be entitled to a review of the
7 Commissioner's action to determine the reasonableness of the action, the applicant must
8 make a written demand upon the Commissioner for a review to determine the
9 reasonableness of the Commissioner's action, no later than 30 days after service of the
10 notification upon the applicant. The review shall be completed without undue delay, and
11 the applicant shall be notified promptly in writing ~~as to~~of the outcome of the review.
12 ~~Within 30 days after service of the notification as to the outcome, the applicant may~~ In
13 order for an applicant who disagrees with the outcome of the review to be entitled to a
14 hearing under Article 3A of Chapter 150B of the General Statutes, the applicant must
15 make a written demand upon the Commissioner for a hearing under Article 3A of
16 Chapter 150B of the General Statutes if the applicant disagrees with the outcome, no
17 later than 30 days after service upon the applicant of the notification of the outcome."

18 **SECTION 3.** Article 71 of Chapter 58 of the General Statutes is amended by
19 adding the following new section:

20 **"§ 58-71-151. Securities held in trust by Commissioner; authority to dispose of**
21 **same.**

22 The securities deposited by a professional bondsman with the Commissioner shall be
23 held in trust for the protection and benefit of the holder of bail bonds executed by or on
24 behalf of the undersigned bondsman in this State. Notwithstanding any other provision
25 of law, the Commissioner is authorized to select a bank or trust company as master
26 trustee to hold cash securities to be pledged to the State when deposited with the
27 Commissioner pursuant to statute. Securities may be held by the master trustee in any
28 form that in fact perfects the security interest of the State in the securities. The
29 Commissioner shall by rule establish the manner in which the master trust shall operate.
30 The master trustee may charge the person making the deposit reasonable fees for
31 services rendered in connection with the operation of the trust, and the assets of the
32 account may be used to pay such charges.

33 A pro rata portion of the securities shall be returned to the bondsman when the
34 Commissioner is satisfied that the deposit of securities is in excess of the amount
35 required to be maintained with the Commissioner by said bondsman; and all the
36 securities shall be returned if the Commissioner is satisfied that the bondsman has
37 satisfied, or satisfactory arrangements have been made to satisfy, the obligations of the
38 bondsman on all the bondsman's bail bonds written in the State.

39 The Commissioner may sell or transfer any and all of said securities or utilize the
40 proceeds thereof for the purpose of satisfying the liabilities of the professional
41 bondsman on bail bonds given in this State on which the bondsman is liable."

42 **SECTION 4.** G.S. 58-71-150 is repealed.

1 **SECTION 5.** This act becomes effective October 1, 2005. This act applies
2 to all notices of applications denied by the Commissioner served on or after that date
3 and to all notices of review outcomes served on or after that date.