

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2007

SESSION LAW 2007-228
SENATE BILL 881

AN ACT TO DEFINE THE RESIDENCY REQUIREMENTS FOR LICENSURE
UNDER THE LAWS PERTAINING TO BAIL BONDSMEN AND RUNNERS
AND TO MAKE OTHER STYLISTIC CHANGES.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 58-71-1 reads as rewritten:

"§ 58-71-1. Definitions.

~~The following words when used in this Article shall have the following meanings:~~
The following definitions apply in this Article:

- (1) ~~"Accommodation bondsman" is a~~ Accommodation bondsman. – A person who shall not charge a fee or receive any consideration for action as surety and who endorses the bail bond after providing satisfactory evidences of ownership, value, and marketability of real or personal property to the extent necessary to reasonably satisfy the official taking bond that the real or personal property will in all respects be sufficient to assure that the full principal sum of the bond will be realized if there is a breach of the conditions of the bond. "Consideration" as used in this subdivision does not include the legal rights of a surety against a principal by reason of breach of the conditions of a bail bond nor does it include collateral furnished to and securing the surety as long as the value of the surety's rights in the collateral do not exceed the principal's liability to the surety by reason of a breach in the conditions of the bail bond.
- (2) ~~"Bail bond" shall mean an~~ Bail bond. – An undertaking by the principal to appear in court as required upon penalty of forfeiting bail to the State in a stated amount; and may include an unsecured appearance bond, a premium-secured appearance bond, an appearance bond secured by a cash deposit of the full amount of the bond, an appearance bond secured by a mortgage pursuant to G.S. 58-74-5, and an appearance bond secured by at least one surety. A bail bond may also include a bond securing the return of a motor vehicle subject to forfeiture in accordance with G.S. 20-28.3(e).
- (3) ~~"Bail bondsman" shall mean a~~ Bail bondsman. – A surety bondsman, professional bondsman or an accommodation bondsman as ~~hereinafter defined.~~ defined in this section.
- (4) ~~"Commissioner" shall mean the~~ Commissioner. – The North Carolina Commissioner of Insurance.
- (4a) ~~"First-year licensee" means any~~ First-year licensee. – Any person who has been licensed as a bail bondsman or runner under this Article and who has held the license for a period of less than 12 months.
- (5) ~~"Insurer" shall mean any~~ Insurer. – Any domestic, foreign, or alien surety company which has qualified generally to transact surety business and specifically to transact bail bond business in this State.
- (6) ~~"Obligor" shall mean a~~ Obligor. – A principal or a surety on a bail bond.

- (7) ~~"Principal" shall mean a Principal.~~ – A defendant or witness obligated to appear in court as required upon penalty of forfeiting bail under a bail bond or a person obligated to return a motor vehicle subject to forfeiture in accordance with G.S. 20-28.3(e).
- (8) ~~"Professional bondsman" shall mean any Professional bondsman.~~ – Any person who is approved and licensed by the Commissioner and who pledges cash or approved securities with the Commissioner as security for bail bonds written in connection with a judicial proceeding and who receives or is promised money or other things of value therefor in exchange for writing the bail bonds.
- (8a) Resident. – A person who lives in this State for at least six consecutive months immediately before applying for a license under this Article.
- (9) ~~"Runner" shall mean a Runner.~~ – A person employed by a bail bondsman for the purpose of assisting the bail bondsman in presenting the defendant in court when required, ~~or to assist~~ assisting in the apprehension and surrender of defendant to the court, ~~or keeping the~~ keeping the defendant under necessary surveillance, or ~~to execute~~ executing bonds on behalf of the licensed bondsman when the power of attorney has been duly recorded. "Runner" does not ~~include, however, include~~ a duly licensed attorney-at-law or a law-enforcement officer assisting a bondsman.
- (9a) ~~"Supervising bail bondsman" means any Supervising bail bondsman.~~ – Any person licensed by the Commissioner as a professional bondsman or surety bondsman who employs or contracts with any new licensee under this Article.
- (10) ~~"Surety" shall mean one Surety.~~ – One who, with the principal, is liable for the amount of the bail bond upon forfeiture of bail.
- (11) ~~"Surety bondsman" means any Surety bondsman.~~ – Any person who is licensed by the Commissioner as a surety bondsman under this Article, is appointed by an insurer by power of attorney to execute or countersign bail bonds for the insurer in connection with judicial proceedings, and who receives or is promised consideration for doing so."

SECTION 2. G.S. 58-71-50(b) reads as rewritten:

"(b) Every applicant for a license under this Article as a bail bondsman or runner must meet all of the following qualifications:

- (1) Be 18 years of age or over.
- (2) Be a resident of this State.
- (3) Repealed by Session Laws 1998-211, s. 23.
- (4) Have knowledge, training, or experience of sufficient duration and extent to provide the competence necessary to fulfill the responsibilities of a licensee.
- (5) Have no outstanding bail bond obligations.
- (6) Have no current or prior violations of any provision of this Article or of Article 26 of Chapter 15A of the General Statutes or of any similar provision of law of any other state.
- (7) Not have been in any manner disqualified under the laws of this State or any other state to engage in the bail bond business.
- (8) Hold a valid and current North Carolina drivers license or valid North Carolina identification card issued by the Division of Motor Vehicles."

SECTION 3. G.S. 58-71-50 is amended by adding a new subsection to read:

"(c) An applicant for a license as a bail bondsman or runner shall provide to the Commissioner at least two of the following documents as proof of residency in this State:

- (1) A pay stub showing the applicant's residential address in this State.

- (2) A utility bill showing the applicant's residential address in this State.
- (3) A written lease agreement or contract for purchase and sale signed by the applicant and for a residence located in this State.
- (4) A receipt for personal property taxes paid by the applicant to a North Carolina unit of local government.
- (5) A receipt for real property taxes paid by the applicant to a North Carolina unit of local government.
- (6) A monthly or quarterly statement showing the applicant's residential address in this State and issued by a financial institution for an account held by the applicant.

Subject to rules adopted by the Commissioner, an applicant may be required to provide additional documentation as proof of residency in this State."

SECTION 4. This act becomes effective October 1, 2007, and applies to applications for licensure made on or after that date.

In the General Assembly read three times and ratified this the 9th day of July, 2007.

s/ Beverly E. Perdue
President of the Senate

s/ Joe Hackney
Speaker of the House of Representatives

s/ Michael F. Easley
Governor

Approved 11:45 a.m. this 18th day of July, 2007