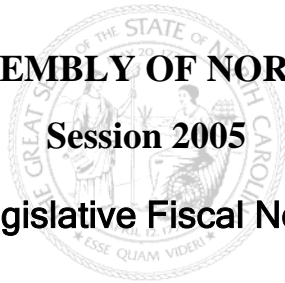


GENERAL ASSEMBLY OF NORTH CAROLINA



Session 2005

Legislative Fiscal Note

BILL NUMBER: Senate Bill 846 (First Edition)

SHORT TITLE: Modernize Bail Bondsman Registration.

SPONSOR(S): Senator Swindell

FISCAL IMPACT					
	Yes ()	No ()	No Estimate Available (X)		
	<u>FY 2005-06</u>	<u>FY 2006-07</u>	<u>FY 2007-08</u>	<u>FY 2008-09</u>	<u>FY 2009-10</u>
REVENUES	No Estimate Available				
EXPENDITURES	No Estimate Available, But Any Impact is Expect to be Minimal See Assumptions and Methodology				
POSITIONS (cumulative):					
PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED: Department of Insurance, Administrative Office of the Courts					
EFFECTIVE DATE: When the bill becomes law.					

BILL SUMMARY¹: This bill would require that the Commissioner of Insurance and the Administrative Office of the Courts establish a statewide Electronic Bondsmen Registry for all licenses, powers of appointment, and powers of attorney as required by G.S. 58-71-140. It would require the Commissioner of Insurance to give notification of the establishment of the Registry and would also require that all licensed professional bail bondsmen, surety bondsmen and runners register with the Registry. Registration with the statewide registry would replace the current county-level registration with the clerks of court and would allow all licensed professional bail bondsmen, surety bondsmen and runners to operate statewide rather than only in the counties in which they are registered.

The bill would also enable a statewide bar against the writing of bonds by anyone against whom a final judgment of forfeiture of a bond has been docketed.

¹ Adopted from the Bill Analysis prepared by Committee Counsel for the Senate Judiciary II Committee.

ASSUMPTIONS AND METHODOLOGY:

Fiscal Impact on Expenditures: This bill would require the Commissioner of Insurance and the Administrative Office of the Courts to establish a statewide Electronic Bondsmen Registry for all licenses, powers of appointment, and powers of attorney as required by G.S. 58-71-140. As prescribed in Article 71 of Chapter 58 of the General Statutes, the Commissioner of Insurance is responsible for the licensing of professional bail bondsmen, surety bondsmen, and runners. Also, as required by G.S. 58-71-115 and G.S. 58-71-125, every insurer and bail bondman must notify the Commissioner annually of appointments of surety bondmen and runners, respectively. In accordance with G.S. 58-71-140, professional bail bondsmen, surety bondsmen, and runners must also register with the clerk of superior court in the county in which they reside and with the clerk of superior court in each county in which they would like to write bonds.

Based on information provided by the Administrative Office of the Courts (AOC), the approach that is being considered is that persons licensed by the Commissioner would take the required registration documents (licenses and certified copies of powers of appointment and powers of attorney) to their local clerk of superior court only. The clerk would follow existing procedure to record the registration in the court civil automation system. With some relatively modest programming by AOC, that registration would be available to all clerks statewide. Both AOC and the Department of Insurance estimate that they can perform their responsibilities under the bill at no additional cost.

The bill also would enable a statewide bar against the writing of bonds by anyone against whom a final judgment of forfeiture of a bond has been docketed. The Administrative Office of the Courts also reported that their automated system records forfeiture judgments. It would take relatively modest programming to have the statewide-automated list of registered bondsmen, sureties, and runners reflect judgments issued by the counties. Again, it is estimated that this can be accomplished at little to no additional cost.

The Administrative Office of the Courts also reported that ways would also be considered for registrations to be communicated directly to AOC from the Department of Insurance (DOI) without the need for a registrant to take documents to the clerk. Though direct communication to AOC from DOI appears to be more efficient and less time consuming for the bondsmen, runners, and possibly for the clerks, Fiscal Research believes the approach described above is reasonable and will satisfy the requirements of the bill.

Fiscal Impact on Revenue: Currently, the clerks collect fees in connection with each registration. Because of the elimination of the requirement for multiple registrations, the fees would be reduced. However, AOC is unable to estimate the exact amount that is being collected now and therefore, cannot estimate the extent to which the collections would be reduced. AOC does, however, estimate that the amount involved is not significant.

SOURCES OF DATA: Administrative Office of the Courts, Department of Insurance

TECHNICAL CONSIDERATIONS: None

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Signed Copy Located in the NCGA Principal Clerk's Offices