

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2010

That the House recede from its amendments as printed on pages 1432 and 1433 of the Senate Journal and pages 1585 and 1586 of the House Journal and that Engrossed Senate Bill No. 2010 be amended as follows:

Page 1, line 3, replace the first "section" with "sections"

Page 1, line 3, after "26.1-01-09" insert ", 26.1-26.6-01, 26.1-26.6-04, 26.1-26.6-05, and subsection 4 of section 26.1-44-03.1"

Page 1, line 4, after "salary" insert ", bail bond agents, and surplus lines insurance filings"

Page 1, replace lines 12 through 16 with:

"Salaries and wages	\$8,019,514	\$923,583	\$8,943,097
Accrued leave payments	163,182	(163,182)	0
Operating expenses	2,858,008	(345,966)	2,512,042
Capital assets	0	90,000	90,000
Total special funds	\$11,040,704	\$504,435	\$11,545,139"

Page 2, after line 20, insert:

"SECTION 8. AMENDMENT. Section 26.1-26.6-01 of the North Dakota Century Code is amended and reenacted as follows:

26.1-26.6-01. Definition.

As used in this chapter, unless the context otherwise requires, "bail bond agent" means any person ~~who~~that has been licensed by the commissioner and appointed by an insurer by power of attorney to execute or countersign bail bonds for the insurer in connection with the judicial proceedings and charges and receives money for the services.

SECTION 9. AMENDMENT. Section 26.1-26.6-04 of the North Dakota Century Code is amended and reenacted as follows:

26.1-26.6-04. ~~Qualification~~Appointment and license as bail bond agent - Pledge of property as security - Penalty.

A person may not act in the capacity of a bail bond agent or perform any of the functions, duties, or powers prescribed for a bail bond agent under this chapter unless that person is ~~qualified~~appointed and licensed as provided in this chapter. However, this section does not prohibit any individual from pledging real or other property as security for a bail bond in judicial proceedings if the individual does not receive, or is not promised, money or other things of value therefor. Violation of this section is a class ~~BA~~ misdemeanor.

SECTION 10. AMENDMENT. Section 26.1-26.6-05 of the North Dakota Century Code is amended and reenacted as follows:

26.1-26.6-05. Violations - Penalties.

1. The commissioner may suspend, revoke, or refuse to continue, issue, or renew any license issued under this chapter if, after notice to the licensee and hearing, the commissioner finds as to the licensee any of the following conditions:
 - a. Recommending any particular attorney at law to handle the case in which the bail bond agent has caused a bond to be issued under this chapter.
 - b. Forging the name of another to a bond or application for bond.
 - c. Soliciting business in or about any place for prisoners or persons confined, arraigned, or in custody.
 - d. Paying a fee or rebate, or giving or promising anything of value to a jailer, trustee, police officer or officer of the law, or any other person who has power to arrest or hold in custody or to any public official or public employee in order to secure a settlement, compromise, remission, or reduction of the amount of any bail bond or entreatment thereof, or to secure, delay, or other advantage. This subdivision does not apply to a jailer, police officer, or officer of the law who is not on duty and who assists in the apprehension of a defendant.
 - e. Paying a fee or rebating or giving anything of value to an attorney in bail bond matters, except in defense of any action on a bond.
 - f. Accepting anything of value from a principal other than a premium. Provided, the bail bond agent may accept collateral security or other indemnity from the principal which must be returned immediately upon final termination of liability on the bond. Such collateral security or other indemnity required by the bail bond agent must be reasonable in relation to the amount of the bond.
 - g. Willfully failing to return collateral security to the principal when the principal is entitled to the security.
 - h. Knowingly employing a person whose insurance producer license has been revoked, suspended, or denied in this or any other state.
 - i. Knowingly or intentionally executing a bail bond without collecting in full a premium for the bond, at the premium rate as filed with and approved by the commissioner.
 - j. Failing to pay any forfeiture as directed by a court and as required by this chapter.
2. For purposes of subdivisions f and g of subsection 1, a bail bond agent shall monitor the status of bonds written by the bail bond agent to make timely return of the collateral security to the principal. It is not a defense to administrative action under this section that the bail bond agent did not know liability on the bond had been terminated or that the principal was entitled to return of the security.
3. A bail bond agent or bail bond agency may not advertise as or hold itself out to be a surety company.

- ~~3-4.~~ A bail bond agent may not sign nor countersign any blank in any bond, nor give up power of attorney to or otherwise authorize, anyone to countersign the bail bond agent's name to bonds.
- 4-5. When a bail bond agent accepts collateral, the bail bond agent shall give a written receipt for the collateral and this receipt must contain a full description of the collateral received in the terms of redemption. The bail bond agent shall keep copies of all receipts of the bonds to be placed in business to be available to the commissioner for the commissioner's review.
- 5-6. The provisions and penalties under this section are in addition to those provided under chapter 26.1-26.

SECTION 11. AMENDMENT. Subsection 4 of section 26.1-44-03.1 of the North Dakota Century Code is amended and reenacted as follows:

4. At the time of filing the ~~verified report~~ annual tax statement as set forth in section 26.1-44-06.1, each surplus lines producer shall pay the premium tax due for the policies written during the period covered by the ~~report~~ annual tax statement."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2010 - Insurance Department - Conference Committee Action

	Base Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Salaries and wages	\$8,019,514	\$8,980,738	(\$37,641)	\$8,943,097	\$8,943,097	
Operating expenses	2,858,008	2,512,042		2,512,042	2,512,042	
Capital assets		90,000		90,000	90,000	
Fire department grants	15,336,386	16,701,207		16,701,207	16,481,207	220,000
Accrued leave payments	163,182					
Total all funds	\$26,377,090	\$28,283,987	(\$37,641)	\$28,246,346	\$28,026,346	\$220,000
Less estimated income	26,377,090	28,283,987	(37,641)	28,246,346	28,026,346	220,000
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	49.50	49.50	0.00	49.50	49.50	0.00

Department No. 401 - Insurance Department - Detail of Conference Committee Changes

	Adjusts Funding for Health Insurance Premium Increases ¹	Total Conference Committee Changes
Salaries and wages	(\$37,641)	(\$37,641)
Operating expenses		
Capital assets		
Fire department grants		
Accrued leave payments		
Total all funds	(\$37,641)	(\$37,641)
Less estimated income	(37,641)	(37,641)
General fund	\$0	\$0
FTE	0.00	0.00

¹ Funding for employee health insurance premiums is adjusted to reflect the revised premium estimate of \$1,130.22 per month.

This amendment also:

- Adds 3 sections to amend North Dakota Century Code Sections 26.1-26.6-01, 26.1-26.6-04, and 26.1-26.6-05 relating to bail bond agents.
- Adds a section to amend Subsection 4 of Section 26.1-44-03.1 relating to surplus lines insurance filings.
- Does not include the change from the House version to remove funding of \$90,000 from the insurance tax distribution fund for increased grant funding for the North Dakota Firefighter's Association.
- Does not include the change from the House version to remove one-time funding of \$130,000 from the insurance tax distribution fund for a computerized database for the North Dakota Firefighter's Association.