Sixty-fourth Legislative Assembly of North Dakota
In Regular Session Commencing Tuesday, January 6, 2015

SENATE BILL NO. 2010
(Appropriations Committee)
(At the request of the Governor)

AN ACT to provide an appropriation for defraying the expenses of the insurance commissioner; to provide an appropriation for the distribution of funds from the insurance tax distribution fund; and to amend and reenact sections 26.1-01-09, 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 of the North Dakota Century Code, relating to the commissioner's salary, bail bond agents, and surplus lines insurance filings.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated from special funds derived from federal funds and other income, to the insurance commissioner for the purpose of defraying the expenses of that agency, for the biennium beginning July 1, 2015, and ending June 30, 2017, as follows:

	Base Level	Adjustments or Enhancements	Appropriation
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
Full-time equivalent positions	49.50	0.00	49.50

SECTION 2. APPROPRIATION. There is appropriated out of any moneys in the insurance tax distribution fund in the state treasury, not otherwise appropriated, the sum of $16,701,207 or so much of the sum as may be necessary, to the insurance commissioner for the purpose of providing payments, in accordance with provisions of section 18-04-05, to North Dakota fire departments in the amount of $15,681,207, and payments to the North Dakota firefighter's association in the amount of $1,020,000, of which, $130,000 is one-time funds, for the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 3. BONDING FUND. Section 1 of this Act includes $50,813 from the state bonding fund to pay bonding fund administrative expenses for the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 4. FIRE AND TORNADO FUND. Section 1 of this Act includes $1,660,748 from the state fire and tornado fund to pay fire and tornado fund administrative expenses, for the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 5. UNSATISFIED JUDGMENT FUND. Section 1 of this Act includes $29,062 from the state unsatisfied judgment fund to pay unsatisfied judgment fund administrative expenses for the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 6. PETROLEUM RELEASE COMPENSATION FUND. Section 1 of this Act includes $116,881 from the petroleum release compensation fund to pay petroleum release compensation fund administrative expenses for the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 7. AMENDMENT. Section 26.1-01-09 of the North Dakota Century Code is amended and reenacted as follows:

26.1-01-09. Salary of commissioner.

The annual salary of the commissioner is ~~ninety-six thousand seven hundred ninety-four dollars through June 30, 2014, and ninety-nine thousand six hundred ninety-eight~~one hundred two thousand six hundred eighty-nine dollars through June 30, 2016, and one hundred five thousand seven hundred seventy dollars thereafter.

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 ~~B~~A 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.

President of the Senate

Speaker of the House

Secretary of the Senate

Chief Clerk of the House

This certifies that the within bill originated in the Senate of the Sixty-fourth Legislative Assembly of North Dakota and is known on the records of that body as Senate Bill No. 2010.

Senate Vote:	Yeas 46	Nays 0	Absent 1
House Vote:	Yeas 86	Nays 2	Absent 6

Secretary of the Senate

Received by the Governor at 10:07 A.M. on April 27, 2015.

Approved at 3:28 P.M. on April 27, 2015.

Governor

Filed in this office this 27th day of April, 2015,

at 4:37 o'clock P M.

Secretary of State