

# GENERAL ASSEMBLY OF NORTH CAROLINA



Session 2009

## Legislative Fiscal Note

**BILL NUMBER:** Senate Bill 1056 (First Edition)

**SHORT TITLE:** Require Firearms Certification/Bail Bondsman.

**SPONSOR(S):** Senator Shaw

<b>FISCAL IMPACT</b>					
	<b>Yes (X)</b>	<b>No ( )</b>	<b>No Estimate Available ( )</b>		
	<b><u>FY 2009-10</u></b>	<b><u>FY 2010-11</u></b>	<b><u>FY 2011-12</u></b>	<b><u>FY 2012-13</u></b>	<b><u>FY 2013-14</u></b>
<b>EXPENDITURES</b>					
<b>GENERAL FUND</b>					
Department of Insurance			Indeterminate fiscal impact – See Assumptions & Methodology		
Department of Justice			No fiscal impact anticipated		
<b>PRINCIPAL DEPARTMENT(S) &amp; PROGRAM(S) AFFECTED:</b> Department of Insurance; Department of Justice					
<b>EFFECTIVE DATE:</b> October 1, 2009					

### **BILL SUMMARY:**

Creates a new GS 58-71-51 to require bail bondsmen to obtain a firearms registration permit, firearms training, and maintain liability insurance. More specifically, this bill:

#### Section 1

- Makes it unlawful for a bail bondsman to carry a firearm, in the performance of duties as a bail bondsman, without having been issued a permit to do so from the Commissioner of Insurance (Commissioner).
- Provides that an applicant must pay a \$50 fee and meet specific qualifications, including (1) completing a basic training course that consists of at least 20 hours of classroom training, (2) obtaining a qualifying score of 80% on a target course, and (3) being found to be mentally and physically capable of handling a firearm.
- Provides for circumstances in which a permit may be denied, suspended, or revoked.
- Sets forth procedures for renewing the permit.
- Requires that the permit be returned to the Commissioner within 15 days of termination of employment as an armed bail bondsman. The bail bondsman must carry the permit, with valid identification, at all times while engaged in practice as a bail bondsman and disclose that the individual is carrying the permit to law enforcement, when applicable.

- Requires that the Commissioner and Attorney General must adopt policies and guidelines related to implementing this section. Requires the licensee to have a specified amount of liability insurance (\$50,000/\$100,000/\$20,000).

#### Section 2

- Amends GS 58-71-55 to establish the \$50 nonrefundable application fee.

#### Section 3

- Provides currently licensed bail bondsmen 90 days from the effective date of the act to meet the requirements of the act and obtain a permit.

#### Section 4

- Makes the bill, if ratified, effective October 1, 2009.

### **ASSUMPTIONS AND METHODOLOGY:**

#### **Department of Insurance**

Although some additional personnel *may* be required to fulfill the requirements of Senate Bill 1056, the Department of Insurance is unable to calculate the exact fiscal impact of this bill.

The bill requires DOI to issue permits year-round, as the expiration date is based on the date that the permit was issued. The North Carolina Bail Agents Association reported 1,271 registered bail agents in North Carolina as of February 2009. DOI indicated that, if the volume of permits issued is sufficient, additional staff may be required to process and issue the permits year-round. However, it is the opinion of Fiscal Research that the time and materials needed to process 1,271 applications throughout the year (approximately 100 applications per month) can be absorbed into the agency's current workload and budget. Thus there will be no additional personnel costs generated by this requirement of the bill.

DOI does not currently offer continuing education programs concerning firearms. Typically, it is local or state law enforcement agencies that conduct such programs; in the State's case, DOI would need to coordinate with the Department of Justice Academies in order to establish guidelines and training programs as required by this bill. DOI is unable to estimate the potential cost of such a collaboration.

In cases where a bondsman is convicted of any of the offenses listed in section (j), DOI already has processes in place to suspend or revoke the bail bonding license. DOI would likely also be required to automatically cancel permits if a license is suspended or revoked. Currently, DOI cannot cancel, revoke, or suspend a bail bonding license outside of the administrative hearing process; if the same is true for the permits referenced in Senate Bill 1056, then the participation of multiple DOI staff members as well as an Assistant Attorney General will be needed to carry the additional workload. However, denial of a weapons permit would be a decision for which a licensee *could* request an administrative hearing; thus is it impossible to project the potential number of such cases and their costs.

If a bondsman's liability policy is cancelled, both the permit and the bail bond license must also be cancelled. In such cases, an administration hearing would be needed to revoke or cancel the bail bond license. Typically, these hearings are handled internally; however, if a significant number of bondsmen elect to secure permits, DOI may need additional staff to handle the additional workload. It is not possible to project the number of administrative hearings that may be generated by this requirement of SB 1056.

#### **Department of Justice**

The Department of Justice does not expect to incur a material fiscal impact if this proposed bill becomes law.

**SOURCES OF DATA:** Department of Insurance, Department of Justice, North Carolina Bail Agents Association

**TECHNICAL CONSIDERATIONS:**

**Department of Insurance (DOI)**

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The term “termination” is not clearly defined and thus may be interpreted to include:

- the loss (revocation or suspension) of the bail bonding license, and/or
- the loss of all surety appointments (this would assume that the surety bondsman would have to lose *all* of his/her appointments in order to qualify as terminated.)

It is unclear how this bill would apply to self-employed professional bondsmen.

*Page 3, Lines 3-11*

This section needs to include references to the permit.

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**DATE:** May 1, 2009



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