

## Article 71.

### Bail Bondsmen and Runners.

#### § 58-71-1. Definitions.

The following definitions apply in this Article:

- (1) 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.
- (1a) Approved provider. – A person or entity whose certificate of authority issued by the Commissioner to provide either bail bond continuing education or prelicensing courses in this state in accordance with G.S. 58-71-72 was in effect on May 15, 2015, and remains in effect. The certificate of authority issued by the Commissioner to any such person or entity is not transferable or assignable to any other person or entity nor are the benefits or any part thereof transferable or assignable to any other person or entity.
- (2) 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. – A surety bondsman, professional bondsman or an accommodation bondsman as defined in this section.
- (4) Commissioner. – The North Carolina Commissioner of Insurance.
- (4a) 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. – 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. – A principal or a surety on a bail bond.
- (6a) Premium. – An amount of money paid in exchange for a bail bondsman's services in writing a bail bond.
- (7) 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. – 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 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. – A person employed by a bail bondsman for the purpose of assisting the bail bondsman in presenting the defendant in court when required, assisting in the apprehension and surrender of defendant to the court, keeping the defendant under necessary surveillance, or executing bonds on behalf of the licensed bondsman when the power of attorney has been duly recorded. "Runner" does not include a duly licensed attorney-at-law or a law-enforcement officer assisting a bondsman.
- (9a) 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. – One who, with the principal, is liable for the amount of the bail bond upon forfeiture of bail.
- (11) 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. (1963, c. 1225, s. 1; 1975, c. 619, s. 1; 1995 (Reg. Sess., 1996), c. 726, s. 1; 1998-182, s. 16; 2000-180, ss. 1, 2; 2001-269, s. 2.1; 2007-228, s. 1; 2015-247, s. 13(a); 2019-179, s. 7(a).)

**§ 58-71-5. Commissioner of Insurance to administer Article; rules and regulations; employees; evidence of Commissioner's actions.**

(a) The Commissioner shall have full power and authority to administer the provisions of this Article, which regulates bail bondsmen and runners and to that end to adopt and promulgate rules and regulations to enforce the purposes and provisions of this Article. Subject to the provisions of the North Carolina Human Resources Act, the Commissioner may employ and discharge such employees, examiners, investigators and such other assistants as shall be deemed necessary, and he shall prescribe their duties.

(b) Any written instrument purporting to be a copy of any action, proceeding, or finding of fact by the Commissioner, or any record of the Commissioner authenticated under the head of the Commissioner by the seal of his office shall be accepted by all the courts of this State as *prima facie* evidence of the contents thereof. (1963, c. 1225, s. 2; 1975, c. 619, s. 1; 2013-382, s. 9.1(c).)

**§ 58-71-10. Defects not to invalidate undertakings; liability not affected by agreement or lack of qualifications.**

(a) No undertaking shall be invalid because of any defect of form, omission or recital or of condition, failure to note or record the default of any principal or surety, or because of any other irregularity, if it appears from the tenor of the undertaking before what magistrate or at what court

the principal was bound to appear, and that the official before whom it was entered into was legally authorized to take it and the amount of bail is stated.

(b) The liability of a person on an undertaking shall not be affected by reason of the lack of any qualifications, sufficiency or competency provided in the criminal procedure law, or by reason of any other agreement whether or not the agreement is expressed in the undertaking, or because the defendant has not joined in the undertaking. (1963, c. 1225, s. 3; 1975, c. 619, s. 1; 2001-269, s. 2.2.)

#### **§ 58-71-15. Qualifications of sureties on bail.**

Each and every surety for the release of a person on bail shall be qualified as:

- (1) An insurer and represented by a surety bondsman or bondsmen; or
- (2) A professional bondsman; or
- (3) An accommodation bondsman. (1963, c. 1225, s. 4; 1971, c. 1231, s. 1; 1975, c. 619, s. 1.)

#### **§ 58-71-16. No return of premium; bond reduction.**

Notwithstanding any other provision of law or rules adopted by the Commissioner under this Article, if, after an agreement has been entered into between a defendant and a surety, the defendant's bond is reduced, the surety shall not be required to return any portion of the premium to the defendant. (2011-377, s. 1.)

#### **§ 58-71-20. Surrender of defendant by surety; when premium need not be returned.**

At any time before there has been a breach of the undertaking in any type of bail or fine and cash bond the surety may surrender the defendant to the sheriff of the county in which the defendant is bonded to appear or to the sheriff where the defendant was bonded; in such case the full premium shall be returned within 72 hours after the surrender. The defendant may be surrendered without the return of premium for the bond if the defendant does any of the following:

- (1) Willfully fails to pay the premium to the surety or willfully fails to make a premium payment under the agreement specified in G.S. 58-71-167.
- (2) Changes his or her address without notifying the surety before the address change.
- (3) Physically hides from the surety.
- (4) Leaves the State without the permission of the surety.
- (5) Violates any order of the court.
- (6) Fails to disclose information or provides false information regarding any failure to appear in court, any previous felony convictions within the past 10 years, or any charges pending in any State or federal court.
- (7) Knowingly provides the surety with incorrect personal identification, or uses a false name or alias. (1963, c. 1225, s. 5; 1975, c. 619, s. 1; 1998-211, s. 30; 2001-269, s. 2.3; 2007-399, s. 1.)

#### **§ 58-71-25. Procedure for surrender.**

After there has been a breach of the undertaking in a bail bond, the surety may surrender the defendant as provided in G.S. 15A-540. (1963, c. 1225, s. 6; 1975, c. 619, s. 1; 2000-133, s. 7.)

#### **§ 58-71-30. Arrest of defendant for purpose of surrender.**

For the purpose of surrendering the defendant, the surety may arrest him before the forfeiture of the undertaking, or by his written authority endorsed on a certified copy of the undertaking, may request any judicial officer to order arrest of the defendant. (1963, c. 1225, s. 7; 1975, c. 619, s. 1.)

### **§ 58-71-35. Forfeiture of bail.**

(a) Except for bonds issued to secure the return of a motor vehicle subject to forfeiture in accordance with G.S. 20-28.3(e), the procedure for forfeiture of bail shall be that provided in Article 26 of Chapter 15A of the General Statutes and all provisions of that Article shall continue in full force and effect.

(b) At any time before execution is issued on a judgment of forfeiture against a principal or his surety, the court may direct that the judgment be remitted in whole or in part, upon such conditions as the court may impose, if it appears that justice requires the remission of part or all of the judgment. (1963, c. 1225, s. 8; 1975, c. 619, s. 1; 1998-182, s. 17.)

### **§ 58-71-40. Bail bondsmen and runners to be qualified and licensed; license applications generally.**

(a) No person shall act in the capacity of a professional bondsman, surety bondsman, or runner or perform any of the functions, duties, or powers prescribed for professional bondsmen, surety bondsmen, or runners under this Article unless that person is qualified and licensed under this Article. No license shall be issued under this Article except to an individual natural person.

(b) The applicant shall apply for a license on forms prepared and supplied by the Commissioner. The Commissioner may propound any reasonable interrogatories to an applicant for a license under this Article about the applicant's qualifications, residence, prospective place of business, and any other matters that the Commissioner considers necessary to protect the public and ascertain the qualifications of the applicant. The Commissioner may also conduct any reasonable inquiry or investigation relative to the determination of the applicant's fitness to be licensed or to continue to be licensed.

(c) A person whose application is denied may reapply, but the Commissioner shall not consider more than one application submitted by the same person within any one-year period.

(d) When a license is issued under this section, the Commissioner shall issue a picture identification card, of design, size, and content approved by the Commissioner, to the licensee. Each licensee must carry this card at all times when working in the scope of the licensee's employment. A licensee whose license terminates or is terminated shall surrender the identification card to the Commissioner within 10 working days after the termination. The Commissioner may contract directly with persons for the processing and issuance of picture identification cards required by this section and may charge a reasonable fee in addition to the license fee charged under G.S. 58-71-55 in an amount that offsets the cost of the service, including the costs associated with the contract authorized by this subsection. Contracts entered into pursuant to this subsection shall not be subject to Article 3 of Chapter 143 of the General Statutes. However, the Commissioner shall: (i) submit all proposed contracts for supplies, materials, printing, equipment, and contractual services that exceed one million dollars (\$1,000,000) authorized by this subsection to the Attorney General or the Attorney General's designee for review as provided in G.S. 114-8.3; and (ii) include in all contracts to be awarded by the Commissioner under this subsection a standard clause which provides that the State Auditor and internal auditors of the Commissioner may audit the records of the contractor during and after the term of the contract to verify accounts and data

affecting fees and performance. The Commissioner shall not award a cost plus percentage of cost agreement or contract for any purpose.

(d1) While engaged in official duties, a licensee is authorized to carry, possess, and display a shield as described in this subsection. The shield shall fulfill all of the following requirements:

- (1) Be an exact duplicate in size, shape, color, and design of the shield approved under G.S. 74C-5(12) and pictured in 12 NCAC 07D. 0405 on May 1, 2013, except that the design may be altered by stamping, inlaying, embossing, enameling, or engraving to accommodate the license number. With respect to size of the shield, the shield shall be 1.88 inches wide and 2.36 inches high.
- (2) Include the licensee's last name and corresponding license number in the same locations as the shield referenced in subdivision (1) of this subsection.
- (3) With reference to the shield described in subdivision (1) of this subsection, in lieu of the word "Private," the shield shall have the words "North Carolina," and in lieu of the word "Investigator," the shield shall have the words "Bail Agent."

Any shield that deviates from the design requirements as specified in this section shall be an unauthorized shield and its possession by a licensee shall constitute a violation of the statute by the licensee.

(e) This section does not prohibit the hiring of personnel by a bail bondsman to perform only normal office duties. As used in this subsection, "normal office duties" do not include acting as a bail bondsman or runner. (1963, c. 1225, s. 9; 1975, c. 619, s. 1; 1995 (Reg. Sess., 1996), c. 726, s. 2; 2001-269, s. 2.4; 2007-507, s. 11; 2010-194, s. 10; 2011-326, s. 15(j); 2013-209, s. 1; 2014-120, s. 12(a).)

#### **§ 58-71-41. First-year licensees; limitations.**

(a) Except as provided in this section, a first-year licensee shall have the same authority as other persons licensed as bail bondsmen or runners under this Article. Except as provided in subsection (d) of this section, a first-year licensee shall operate only under the supervision of and from the official business address of a licensed supervising bail bondsman for the first 12 months of licensure. A first-year licensee may only be employed by or contract with one supervising bail bondsman.

(b) When a first-year licensee has completed 12 months of supervision, six of which shall be uninterrupted, the supervising bail bondsman shall give notice of that fact to the Commissioner in writing. If the licensee will continue to be employed by or contract with the supervising bail bondsman beyond the initial 12-month period, the supervising bail bondsman shall continue to supervise and be responsible for the licensee's acts.

(c) If the employment of or contract with a first-year licensee is terminated, the supervising bail bondsman shall notify the Commissioner in writing and shall specify the reason for the termination.

(d) If, after exercising due diligence, a first-year licensed bail bondsman is unable to become employed by or to contract with a supervising bail bondsman, the first-year licensed bail bondsman must submit to the Department a sworn affidavit stating the relevant facts and circumstances regarding the first-year licensed bail bondman's inability to become employed by or contract with a supervising bail bondsman. The Department shall review the affidavit and determine whether the first-year licensed bail bondsman will be allowed to operate as an unsupervised bail bondsman. A first-year licensed bail bondsman is prohibited from becoming a supervising bail bondsman during the first two years of licensure.

(e) Provided all other licensing requirements are met, an applicant for a bail bondsman or runner's license who has previously been licensed with the Commissioner for a period of at least 18 consecutive months and who has been inactive or unlicensed for a period of not more than three consecutive years shall not be deemed a new licensee for purposes of this section. (2000-180, s. 3.)

**§ 58-71-45. Terms of licenses.**

A license issued to a bail bondsman or to a runner authorizes the licensee to act in that capacity until the license is lapsed, suspended or revoked. The licensee shall return the license to the Commissioner within 10 working days of the lapse, suspension, or revocation of the license. A license of a bail bondsman and a license of a runner shall be renewed in accordance with G.S. 58-71-75. After notifying the Commissioner in writing, a professional bondsman who employs a runner may cancel the runner's authority to act for the professional bondsman. (1963, c. 1225, s. 10; 1975, c. 619, s. 1; 1995 (Reg. Sess., 1996), c. 726, s. 3; 2009-536, ss. 1, 6; 2009-566, s. 14; 2019-179, s. 7(b).)

**§ 58-71-50. Qualification for bail bondsmen and runners.**

(a) Criminal History Record Check. – Upon receipt of an application for a license as a bail bondsman or runner, the Commissioner shall conduct a criminal history record check in accordance with G.S. 58-71-51 to determine whether the applicant meets the requirements for a license as provided in this section.

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

- (1) Be 21 years of age or over.
- (1a) Have obtained a high school diploma or its equivalent.
- (2) Be a resident of this State.
- (3) Repealed by Session Laws 1998-211, s. 23, effective November 1, 1998.
- (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.
- (9) Be a legal resident or a documented citizen of the United States of America.

(c) Proof of Residency. – An applicant for a license as a bail bondsman or runner shall provide to the Commissioner at least two of the documents listed in this subsection as proof of residency in this State. Subject to rules adopted by the Commissioner, an applicant may be required to provide additional documentation. The permissible documents are:

- (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. (1963, c. 1225, s. 11; 1971, c. 1231, s. 1; 1975, c. 619, s. 1; 1987, c. 728, s. 1; 1989, c. 485, s. 39; 1991, c. 720, s. 41; 1995 (Reg. Sess., 1996), c. 726, s. 4; 1998-211, s. 23; 2007-228, ss. 2, 3; 2009-536, ss. 2, 6; 2009-566, s. 12; 2015-180, s. 1; 2022-73, s. 1(a).)

#### **§ 58-71-51. Criminal history record checks.**

(a) Authorization. – The State Bureau of Investigation may provide a criminal history record check to the Commissioner for a person who has applied to the Commissioner for a new or renewal license as a bail bondsman or runner. The Commissioner shall provide to the State Bureau of Investigation, along with the request, the fingerprints of the new or renewal applicant. The applicant shall furnish the Commissioner with a complete set of the applicant's fingerprints in a manner prescribed by the Commissioner. The State Bureau of Investigation shall provide a criminal history record check based upon the new or renewal applicant's fingerprints. The Commissioner shall provide any additional information required by the State Bureau of Investigation and a form signed by the applicant consenting to the check of the criminal record and to the use of the fingerprints and other identifying information required by the State or national repositories. The new or renewal applicant's fingerprints shall be used by the State Bureau of Investigation for a search of the State's criminal history record file, and the State Bureau of Investigation shall forward a set of the fingerprints to the Federal Bureau of Investigation for a national criminal history check. The State Bureau of Investigation may charge each new or renewal applicant a fee for conducting the checks of criminal history records authorized by this subsection.

(b) Confidentiality. – The Commissioner shall keep all information obtained pursuant to this section confidential in accordance with applicable State law and federal guidelines, and the information shall not be a public record under Chapter 132 of the General Statutes. (2009-536, s. 3; 2014-100, s. 17.1(o); 2023-134, s. 19F.4(tt).)

#### **§ 58-71-55. License fees.**

A nonrefundable license fee of two hundred dollars (\$200.00) shall be paid to the Commissioner with each application for license as a bail bondsman and a license fee of one hundred twenty dollars (\$120.00) shall be paid to the Commissioner with each application for license as a runner. (1963, c. 1225, s. 12; 1975, c. 619, s. 1; 1983, c. 790, s. 11; 1991, c. 721, s. 4; 1995 (Reg. Sess., 1996), c. 726, s. 5; 2009-451, s. 21.7(a).)

#### **§ 58-71-60: Repealed by Session Laws 1995 (Regular Session, 1996), c. 726, s. 6.**

#### **§ 58-71-65. Contents of application for runner's license; endorsement by professional bondsman.**

In addition to the other requirements of this Article, an applicant for a license to be a runner must affirmatively show:

- (1) That the applicant will be employed by only one professional bondsman, who will supervise the work of the applicant and be responsible for the runner's conduct in the bail bond business.
- (2) That the application is endorsed by the appointing professional bondsman, who must agree in the application to supervise the runner's activities.
- (3) Whether or not the applicant has ever been licensed as a bail bondsman or runner. An applicant who has been licensed as a bail bondsman must list all outstanding bail bond obligations. An applicant who has been licensed as a runner must list all prior employment as such, indicating the name of each supervising professional bondsman and the reasons for the termination of the employment. (1963, c. 1225, s. 14; 1975, c. 619, s. 1; 1987, c. 728, s. 2; 1995 (Reg. Sess., 1996), c. 726, s. 7.)

#### **§ 58-71-70. Examination; fees.**

Each applicant for a license as a professional bondsman, surety bondsman, or runner shall appear in person and take an examination prepared by the Commissioner testing the applicant's ability and qualifications. Each applicant is eligible for examination 30 days after the date the application is received by the Commissioner. If an applicant is unable to complete the examination requirement within 30 days after notification from the Commissioner of the applicant's eligibility to take the examination, the applicant shall again be subject to the criminal history record check prescribed by G.S. 58-71-50(a) so that current information is available for review with the application. Each examination shall be held at a time and place as designated by the Commissioner. Each applicant shall be given notice of the designated time and place no sooner than 15 days before the examination. The Commissioner may contract with a person to process applications for the examination and administer and grade the examination in the same manner as for agent examinations under Article 33 of this Chapter.

The fee for each examination is twenty-five dollars (\$25.00) plus an amount that offsets the cost of any contract for examination services. This examination fee is nonrefundable.

Any applicant who fails to pass the examination shall within 90 days be entitled to reexamination upon the payment of an additional examination fee. If the applicant fails to pass the reexamination, the applicant shall file a new application before the applicant can again be examined. One year must intervene from the date of the reexamination before the applicant is allowed to file a new application. (1963, c. 1225, s. 15; 1975, c. 619, s. 1; 1991, c. 721, s. 5; 1995 (Reg. Sess., 1996), c. 726, s. 8; 2009-566, s. 13; 2022-73, s. 2.)

#### **§ 58-71-71. Examination; educational requirements; penalties.**

(a) In order to be eligible to take the examination required to be licensed as a runner or bail bondsman under G.S. 58-71-70, each person shall complete at least 12 hours of education as provided by an approved provider in subjects pertinent to the duties and responsibilities of a runner or bail bondsman, including all laws and regulations related to being a runner or bail bondsman.

(b) Each year by June 30 every licensee shall complete at least three hours of continuing education as provided by an approved provider in subjects related to the duties and responsibilities of a runner or bail bondsman. This continuing education shall not include a written or oral examination. A person who receives his or her first license on or after January 1 of any year does not have to comply with this subsection until June 30 of the following year.

(c) Any person licensed as a runner or bail bondsman before January 1, 1994, is not subject to the prelicensing education requirement of this section, but is subject to the continuing education requirement of this section. A licensed runner or bail bondsman who is 65 years of age or older and who has been licensed as a runner or bail bondsman for 15 years or more is exempt from both the prelicensing education and continuing education requirements of this section.

(d) Educational courses offered by an approved provider under this section must be approved by the Commissioner before they may be offered. Before approving a course, the Commissioner must be satisfied that the course will enhance the professional competence and professional responsibility of bail bondsmen and runners. Approved providers shall not offer, sponsor, or conduct any course under this section unless the Commissioner has given authorization to do so. The Commissioner shall not authorize educational courses to be offered solely online.

(e) The license of any person who fails to comply with the continuing education requirements under this section shall lapse. The Commissioner may, for good cause shown, grant extensions of time to licensees to comply with these requirements. Any licensee who, after obtaining an extension under this subsection, offers evidence satisfactory to the Commissioner that the licensee has satisfactorily completed the required continuing professional education courses is in compliance with this section.

(f) The Commissioner may adopt rules for the effective administration of this section. (1993, c. 409, s. 22; 1993 (Reg. Sess., 1994), c. 678, s. 32; 1995 (Reg. Sess., 1996), c. 726, s. 9; 1998-211, ss. 25, 26, 28; 2004-124, s. 21.3; 2012-183, s. 1; 2015-247, s. 13(b); 2018-120, s. 4.7.)

### **§ 58-71-72. Qualifications of instructors.**

(a) A person who provides, presents, or instructs a prelicensing course or continuing education course under G.S. 58-71-71 must have a certificate of authority issued by the Commissioner. The Commissioner may establish requirements for the issuance or renewal of a certificate of authority and grounds for the summary suspension or termination of a certificate of authority.

(b) The Commissioner may summarily suspend or terminate a certificate of authority to provide, present, or instruct a course if the Commissioner finds that the course is inaccurate or it received a poor evaluation from both a Department monitor and a majority of those who attended the course and responded to a Department questionnaire about the course. (1995 (Reg. Sess., 1996), c. 726, s. 10.)

### **§ 58-71-75. License renewal; criminal history record checks; renewal fees.**

(a) Biennial Renewal. – A license of a bail bondsman and a license of a runner shall be renewed on July 1 of each even year upon payment of the applicable biennial renewal fee. In addition to paying the biennial renewal fee, an applicant seeking renewal must submit an application for renewal in accordance with this section. The Commissioner is not required to print renewal licenses.

(b) Renewal Application. – In even-numbered years, a bail bondsman or runner seeking to renew a license shall provide the Commissioner prior to the expiration date of the bail bondsman's or runner's current license, all of the following:

- (1) A renewal application containing all of the following:
  - a. Proof that the applicant is a resident of this State as required by G.S. 58-71-50(c).

- b. Proof that the applicant meets the qualifications set out in G.S. 58-71-50(b)(5) through G.S. 58-71-50(b)(7).
- c. The information required by G.S. 58-2-69.

(2) The biennial renewal fee as provided in subsection (d) of this section.

(3) Repealed by Session Laws 2016-107, s. 4, effective July 22, 2016.

(c) **Criminal History Record Check.** – For every other biennial license renewal cycle, the Commissioner shall conduct a criminal history record check of the applicant seeking renewal in accordance with G.S. 58-71-51. Along with the renewal application requirements provided in subsection (b) of this section, a bail bondsman or runner seeking to renew a license every other biennial license renewal cycle shall provide the Commissioner with a complete set of fingerprints of the bail bondsman or runner and a fee to cover the cost of conducting the criminal history record check. The fingerprints shall be submitted in the manner prescribed by the Commissioner and shall be certified by an authorized law enforcement officer.

(d) **Fee.** – The renewal fee for a runner's license is one hundred twenty dollars (\$120.00). The renewal fee for a bail bondsman's license is two hundred dollars (\$200.00). A renewed license continues in effect until suspended or revoked for cause. (1963, c. 1225, s. 16; 1975, c. 619, s. 1; 1991, c. 721, s. 6; 1995 (Reg. Sess., 1996), c. 726, s. 11; 2009-536, s. 4; 2010-96, s. 10; 2016-107, s. 4.)

**§ 58-71-80. Grounds for denial, suspension, probation, revocation, or nonrenewal of licenses.**

(a) The Commissioner may deny, place on probation, suspend, revoke, or refuse to renew any license issued under this Article, in accordance with the provisions of Article 3A of Chapter 150B of the General Statutes, for any one or more of the following causes:

- (1) For any cause sufficient to deny, suspend, or revoke the license under any other provision of this Article.
- (2) A conviction of any misdemeanor committed in the course of dealings under the license issued by the Commissioner.
- (3) Material misstatement, misrepresentation or fraud in obtaining the license.
- (4) Misappropriation, conversion or unlawful withholding of moneys belonging to insurers or others and received in the conduct of business under the license.
- (5) Fraudulent, coercive, or dishonest practices in the conduct of business or demonstrating incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in this State or any other jurisdiction.
- (6) Conviction of a crime involving dishonesty, breach of trust, or moral turpitude.
- (7) Failure to comply with or violation of the provisions of this Article or of any order, subpoena, rule or regulation of the Commissioner or person with similar regulatory authority in another jurisdiction.
- (8) When in the judgment of the Commissioner, the licensee has in the conduct of the licensee's affairs under the license, demonstrated incompetency, financial irresponsibility, or untrustworthiness; or that the licensee is no longer in good faith carrying on the bail bond business; or that the licensee is guilty of rebating, or offering to rebate, or offering to divide the premiums received for the bond.
- (9) For failing to pay any judgment or decree rendered on any forfeited undertaking in any court of competent jurisdiction.
- (10) For charging or receiving, as premium or compensation for the making of any deposit or bail bond, any sum in excess of that permitted by this Article.

- (11) For requiring, as a condition of executing a bail bond, that the principal agree to engage the services of a specified attorney.
- (12) For cheating on an examination for a license under this Article.
- (13) For entering into any business association or agreement with any person who is at that time found by the Commissioner to be in violation of any of the bail bond laws of this State, or who has been in any manner disqualified under the bail bond laws of this State or any other state, whereby the person has any direct or indirect financial interest in the bail bond business of the licensee or applicant.
- (14) For knowingly aiding or abetting others to evade or violate the provisions of this Article.
- (14a) Having any professional license denied, suspended, or revoked in this State or any other jurisdiction for causes substantially similar to those listed in this subsection.
- (14b) Violation of (i) any law governing bail bonding or insurance in this State or any other jurisdiction or (ii) any rule of the Financial Industry Regulatory Authority (FINRA).
- (14c) Failure to comply with an administrative order or court order imposing a child support obligation after entry of a final judgment or order finding the violation to have been willful.
- (14d) Failure to pay State or federal income tax or any liens that result from such failure to comply with any administrative or court order directing payment of State or federal income tax after entry of a final judgment or order.
- (14e) Forging another's name to any document related to a bail bond transaction.
- (15) Any cause for which issuance of the license could have been refused had it then existed and been known to the Commissioner at the time of issuance.

(b) The Commissioner shall deny, revoke, or refuse to renew any license under this Article if the applicant or licensee is or has ever been convicted of a felony.

(b1) The Commissioner shall revoke or refuse to renew any license under this Article if the licensee has been convicted on or after October 1, 2009, of a misdemeanor drug violation under Article 5 of Chapter 90 of the General Statutes.

(b2) The Commissioner shall deny any license under this Article if the applicant has been convicted of a misdemeanor drug violation under Article 5 of Chapter 90 of the General Statutes within the previous 24 months of the date of the application for the license.

(c) In the case of a first-year licensee whose employment or contract is terminated prior to the end of the 12-month supervisory period, the Commissioner may consider all information provided in writing by the supervising bail bondsman in determining whether sufficient cause exists to suspend, revoke, or refuse to renew the license or to warrant criminal prosecution of the first-year licensee. If the Commissioner determines there is not sufficient cause for adverse administrative action or criminal prosecution, the termination shall not be deemed an interruption and the period of time the licensee was employed by or contracted with the terminating supervising bail bondsman will be credited toward the licensee's completion of the required 12 months of supervision with a subsequent supervising bail bondsman.

(d) The Commissioner shall retain the authority to enforce the provisions of, and impose any penalty or remedy authorized by, this Chapter against any person who is under investigation for or charged with a violation of this Chapter even if the person's license or registration has been surrendered or has lapsed.

(e) Notwithstanding the notice and hearing requirements of subsection (a) of this section or G.S. 58-71-85, and in addition to the authority granted to the Commissioner under G.S. 150B-3, the Commissioner may order summary suspension of a license upon a written finding of good cause to believe that emergency action is required to protect the public health, safety, or welfare or to avoid a significant risk of unsatisfied bond forfeitures. The order shall be effective on the date specified in the order or upon service of the certified copy of the order at the last known address of the licensee, whichever is later, and shall remain effective during the proceedings to suspend, revoke, or refuse renewal provided for in this section. Those proceedings shall be promptly commenced and determined. (1963, c. 1225, s. 17; 1975, c. 619, s. 1; 1989, c. 485, s. 40; 1991, c. 644, s. 17; 1993, c. 409, s. 16; 1998-211, s. 24; 2000-180, s. 4; 2009-536, s. 5; 2011-377, s. 2; 2016-107, s. 3.)

#### **§ 58-71-81. Notice of receivership.**

Upon the filing for protection under the United States Bankruptcy Code or any state receivership law by any bail bondsman licensed under this Article or by any bail bond business in which the bondsman holds a position of management or ownership, the bondsman shall notify the Commissioner of the filing for protection within three business days after the filing. Upon the appointment of a receiver by a State or federal court for any professional bondsman licensed under this Article, or for any bail bond business in which the bondsman holds a position of management or ownership, the bondsman shall notify the Commissioner of the filing for protection within three business days after the filing. The failure to notify the Commissioner within three business days after the filing for bankruptcy protection shall, after hearing, cause the license of any person failing to make the required notification to be suspended for a period of not less than 60 days nor more than three years, in the discretion of the Commissioner. (1993, c. 409, s. 17; 1995 (Reg. Sess., 1996), c. 726, s. 12.)

#### **§ 58-71-82. Dual license holding.**

If an individual holds a professional bondsman's license or a runner's license and a surety bondsman's license simultaneously, they are considered one license for the purpose of disciplinary actions involving suspension, revocation, or nonrenewal under this Article. Separate renewal fees must be paid for each license, however. Nothing in this Article shall be construed to prohibit a person from simultaneously holding a professional bondsman's license and a runner's license. (1995 (Reg. Sess., 1996), c. 726, ss. 13, 15; 1999-132, s. 5; 2011-377, s. 3.)

#### **§ 58-71-85. License sanction and denial procedures.**

(a) The suspension or revocation of, or refusal to renew, any license under G.S. 58-71-80 shall be in accordance with the provisions of Chapter 150B of the General Statutes.

(b) Whenever the Commissioner denies an initial application for a license or an application for a reissuance of a license, the Commissioner shall notify the applicant and advise, in writing, the applicant of the reasons for the denial of the license. The application may also be denied for any reason for which a license may be suspended or revoked or not renewed under G.S. 58-71-80(a). In order for an applicant to be entitled to a review of the Commissioner's action to determine the reasonableness of the action, the applicant must make a written demand upon the Commissioner for a review no later than 30 days after service of the notification upon the applicant. The review shall be completed without undue delay, and the applicant shall be notified promptly in writing of the outcome of the review. In order for an applicant who disagrees with the outcome of the review

to be entitled to a hearing under Article 3A of Chapter 150B of the General Statutes, the applicant must make a written demand upon the Commissioner for a hearing no later than 30 days after service upon the applicant of the notification of the outcome. (1963, c. 1225, s. 18; 1975, c. 619, s. 1; 1989, c. 485, s. 33; 1993, c. 504, s. 33; 1998-211, s. 29; 2005-240, s. 2.)

**§ 58-71-90. Repealed by Session Laws 1999-132, s. 1.1.**

**§ 58-71-95. Prohibited practices.**

No bail bondsman or runner shall:

- (1) Pay a fee or rebate or give or promise anything of value, directly or indirectly, to a jailer, law-enforcement officer, committing magistrate, 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 the forfeiture thereof, including the payment to law-enforcement officers, directly or indirectly, for the arrest or apprehension of a principal or principals who have caused or will cause a forfeiture.
- (2) Pay a fee or rebate or give anything of value to an attorney in bail bond matters, except in defense of any action on a bond.
- (3) Pay a fee or rebate or give or promise anything of value to the principal or anyone in his behalf.
- (4) Participate in the capacity of an attorney at a trial or hearing of one on whose bond he is surety, nor suggest or advise the employment of, or name for employment any particular attorney to represent his principal.
- (5) Accept anything of value from a principal or from anyone on behalf of a principal except the premium, which shall not exceed fifteen percent (15%) of the face amount of the bond; provided that the bondsman shall be permitted to accept collateral security or other indemnity from a principal or from anyone on behalf of a principal. Such collateral security or other indemnity required by the bondsman must be reasonable in relation to the amount of the bond and shall be returned within 15 days after final termination of liability on the bond. Any bail bondsman who knowingly and willfully fails to return any collateral security, the value of which exceeds one thousand five hundred dollars (\$1,500), is guilty of a Class I felony. All collateral security, such as personal and real property, subject to be returned must be done so under the same conditions as requested and received by the bail bondsman.
- (6) Solicit business in any of the courts or on the premises of any of the courts of this State, in the office of any magistrate and in or about any place where prisoners are confined. Loitering in or about a magistrate's office or any place where prisoners are confined shall be *prima facie* evidence of soliciting.
- (7) Advise or assist the principal for the purpose of forfeiting bond.
- (8) Impersonate a law-enforcement officer.
- (9) Falsely represent that the bail bondsman or runner is in any way connected with an agency of the federal government or of a state or local government. (1963, c. 1225, s. 20; 1975, c. 619, s. 1; 1993, c. 409, s. 18; 1995 (Reg. Sess., 1996), c. 726, s. 16; 1998-211, s. 31; 2000-180, s. 5; 2015-180, s. 2.)

**§ 58-71-100. Receipts for collateral; trust accounts.**

(a) When a bail bondsman accepts collateral he shall give a written receipt for the collateral. The receipt shall give in detail a full description of the collateral received. Collateral security shall be held and maintained in trust. When collateral security is received in the form of cash or check or other negotiable instrument, the licensee shall deposit the cash or instrument within two banking days after receipt, in an established, separate noninterest-bearing trust account in any bank located in North Carolina. The trust account funds under this section shall not be commingled with other operating funds.

(b) With the approval of the Commissioner, bail bondsmen operating out of the same business office or location may establish a shared trust account for collateral security received by them. The Commissioner may require the bondsmen desiring to establish the shared trust account to furnish the Commissioner information about their business that the Commissioner considers necessary to administer this Article effectively. (1963, c. 1225, s. 21; 1975, c. 619, s. 1; 2000-180, s. 6; 2001-269, s. 2.5.)

**§ 58-71-105. Persons prohibited from becoming surety or runners.**

No sheriff, deputy sheriff, other law-enforcement officer, judicial official, attorney, parole officer, probation officer, jailer, assistant jailer, employee of the General Court of Justice, nor other public employee assigned to duties relating to the administration of criminal justice, nor the spouse of any such person, may in any case become surety on a bail bond for any person. In addition, no person covered by this section may act as an agent for any bonding company or bail bondsman. No such person may have an interest, directly or indirectly, in the financial affairs of any firm or corporation whose principal business is acting as a bail bondsman. However, nothing in this section prohibits any such person from being surety upon the bond of his or her spouse, parent, brother, sister, child, or descendant. (1963, c. 1225, s. 22; 1973, c. 108, s. 39; 1975, c. 619, s. 1; 1991, c. 644, s. 18; 1995 (Reg. Sess., 1996), c. 726, s. 17.)

**§ 58-71-110. Bonds not to be signed in blank; authority to countersign only given to licensed employee.**

A bail bondsman shall not sign nor countersign in blank bail bonds, nor shall he give a power of attorney to, or otherwise authorize, anyone to countersign his name to bonds unless the person so authorized is a licensed bondsman or runner directly employed by the bondsman giving such power of attorney. Copies of all such powers of attorney and revocations of such powers of attorney must be filed immediately with the Commissioner and the clerk of superior court of any county in the State where said bondsman giving the power of attorney is currently writing or is obligated on bail bonds. (1963, c. 1225, s. 23; 1975, c. 619, s. 1.)

**§ 58-71-115. Insurers to annually report surety bondsmen; notices of appointments and terminations; information confidential.**

(a) Before July 1 of each year, every insurer shall furnish the Commissioner a list of all surety bondsmen appointed by the insurer to write bail bonds on the insurer's behalf. An insurer who appoints a surety bondsman in the State on or after July 1 of each year shall notify the Commissioner of the appointment. All appointments are subject to the issuance of the proper license to the appointee under this Article.

(b) An insurer terminating the appointment of a surety bondsman shall file a written notice of the termination with the Commissioner, together with a statement that the insurer has given or

mailed notice of the termination to the surety bondsman. The notice to the Commissioner shall state the reasons, if any, for the termination. Information furnished in the notice to the Commissioner shall be privileged and shall not be used as evidence in or basis for any action against the insurer or any of its representatives.

(c) Notwithstanding any other provision of this Article, any documents, materials, or other information in the control or possession of the Commissioner or any organization of which the Commissioner is a member and (i) furnished by an insurer or an employee or agent thereof acting on behalf of the insurer under this section or (ii) obtained by the Commissioner in an investigation under this section shall be confidential by law and privileged, shall not be considered public records under G.S. 58-2-100 or Chapter 132 of the General Statutes, shall not be subject to subpoena, and shall not be subject to discovery in any civil action other than a proceeding brought by the Commissioner against a person to whom the documents, materials, or other information relate. However, the Commissioner may use the documents, materials, or other information in the furtherance of any regulatory or legal action brought as a part of the Commissioner's duties. Neither the Commissioner nor any person who receives documents, materials, or other information while acting under the authority of the Commissioner shall be permitted or required to testify in any civil action other than a proceeding brought by the Commissioner against a person to whom the documents, materials, or other information relate. (1963, c. 1225, s. 24; 1975, c. 619, s. 1; 1995 (Reg. Sess., 1996), c. 726, s. 18; 2007-507, s. 12; 2011-377, s. 4.)

**§ 58-71-120. Bail bondsman to give notice of discontinuance of business; cancellation of license.**

Any bail bondsman who discontinues writing bail bonds during the period for which the bail bondsman is licensed shall return the license to the Commissioner for cancellation within 30 days after the discontinuance. (1963, c. 1225, s. 25; 1975, c. 619, s. 1; 2009-566, s. 15.)

**§ 58-71-121. Death, incapacitation, or incompetence of a bail bondsman.**

In the case of death, incapacitation, or incompetence of a licensed bail bondsman, the spouse or surviving spouse, next of kin, person or persons holding a power of attorney, guardian, executor, or administrator of the licensed bail bondsman may contract with another licensed bail bondsman to perform those duties to have the licensee's outstanding bail bond obligations resolved to the satisfaction of the courts. The contract must be filed with the Commissioner and every clerk of superior court where it can be determined the licensee has pending outstanding bail bond obligations. The licensed bail bondsman who has agreed to perform these duties shall not, at the time of the execution of the contract, have any administrative or criminal actions pending against him or her. (2000-180, s. 7.)

**§ 58-71-122. Transfer of business by bail bondsman.**

A licensed professional bondsman may contract to transfer, convey, or assign the professional bondsman's business to another professional bondsman licensed under this Article. The contract shall include a list of the transferring professional bondsman's pending outstanding bail bond obligations and shall be filed with the Commissioner. The contract shall allow for the transferring professional bondsman to transfer, convey, or assign assets to the purchasing professional bondsman that include, but are not limited to, any pledged cash or any pledged approved securities with the Commissioner as security for bail bonds. Notwithstanding the filing of the contract with the Commissioner, the transferor remains responsible for all outstanding bond obligations until

relieved from an individual obligation pursuant to G.S. 15A-534(h), by a substitution of surety pursuant to G.S. 15A-538, or satisfaction of any final judgment of forfeiture entered thereon. (2011-377, s. 5.)

**§ 58-71-125. Persons eligible as runners; bail bondsman to annually report runners; notices of appointments and terminations; information confidential.**

Every person duly licensed as a bail bondsman may appoint as runner any person who has been issued runner's license. Each bail bondsman must, on or before July 1 of each year, furnish to the Commissioner a list of all runners appointed by him. Each such bail bondsman who shall, subsequent to the filing of this list, appoint additional persons as runners shall file written notice with the Commissioner of such appointment.

A bail bondsman terminating the appointment of a runner shall file written notice thereof with the Commissioner, together with a statement that he has given or mailed notice to the runner. Such notice filed with the Commissioner shall state the reasons, if any, for such termination. Information so furnished the Commissioner shall be privileged and shall not be used as evidence in any action against the bail bondsman. (1963, c. 1225, s. 26; 1975, c. 619, s. 1.)

**§ 58-71-130. Substituting bail by sureties for deposit.**

If money or bonds have been deposited, bail by sureties may be substituted therefor at any time before a breach of the undertaking, and the official taking the new bail shall make an order that the money or bonds be refunded to the person depositing the same and they shall be refunded accordingly, and the original undertakings shall be canceled. (1963, c. 1225, s. 27; 1975, c. 619, s. 1.)

**§ 58-71-135. Deposit for defendant admitted to bail authorizes release and cancellation of undertaking.**

When the defendant has been admitted to bail, he, or another in his behalf, may deposit with an official authorized to take bail, a sum of money, or nonregistered bonds of the United States, or of the State, or of any county, city or town within the State, equal in market value to the amount of such bail, together with his personal undertaking, and an undertaking of such other person, if the money or bonds are deposited by another. Upon delivery to the official in whose custody the defendant is of a certificate of such deposit, he shall be discharged from custody in the cause.

When bail other than a deposit of money or bonds has been given, the defendant or the surety may, at any time before a breach of the undertaking, deposit the sum mentioned in the undertaking, and upon such deposit being made, accompanied by a new undertaking, the original undertaking shall be canceled. (1963, c. 1225, s. 28; 1975, c. 619, s. 1.)

**§ 58-71-140. Registration of licenses and power of appointments by insurers.**

(a) Before the date provided for in subsection (e) of this section, no professional bail bondsman shall become a surety on an undertaking unless he or she has registered his or her current license in the office of the clerk of superior court in the county in which he or she resides and a certified copy of the same with the clerk of superior court in any other county in which he or she shall write bail bonds.

(b) Before the date provided for in subsection (e) of this section, a surety bondsman shall register his or her current surety bondsman's license and a certified copy of his or her power of appointment with the clerk of superior court in the county in which the surety bondsman resides

and with the clerk of superior court in any other county in which the surety bondsman writes bail bonds on behalf of an insurer.

(c) Before the date provided for in subsection (e) of this section, no runner shall become surety on an undertaking on behalf of a professional bondsman unless that runner has registered his or her current license and a certified copy of his or her power of attorney in the office of the clerk of superior court in the county in which the runner resides and with the clerk of superior court in any other county in which the runner writes bail bonds on behalf of the professional bondsman.

(c1) On or after the date provided for in subsection (e) of this section, all licensed professional bail bondsmen, surety bondsmen, and runners shall register in the statewide Electronic Bondsmen Registry in accordance with subsection (e) of this section.

(d) Professional bondsmen, surety bondsmen, and runners shall file with the clerk of court having jurisdiction over the principal an affidavit on a form furnished by the Administrative Office of the Courts. The affidavit shall include, but not be limited to:

- (1) If applicable, a statement that the bondsman has not, nor has anyone for the bondsman's use, been promised or received any collateral, security, or premium for executing this appearance bond.
- (2) If promised a premium, the amount of the premium promised and the due date.
- (3) If the bondsman has received a premium, the amount of premium received.
- (4) If given collateral security, the name of the person from whom it is received and the nature and amount of the collateral security listed in detail.

(e) On or before October 1, 2006, the Administrative Office of the Courts shall establish a statewide Electronic Bondsmen Registry (Registry) for all licenses requiring registration under this section. On or after that date, a person may register as required under this section by maintaining a record of each required license, power of appointment, or power of attorney in the Registry. License information in the Registry for bail bondsmen and insurance companies shall be provided to the Administrative Office of the Courts by the Commissioner or by an entity designated by the Commissioner to provide the information on the Commissioner's behalf. A bondsman, surety bondsman, or runner appearing in the Registry is authorized to execute bail bonds pursuant to his or her registered license, power of appointment, or power of attorney in all counties so long as the registered license, power of appointment, or power of attorney remains in effect, and the execution of a proposed bond is not otherwise prohibited pursuant to G.S. 15A-544.7(d). (1963, c. 1225, s. 31; 1975, c. 619, s. 1; 1995 (Reg. Sess., 1996), c. 726, s. 19; 2001-269, s. 2.6; 2006-188, s. 1; 2022-47, s. 16(k).)

#### **§ 58-71-141. Appointment of bail bondsmen; affidavit required.**

(a) Before receiving an appointment, a surety bondsman shall submit to the Commissioner an affidavit, signed under oath, by the surety bondsman and by any former insurer, stating that the surety bondsman does not owe any premium or unsatisfied judgment to any insurer and that the bondsman agrees to discharge all outstanding forfeitures and judgments on bonds previously written. The affidavit shall be in a form prescribed by the Commissioner and shall be submitted by the surety bondsman to the former insurer. If the surety bondsman does not satisfy or discharge all forfeitures or judgments, the former insurer shall submit a notice, with supporting documents, to the appointing insurer, the surety bondsman, and the Commissioner, which states, under oath, that the surety bondsman has failed to satisfy, in a timely manner, the forfeitures and judgments on bonds written by the surety bondsman and that the former insurer has satisfied the forfeiture or judgment from its own funds. The former insurer shall submit the notice and supporting documents

to the appointing insurer, the surety bondsman, and the Commissioner within 30 days after the former insurer receives the affidavit from the surety bondsman. Upon receipt of the notice and supporting documents, the appointing insurer shall immediately cancel the surety bondsman's appointment. The surety bondsman may be reappointed only upon certification by the former insurer that all forfeitures and judgments on bonds written by the surety bondsman have been discharged. The appointing insurer or surety bondsman may, within 10 days after receiving the notice and supporting documents from the former insurer, appeal to the Commissioner.

(b) The Commissioner shall adopt rules, including rules regarding the procedures for appeals and stays of the requirements of this section, to implement this section.

(c) As used in this section, "former insurer" means the insurer with whom the surety bondsman had a prior appointment and who is responsible for any outstanding bonds written by the surety bondsman. (2003-148, s. 1; 2007-507, s. 13.)

#### **§ 58-71-145. Financial responsibility of professional bondsmen.**

Each professional bondsman acting as surety on bail bonds in this State shall maintain a deposit of securities with and satisfactory to the Commissioner of a fair market value of at least one-twelfth the amount of all bonds or undertakings written in this State on which he is absolutely or conditionally liable as of the first day of the current month. The amount of this deposit must be reconciled with the bondsman's liabilities as of the first day of the month on or before the fifteenth day of said month and the value of said deposit shall in no event be less than fifteen thousand dollars (\$15,000). (1963, c. 1225, s. 29; 1975, c. 619, s. 1; 2000-180, s. 8; 2018-38, s. 3.)

**§ 58-71-150: Repealed by Session Laws 2005-240, s. 4, effective October 1, 2005, and applicable to all notices of applications denied by the Commissioner served on or after that date and to all notices of review outcomes served on or after that date.**

#### **§ 58-71-151. Securities held in trust by Commissioner; authority to dispose of same.**

The securities deposited by a professional bondsman with the Commissioner shall be held in trust for the protection and benefit of the holder of bail bonds executed by or on behalf of the undersigned bondsman in this State. Notwithstanding any other provision of law, the Commissioner is authorized to select a bank or trust company as master trustee to hold cash securities to be pledged to the State when deposited with the Commissioner pursuant to statute. Securities may be held by the master trustee in any form that in fact perfects the security interest of the State in the securities. The Commissioner shall by rule establish the manner in which the master trust shall operate. The master trustee may charge the person making the deposit reasonable fees for services rendered in connection with the operation of the trust, and the assets of the account may be used to pay such charges.

A pro rata portion of the securities shall be returned to the bondsman when the Commissioner is satisfied that the deposit of securities is in excess of the amount required to be maintained with the Commissioner by said bondsman; and all the securities shall be returned if the Commissioner is satisfied that the bondsman has satisfied, or satisfactory arrangements have been made to satisfy, the obligations of the bondsman on all the bondsman's bail bonds written in the State.

If a bondsman discontinues writing bonds due to death, permanent incapacitation, or some other circumstance that results in the bondsman returning the license issued under this Article to the Commissioner and the Commissioner is satisfied that no more bonds can be written against the

bondsman's security deposit, the Commissioner shall return the portion of the security deposit in excess of that required to secure the bondsman's outstanding bond liability.

The Commissioner may sell or transfer any and all of said securities or utilize the proceeds thereof for the purpose of satisfying the liabilities of the professional bondsman on bail bonds given in this State on which the bondsman is liable. (2005-240, s. 3; 2015-180, s. 3.)

**§ 58-71-155. Bondsman to furnish power of attorney with securities.**

With the securities deposited with the Commissioner, the professional bondsman shall at the same time deliver to the Commissioner of Insurance a power of attorney, on a form supplied by the Commissioner, executed and acknowledged by the professional bondsman authorizing the sale or transfer of said securities or any part thereof. The power of attorney shall read as follows:

**POWER OF ATTORNEY**

**AUTHORIZING THE COMMISSIONER OF INSURANCE TO  
SELL, OR TRANSFER SECURITIES DEPOSITED BY  
PROFESSIONAL BONDSEN IN  
NORTH CAROLINA**

KNOW ALL MEN BY THESE PRESENTS, That \_\_\_\_\_, a professional bondsman, located in the County of \_\_\_\_\_, in the State of \_\_\_\_\_, has authorized and appointed for himself, his successors, heirs and assigns, the Commissioner of Insurance of the State of North Carolina, in the name and in behalf of said professional bondsman, his true and lawful attorney to sell or transfer any securities deposited or that may be deposited, by said professional bondsman with said Commissioner, under the laws and regulations requiring a deposit of securities to be made by professional bondsman doing business in the State of North Carolina, insofar as the sale or transfer is deemed necessary by the Commissioner of Insurance to pay any liability arising under a bond which purports to be given by the undersigned bondsman in any county in this State and execution has been issued against said bondsman pursuant to a judgment on the bond and the same has not been satisfied. The securities so deposited are to be held in trust by the Commissioner for the sole protection and benefit of the holder of bail bonds executed by, or on behalf of, the undersigned bondsman. IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

---

Professional Bondsman

Before me, a Notary Public in and for the State of \_\_\_\_\_ personally appeared \_\_\_\_\_, a professional bondsman who acknowledged that he executed the foregoing power of attorney.

WITNESS my hand and Notarial Seal, this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

---

Notary Public

My Commission Expires: \_\_\_\_\_  
(1975, c. 619, s. 1; 1999-456, s. 59.)

**§ 58-71-160. Security deposit to be maintained.**

(a) Any professional bondsman, whose security deposits with the Commissioner are, for any reason, reduced in value below the requirements of this Article, shall immediately upon receipt of a notice of deficiency from the Commissioner deposit such additional securities as are necessary to comply with the law. No professional bondsman shall sign, endorse, execute, or become surety on any additional bail bonds, or pledge or deposit any cash, check, or other security of any nature in lieu of a bail bond in any county in North Carolina until the professional bondsman has made such additional deposit of securities as required by the notice of deficiency.

(b) The Commissioner may deny the renewal of any license held by a professional bondsman under this Chapter or may deny the issuance of any license applied for by a professional bondsman under this Chapter if, at the time of the renewal application or license application, the professional bondsman has not complied with a notice of deficiency under subsection (a) of this section. The Commissioner may issue the renewal license or the new license upon compliance by the professional bondsman with the notice of deficiency. (1975, c. 619, s. 1; 2001-269, s. 2.7.)

#### **§ 58-71-165. Report required.**

(a) Each professional bail bondsman shall file with the Commissioner a written report in a form prescribed by the Commissioner regarding all bail bonds on which the bondsman is liable as of the first day of each month showing (i) each individual bonded, (ii) the date the bond was given, (iii) the principal sum of the bond, (iv) the court file or docket number for the principal's court obligation, (v) the fee charged for the bonding service in each instance, and (vi) the certificate seal number for each bond issued.

(b) Each insurer that appoints surety bondsmen in this State shall file with the Commissioner a written report in a form adopted by the Commissioner regarding all bail bonds on which the insurer is liable as of the last day of each calendar quarter showing the total dollar amount for which the insurer is liable. The report shall be filed on or before the fifteenth day following the end of each calendar quarter.

(c) The reports required by subsection (a) of this section shall be filed on or before the fifteenth day of each month.

(d) Any person who knowingly and willfully falsifies a report required by this section is guilty of a Class I felony. (1975, c. 619, s. 1; 1989, c. 485, s. 43; 1991, c. 644, s. 20; 1993, c. 539, s. 1276; 1994, Ex. Sess., c. 24, s. 14(c); 1998-211, s. 27; 2007-484, s. 44.5; 2007-507, s. 14; 2019-179, s. 7(c).)

#### **§ 58-71-167. Portion of bond premium payments deferred.**

(a) In any case where the agreement between principal and surety calls for some portion of the bond premium payments to be deferred or paid after the defendant has been released from custody, a written memorandum of agreement between the principal and surety shall be kept on file by the surety with a copy provided to the principal. The memorandum shall contain the following information:

- (1) The amount of the premium payment deferred or not yet paid at the time the defendant is released from jail.
- (2) The method and schedule of payment to be made by the defendant to the bondsman, which shall include the dates of payment and amount to be paid on each date.
- (3) That the principal is entitled to a copy of the memorandum.

(b) The memorandum must be signed by the defendant and the bondsman, or one of the bondsman's agents, and dated at the time the agreement is made. Any subsequent modifications of the memorandum must be in writing, signed, dated, and kept on file by the surety, with a copy provided to the principal. (1991, c. 644, s. 22; 2019-179, s. 7(d).)

**§ 58-71-168. Records to be maintained.**

All records related to executing bail bonds, including bail bond registers, monthly reports, receipts, collateral security agreements, and memoranda of agreements, shall be kept separate from records of any other business and must be maintained for not less than three years after the final entry has been made. (1991, c. 644, s. 22.)

**§ 58-71-170. Examinations.**

(a) Whenever the Commissioner considers it prudent, the Commissioner shall visit and examine or cause to be visited and examined by a competent person appointed by the Commissioner for that purpose any professional bail bondsman, surety bondsman, or runner subject to this Article. For this purpose the Commissioner or person making the examination shall have free access to all records of the licensee that relate to the licensee's business and to the records kept by any of the licensee's agents.

(b) The Commissioner may conduct examinations of surety bondsmen under G.S. 58-2-195 as well as under subsection (a) of this section. (1975, c. 619, s. 1; 1991, c. 644, s. 21; 2001-269, s. 2.8.)

**§ 58-71-175. Limit on principal amount of bond to be written by professional bondsman.**

No professional bondsman shall become liable on any bond or multiple of bonds for any one individual that totals more than one-fourth of the value of the securities deposited with the Commissioner at that time, until final termination of liability on such bond or multiple of bonds. (1975, c. 619, s. 1; 1987, c. 728, s. 3; 1989, c. 485, s. 42.)

**§ 58-71-180. Disposition of fees.**

Fees collected by the Commissioner pursuant to this Article shall be credited to the Insurance Regulatory Fund created under G.S. 58-6-25. (1963, c. 1225, s. 32; 1975, c. 619, s. 1; 1991, c. 689, s. 294; 2003-221, s. 9.)

**§ 58-71-185. Penalties for violations.**

Except as otherwise provided in this Article, any person who violates any of the provisions of this Article is guilty of a Class 1 misdemeanor. (1963, c. 1225, s. 33; 1975, c. 619, s. 1; 1991, c. 644, s. 19; 1993, c. 539, s. 473; 1994, Ex. Sess., c. 24, s. 14(c); 2000-180, s. 9.)

**§ 58-71-190. Duplication of regulation forbidden.**

No county, city or town in this State shall license or levy a license tax on bail bondsmen nor require such bondsmen to deposit collateral security as a condition for continuing to write bail bonds. (1975, c. 619, s. 1.)

**§ 58-71-195. Conflicting laws.**

Section 41.1 of Chapter 105 of the General Statutes of North Carolina and all laws and clauses of laws in conflict with the provisions of the Chapter are hereby repealed. Provided, however, that

in the event of any conflict between the provisions of this Chapter and those of Chapter 15A of the General Statutes of North Carolina, the provisions of Chapter 15A shall control and continue in full force and effect. (1975, c. 619, s. 2.)

**§ 58-71-200. Bondsman access to criminal and civil records.**

(a) In order to assist licensed sureties and their agents in evaluating potential and current clients for the purposes of bail, the Administrative Office of the Courts shall provide any individual with a current license to act as professional bondsman, surety bondsman, or runner with access to search criminal records in the Administrative Office of the Courts' real-time criminal and civil information systems.

(b) Access granted under subsection (a) of this section shall be limited to information systems containing general criminal and civil case information, as maintained by the clerks of superior court. Access shall not include systems for the production of criminal process by law enforcement officials and judicial officials under G.S. 15A-301.1 or other information not subject to public disclosure.

(c) Access provided pursuant to subsection (a) of this section shall be without charge for individual searches of the Administrative Office of the Courts' criminal and civil information systems. In order to defray the costs of establishing access, the Administrative Office of the Courts shall charge initial setup fees equivalent to its fees for governmental agencies granted access to its systems to each individual granted access pursuant to subsection (a) of this section.

(d) All hardware, software, telecommunications charges, or other expenditures required for such access shall be the sole responsibility of the individual bondsman or runner. No State funds may be expended for any such expenses.

(e) The Commissioner shall coordinate the access granted under subsection (a) of this section by providing all information requested by the Administrative Office of the Courts for the establishment of access. The Administrative Office of the Courts shall not provide access to any bondsman or runner who fails to provide all information requested by the Commissioner.

(f) The Commissioner shall notify the Administrative Office of the Courts within 24 hours of any action to suspend or revoke a bondsman's or runner's license or authority to act as a bondsman or runner. The Administrative Office of the Courts shall immediately revoke access of the suspended or revoked bondsman or runner to its criminal information systems.

(g) The Administrative Office of the Courts shall provide to the Commissioner copies of its current policies for access to court information systems for users outside the Judicial Branch. Any bondsman or runner granted access pursuant to subsection (a) of this section shall adhere to all such policies. The Administrative Office of the Courts shall revoke access of any bondsman or runner who violates such policies.

(h) It is unlawful for any person to willfully do any of the following:

- (1) For any person to access information systems of the Administrative Office of the Courts by means of an online identifier, as defined in G.S. 14-208.6(1n), that was assigned to another individual by the Administrative Office of the Courts pursuant to subsection (a) of this section.
- (2) For any bondsman or runner granted access pursuant to subsection (a) of this section to allow any other person, directly or indirectly, to make use of access granted to the bondsman or runner pursuant to subsection (a) of this section.
- (3) For any bondsman or runner granted access pursuant to subsection (a) of this section to make use of that access at any time when the bondsman or runner

knows or has reason to know that his or her license issued under this Article is in a state of suspension or revocation.

(4) For any bondsman or runner granted access pursuant to subsection (a) of this section to distribute, in any medium or manner, information obtained from the information systems of the Administrative Office of the Courts to any person for any reason not directly related to the evaluation of the individual to whom the information pertains for the purposes of bail.

Unless the conduct is covered under some other provision of law providing for a greater punishment, any violation of this subsection shall be a Class H felony. (2011-412, s. 4.1; 2015-180, s. 4.)