

PROFESSIONAL BAIL BONDSMAN LICENSING BOARD

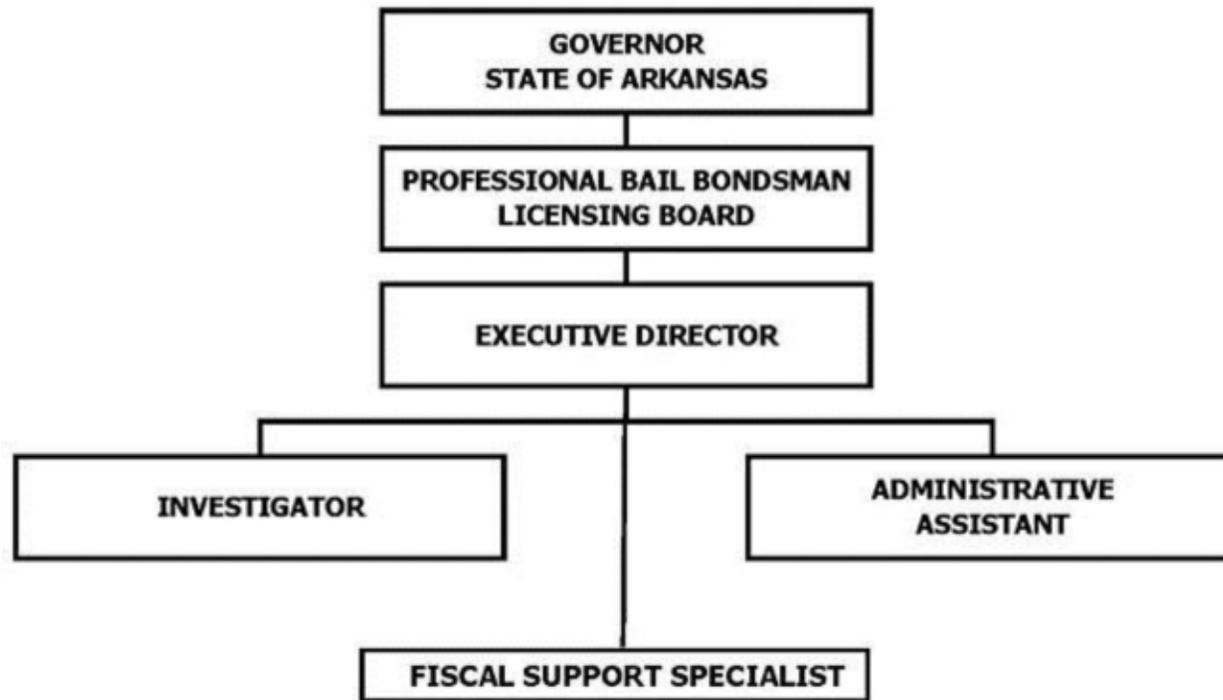
Enabling Laws

Act 173 of 2016
A.C.A. § 17-19-101 et seq.

History and Organization

A.C.A. § 17-19-106 et seq. established the Professional Bail Bond Company & Professional Bail Bondsman Licensing Board. The Act provided for a seven member Board to be appointed by the Governor for terms of seven years. The Board consists of one (1) Sheriff, one (1) Chief of Police, one (1) elected Judge, one (1) citizen at large, and three (3) bail bond company owners. Act 1817 of 2001 provided that one (1) member of the Board be an African-American and that one (1) member be female. In 2010, the Supreme Court of Arkansas (No. 09-1269) declared unconstitutional that one member of the Board be a municipal or circuit judge. The position has remained unfilled.

The Board is organized as follows: An executive director, appointed by the Board, is responsible for the day-to-day administration of the duties and functions of the Board. The Board currently employs an investigator, an administrative assistant, and a Fiscal Support Specialist.



Agency Commentary

Act 500 of 1993 established the Professional Bail Bond Company & Professional Bail Bondsman Licensing Board and provided the Board with the authority and responsibility of administering and enforcing the provisions of Arkansas Code Annotated Title 17, Chapter 19. The Board was given authority to adopt and enforce such reasonable rules and regulations as it determines are necessary to enable the effective and efficient administration of its official duty of licensing and regulating professional bail bond companies and professional bail bondsman.

The primary activities of the Board are as follows: 1) Administer the Professional Bail Bondsman Examination weekly; 2) License those who pass the examination and otherwise qualify; 3) Determine whether those who apply for an Arkansas Bail Bond Company License qualify; 4) Annually issue renewal licenses to all qualified bail bondsman and bail bond companies; 5) Conduct investigations into allegations of violations of Statutes and Rules & Regulations based on complaints and/or information received by the Board office; 6) Conduct hearings and take disciplinary action where appropriate; 7) Monitor mandatory continuing professional education for professional bail bondsman who hold

a valid Arkansas license; and 8) Conduct yearly audits of bail bond companies to ensure compliance with record keeping and reporting requirements.

The Board requests Base Level appropriation for the 2017-2019 Biennium.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
ARKANSAS PROFESSIONAL BAIL BONDSMAN LICENSING BOARD
FOR THE YEAR ENDED JUNE 30, 2014

Findings

The IRS Fringe Benefit Guide (Publication 5137) provides for certain instances whereby commuting is a non-taxable event. To qualify, the individual must meet certain criteria, including driving a clearly-marked public safety officer vehicle. If these criteria are not met, the individual should record \$1.50 per trip per day as taxable income. The Agency Director did not include use of a state-owned vehicle as a taxable benefit on his IRS Form W-2, as required by IRS fringe benefit regulations.

Recommendations

The Director obtain a formal ruling from the IRS regarding the exclusion of taxable usage of a state vehicle from her IRS Form W-2. Additionally, the Agency should review vehicle usage and reporting requirements to ensure compliance with all federal laws and regulations.

Agency Response:

This issue concerns the Executive Director, Larry Peters, driving the state-issued vehicle to his residence after business hours without having submitted a waiver to do so. This has been the policy and procedures of the Board prior to Mr. Peters' employment. As with the former Executive Director, it was considered part of the compensation package. Mr. Peters is called out several times per month for issues after hours, and it has been this Board's position since 1999 that the Executive Director should not be required to drive their personal vehicle. This has never been an issue brought to our attention.

State Contracts Over \$50,000 Awarded To Minority Owned Businesses Fiscal Year 2016

None

Employment Summary

	Male	Female	Total	%
White Employees	3	1	4	100 %
Black Employees	0	0	0	0 %
Other Racial Minorities	0	0	0	0 %
Total Minorities			0	0 %
Total Employees			4	100 %

Publications

A.C.A. 25-1-201 et seq.

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution	Unbound Black & White Copies Produced During the Last Two Years	Cost of Unbound Copies Produced During the Last Two Years
		Governor	General Assembly				
Bail Bonds Company and Bail Bondsman Licensing Board	A.C.A. §17-29-206 (f)	N	N	150	Required by law. Public Use.	0	0.00

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2015-2016		2016-2017		2016-2017		2017-2018						2018-2019					
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
1DV Bail Bondsman-Operations	361,185	4	396,968	4	395,536	4	373,383	4	373,383	4	373,383	4	373,383	4	373,383	4	373,383	4
4HD Treasury Cash Reimbursement	95,320	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0
F67 Bail Bond Recovery	0	0	3,500,000	0	3,500,000	0	3,500,000	0	3,500,000	0	3,500,000	0	3,500,000	0	3,500,000	0	3,500,000	0
Total	456,505	4	4,396,968	4	4,395,536	4	4,373,383	4										

Funding Sources		%		%		%		%		%		%		%		%
Fund Balance	4000005	912,021	56.9	1,147,522	20.6		1,173,877	20.8	1,173,877	20.8	1,173,877	20.8	1,257,194	21.8	1,257,194	21.8
Special Revenue	4000030	233,141	14.5	3,500,000	62.8		3,500,000	62.2	3,500,000	62.2	3,500,000	62.2	3,500,000	60.6	3,500,000	60.6
Cash Fund	4000045	661,691	41.3	1,231,950	22.1		1,231,950	21.9	1,231,950	21.9	1,231,950	21.9	1,291,950	22.4	1,291,950	22.4
Transfer to General Revenue	4000635	(143,749)	(9.0)	(150,000)	(2.7)		(120,000)	(2.1)	(120,000)	(2.1)	(120,000)	(2.1)	(120,000)	(2.1)	(120,000)	(2.1)
Transfers (to) / from Agencies	4000693	(59,077)	(3.7)	(158,627)	(2.8)		(155,250)	(2.8)	(155,250)	(2.8)	(155,250)	(2.8)	(155,000)	(2.7)	(155,000)	(2.7)
Total Funds		1,604,027	100.0	5,570,845	100.0		5,630,577	100.0	5,630,577	100.0	5,630,577	100.0	5,774,144	100.0	5,774,144	100.0
Excess Appropriation/(Funding)		(1,147,522)		(1,173,877)			(1,257,194)		(1,257,194)		(1,257,194)		(1,400,761)		(1,400,761)	
Grand Total		456,505		4,396,968			4,373,383		4,373,383		4,373,383		4,373,383		4,373,383	

Agency Position Usage Report

FY2014 - 2015						FY2015 - 2016						FY2016 - 2017					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Total	Total	Total	Total			Total	Total			
3	4	0	4	-1	-33.33 %	4	4	0	4	0	0.00 %	4	4	0	4	0	0.00 %

Total Budgeted positions in FY15 exceed Authorized amount due to positions authorized from the Central Growth Pool.

Analysis of Budget Request

Appropriation: 1DV - Bail Bondsman-Operations

Funding Sources: MBB - Professional Bail Bondsman Licensing Board

The Professional Bail Bondsman Licensing Board uses this appropriation for personal services and operating expenses to administer and enforce the law pertaining to licensing and regulating professional bail bond companies and bondsmen. The Board collects \$10 per bond written and by statute funds the Board to provide for the personal services and operating expenses; and the remainder directly into the Domestic Peace Fund administered by the Arkansas Child Abuse/Rape/Domestic Violence Commission. The Board is required to transfer all but 25% of its fund balance to the State Treasury at the end of each fiscal year.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases. The Base Level request for Regular Salaries includes board member stipend payments.

The Board is requesting Base Level appropriation of \$373,383 for each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request. Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: 1DV - Bail Bondsman-Operations
Funding Sources: MBB - Professional Bail Bondsman Licensing Board

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2017-2018			2018-2019		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	175,159	173,921	172,324	173,921	173,921	173,921	173,921	173,921	173,921
#Positions		4	4	4	4	4	4	4	4	4
Personal Services Matching	5010003	58,366	57,161	57,326	58,076	58,076	58,076	58,076	58,076	58,076
Operating Expenses	5020002	102,730	103,386	103,386	103,386	103,386	103,386	103,386	103,386	103,386
Conference & Travel Expenses	5050009	0	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Professional Fees	5060010	70	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	24,860	24,500	24,500	0	0	0	0	0	0
Total		361,185	396,968	395,536	373,383	373,383	373,383	373,383	373,383	373,383
Funding Sources										
Fund Balance	4000005	441,592	443,952		470,307	470,307	470,307	553,624	553,624	553,624
Cash Fund	4000045	566,371	731,950		731,950	731,950	731,950	791,950	791,950	791,950
Transfer to General Revenue	4000635	(143,749)	(150,000)		(120,000)	(120,000)	(120,000)	(120,000)	(120,000)	(120,000)
Transfers (to) / from Agencies	4000693	(59,077)	(158,627)		(155,250)	(155,250)	(155,250)	(155,000)	(155,000)	(155,000)
Total Funding		805,137	867,275		927,007	927,007	927,007	1,070,574	1,070,574	1,070,574
Excess Appropriation/(Funding)		(443,952)	(470,307)		(553,624)	(553,624)	(553,624)	(697,191)	(697,191)	(697,191)
Grand Total		361,185	396,968		373,383	373,383	373,383	373,383	373,383	373,383

FY17 Budget amount in Regular Salaries exceeds the authorized amount due to salary adjustments during the 2015-2017 Biennium.
 Transfers (to)/from Agencies is a transfer to the Domestic Peace Fund.

Analysis of Budget Request

Appropriation: 4HD - Treasury Cash Reimbursement

Funding Sources: NBB - Cash in Treasury

The Professional Bail Bondsman Licensing Board uses this appropriation to allow the Board to process security deposits and pay outstanding judgments of bail bonds companies that go out of business. This appropriation allows proper accounting of these transactions on the state accounting system.

The Board is requesting Base Level appropriation of \$500,000 for each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request. Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: 4HD - Treasury Cash Reimbursement

Funding Sources: NBB - Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2017-2018			2018-2019		
	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Refunds/Reimbursements 5110014	95,320	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Total	95,320	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Funding Sources									
Fund Balance 4000005	112,130	112,130		112,130	112,130	112,130	112,130	112,130	112,130
Cash Fund 4000045	95,320	500,000		500,000	500,000	500,000	500,000	500,000	500,000
Total Funding	207,450	612,130		612,130	612,130	612,130	612,130	612,130	612,130
Excess Appropriation/(Funding)	(112,130)	(112,130)		(112,130)	(112,130)	(112,130)	(112,130)	(112,130)	(112,130)
Grand Total	95,320	500,000		500,000	500,000	500,000	500,000	500,000	500,000

Analysis of Budget Request

Appropriation: F67 - Bail Bond Recovery

Funding Sources: SBL - Special Revenue

This appropriation will be used for personal services and operating expenses for recovery of forfeited professional bonds.

The Bail Bond Recovery Fund is funded through a \$4 nonrefundable administrative fee for each bond issued.

The Board is requesting Base Level appropriation of \$3,500,000 for each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request. Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: F67 - Bail Bond Recovery

Funding Sources: SBL - Special Revenue

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2017-2018			2018-2019		
	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Pers. Svs. & Op. Exp. Bond Recr 5900046	0	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000
Total	0	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000
Funding Sources									
Fund Balance 4000005	358,299	591,440		591,440	591,440	591,440	591,440	591,440	591,440
Special Revenue 4000030	233,141	3,500,000		3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000
Total Funding	591,440	4,091,440		4,091,440	4,091,440	4,091,440	4,091,440	4,091,440	4,091,440
Excess Appropriation/(Funding)	(591,440)	(591,440)		(591,440)	(591,440)	(591,440)	(591,440)	(591,440)	(591,440)
Grand Total	0	3,500,000		3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000