

AMENDED IN SENATE MARCH 28, 2012

SENATE BILL

No. 1265

Introduced by Senator Vargas

February 23, 2012

An act to amend Section ~~1810~~ 38092 of the ~~Insurance Education~~ Code, relating to ~~bail agent licenses~~ *school districts*.

LEGISLATIVE COUNSEL'S DIGEST

SB 1265, as amended, Vargas. ~~Bail agent licenses: qualifications.~~
~~School districts: cafeteria fund.~~

Existing law authorizes the governing board of any school district with an average daily attendance of over 100,000 to allow, as an expenditure from the cafeteria fund or cafeteria revolving account, a share of money agreed upon pursuant to a contract generated from the joint sale of items between the cafeteria and an associated student body student store, as specified.

This bill would instead authorize the governing board of a school district with an average daily attendance of over 20,000 to allow, as an expenditure from the cafeteria fund or cafeteria revolving account, a share of money agreed upon pursuant to a contract that is generated from the joint sale of items between the cafeteria and an associated student body student store, as specified, and would make nonsubstantive changes to these provisions.

~~Existing law requires a license from the Insurance Commissioner for advertising or holding oneself out as engaging in the business of executing, delivering, or furnishing bail bonds or undertakings of bail whether or not for consideration. A license may be held by a corporation if certain requirements are met, including, but not limited to, that 100% of the shares of the corporation are held by licensed bail agents, and all~~

shareholders, officers, and directors of the corporation are licensed bail agents. A violation of any of these provisions is a crime.

~~This bill would authorize a limited liability company (LLC) to be a licensee subject to the same requirements as corporations. The bill would also exempt a corporation or an LLC from the requirements that 100% of the shares of the corporation or membership interest in the LLC be held by licensed bail agents, and all shareholders, officers, and directors of the corporation or members of the LLC be licensed bail agents, if the corporation or LLC is an admitted surety insurer or a subsidiary of an admitted surety insurer. Because a violation of the bill's provisions by an LLC would be a crime, the bill would impose a state-mandated local program.~~

~~The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.~~

~~This bill would provide that no reimbursement is required by this act for a specified reason.~~

Vote: majority. Appropriation: no. Fiscal committee: ~~yes-no~~.
State-mandated local program: ~~yes-no~~.

The people of the State of California do enact as follows:

1 SECTION 1. Section 38092 of the Education Code is amended
2 to read:

3 38092. The governing board of ~~any a~~ school district with an
4 average daily attendance of over ~~100,000~~ 20,000 may allow, as an
5 expenditure from the cafeteria fund or *cafeteria revolving* account,
6 a share of money agreed upon pursuant to a contract, ~~which that~~
7 is generated from the joint sale of items between the cafeteria and
8 an associated student body student store. The expenditure must
9 result from an agreement entered into by the cafeteria and the
10 associated student body in which pupils ~~will~~ participate in the
11 operation of the store.

12 SECTION 1. ~~Section 1810 of the Insurance Code is amended~~
13 to read:

14 ~~1810. (a) Natural persons may be licensed under this chapter.~~
15 (b) ~~A license may be held by a corporation or a limited liability~~
16 ~~company (LLC), in which case all of the following requirements~~
17 ~~shall be met:~~

1 ~~(1) The application shall set forth the names of all officers and~~
2 ~~employees of the licensee who will be authorized to exercise the~~
3 ~~powers of the licensee under this chapter. Each of those persons~~
4 ~~shall be required to meet the requirements for licensure under this~~
5 ~~chapter, and disciplinary action may be taken against any of those~~
6 ~~persons, and the licensee, if any of those persons does any act that~~
7 ~~would be grounds for disciplinary action against a licensee.~~

8 ~~(2) The corporation or LLC may solicit or negotiate the~~
9 ~~execution or delivery of bail on behalf of surety insurers only~~
10 ~~through natural persons who hold individual licenses as bail agents.~~

11 ~~(3) One hundred percent of the shares of the corporation or~~
12 ~~membership interest in the LLC shall be held by licensed bail~~
13 ~~agents, unless the corporation or LLC is an admitted surety insurer~~
14 ~~or is a subsidiary of an admitted surety insurer.~~

15 ~~(4) All shareholders, officers, and directors of the corporation~~
16 ~~or members of the LLC shall be licensed bail agents, and shall be~~
17 ~~disclosed to the department, unless the corporation or LLC is an~~
18 ~~admitted surety insurer or is a subsidiary of an admitted surety~~
19 ~~insurer.~~

20 ~~(5) Any sale or transfer of stock or other interest in the~~
21 ~~corporation or sale or transfer of any membership or other interest~~
22 ~~in the LLC shall require the prior approval of the department. The~~
23 ~~department shall approve or disapprove a request for approval~~
24 ~~within 60 days of receiving the completed request.~~

25 ~~SEC. 2. No reimbursement is required by this act pursuant to~~
26 ~~Section 6 of Article XIII B of the California Constitution because~~
27 ~~the only costs that may be incurred by a local agency or school~~
28 ~~district will be incurred because this act creates a new crime or~~
29 ~~infraction, eliminates a crime or infraction, or changes the penalty~~
30 ~~for a crime or infraction, within the meaning of Section 17556 of~~
31 ~~the Government Code, or changes the definition of a crime within~~
32 ~~the meaning of Section 6 of Article XIII B of the California~~
33 ~~Constitution.~~