

CS for EHB 2513

THE STATE SENATE
Monday, April 10, 2006

Committee Substitute for
ENGROSSED

House Bill No. 2513

COMMITTEE SUBSTITUTE FOR ENGROSSED HOUSE BILL NO. 2513 - By: TERRILL
AND NANCE of the House and CRAIN of the Senate.

[bail bondsmen - financial requirements - penalty -
codification - effective date]

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. AMENDATORY 59 O.S. 2001, Section 1306, as
amended by Section 35, Chapter 307, O.S.L. 2002 (59 O.S. Supp. 2005,
Section 1306), is amended to read as follows:

Section 1306. A. 1. An applicant for a cash bondsman license
shall meet all requirements set forth in Section 1305 of this title
with exception of residence.

2. In addition to the requirements prescribed in Section 1305
of this title, an applicant for a professional bondsman license
shall submit to the Insurance Commissioner financial statements
prepared by an accounting firm or individual holding a permit to
practice public accounting in this state in accordance with
generally accepted principles of accounting procedures setting forth
the total assets of the bondsman less liabilities and debts ~~and~~
~~which~~ as follows: For all applications made prior to the effective

1 date of this act and the subsequent renewals of a license issued
2 upon such application when continuously maintained in effect as
3 required by law, the statement shall show a net worth of at least
4 Fifty Thousand Dollars (\$50,000.00). For all applications made on
5 and after the effective date of this act and the subsequent renewals
6 of a license issued upon such application when continuously
7 maintained in effect as required by law, or for the renewal or
8 reinstatement of any license that is expired pursuant to subsection
9 D of Section 1309 of this title, suspended or revoked, the statement
10 shall show a net worth of at least One Hundred Fifty Thousand
11 Dollars (\$150,000.00), said statements to be current as of a date
12 not earlier than ninety (90) days prior to submission of the
13 application and the statement shall be attested to by an unqualified
14 opinion of the accountant.

15 3. Professional bondsman applicants shall make a deposit with
16 the Insurance Commissioner in the same manner as required of
17 domestic insurance companies of an amount to be determined by the
18 Commissioner, ~~which~~. For all applications made prior to the
19 effective date of this act and the subsequent renewals of a license
20 issued upon such application when continuously maintained in effect
21 as required by law, the deposit shall not be less than Twenty
22 Thousand Dollars (\$20,000.00). For all applications made on and
23 after the effective date of this act and the subsequent renewals of

1 a license issued upon such application when continuously maintained
2 in effect as required by law, or for the renewal or reinstatement of
3 any license that is expired pursuant to subsection D of Section 1309
4 of this title, suspended or revoked, the deposit shall not be less
5 than Fifty Thousand Dollars (\$50,000.00). Such deposits shall be
6 subject to all laws, rules and regulations as deposits by domestic
7 insurance companies but in no instance shall a professional bondsman
8 write bonds which equal more than ten times the amount of the
9 deposit which such bondsman has submitted to the Commissioner. In
10 addition, a professional bondsman may make the deposit by purchasing
11 an annuity through a licensed domestic insurance company in the
12 State of Oklahoma. The annuity shall be in the name of the bondsman
13 as owner with legal assignment to the Insurance Commissioner. The
14 assignment form shall be approved by the Commissioner. If a
15 bondsman exceeds the above limitation, the bondsman shall be
16 notified by the Commissioner by mail with return receipt requested
17 that the excess shall be reduced or the deposit increased within ten
18 (10) days of notification, or the license of the bondsman shall be
19 suspended immediately after the ten-day period, pending a hearing on
20 the matter.

21 4. The deposit herein provided for shall constitute a reserve
22 available to meet sums due on forfeiture of any bonds or
23 recognizance executed by such bondsman.

1 5. Any deposit made by a professional bondsman pursuant to this
2 section shall be released and returned by the Commissioner to the
3 professional bondsman only upon extinguishment of all liability on
4 outstanding bonds.

5 6. No release of deposits to a professional bondsman shall be
6 made by the Commissioner except upon written application and the
7 written order of the Commissioner. The Commissioner shall have no
8 liability for any such release to a professional bondsman provided
9 the release was made in good faith.

10 B. The deposit provided in this section shall be held in
11 safekeeping by the Insurance Commissioner and shall only be used if
12 a bondsman fails to pay an order and judgment of forfeiture after
13 being properly notified or shall be used if the license of a
14 professional bondsman has been revoked. The deposit shall be held
15 in the name of the Insurance Commissioner and the bondsman. The
16 bondsman shall execute an assignment of the deposit to the Insurance
17 Commissioner for the payment of unpaid bond forfeitures.

18 C. Currently licensed professional bondsmen may maintain their
19 aggregate liability limits upon presentation of documented proof
20 that they have previously been granted a limitation greater than the
21 requirements of subsection A of this section.

22 D. Notwithstanding any other provision of Section 1301 et seq.
23 of this title, the license of a professional bondsman is

1 transferable upon the death or legal or physical incapacitation of
2 the bondsman to the bondsman's spouse, or to such other transferee
3 as the professional bondsman may designate in writing, and the
4 transferee may elect to act as a professional bondsman until the
5 expiration of the license or for a period of one hundred eighty
6 (180) days, whichever is greater, if the following conditions are
7 met:

8 1. The transferee must hold a valid license as a surety
9 bondsman in this state; and

10 2. The asset and deposit requirements set forth in this section
11 continue to be met.

12 SECTION 2. NEW LAW A new section of law to be codified
13 in the Oklahoma Statutes as Section 1335.1 of Title 59, unless there
14 is created a duplication in numbering, reads as follows:

15 It shall be unlawful for any principal, person in custody or
16 defendant, or indemnitor to provide false information, including
17 identity and physical address, on any undertaking or indemnification
18 agreement. Violation of this section shall be a misdemeanor
19 punishable by imprisonment in the county jail for a term of not more
20 than one year, or by a fine of not more than One Thousand Dollars
21 (\$1,000.00), or by both such imprisonment and fine.

22 SECTION 3. This act shall become effective November 1, 2006.

23 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS, dated 4-5-06 - DO
24 PASS, As Amended.