

1 ENGROSSED HOUSE  
2 BILL NO. 1371

By: Smithson of the House

3 and

4 Corn of the Senate

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6  
7 An Act relating to professions and occupations;  
8 amending 59 O.S. 2001, Section 1306, as last amended  
9 by Section 1, Chapter 135, O.S.L. 2006 (59 O.S. Supp.  
10 2008, Section 1306), which relates to bail bondsmen;  
11 modifying requirement for release and return of  
12 deposit; and providing an effective date.

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

14 SECTION 1. AMENDATORY 59 O.S. 2001, Section 1306, as  
15 last amended by Section 1, Chapter 135, O.S.L. 2006 (59 O.S. Supp.  
16 2008, Section 1306), is amended to read as follows:

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

20 2. In addition to the requirements prescribed in Section 1305  
21 of this title, an applicant for a professional bondsman license  
22 shall submit to the Insurance Commissioner financial statements  
23 prepared by an accounting firm or individual holding a permit to  
24 practice public accounting in this state in accordance with  
generally accepted principles of accounting procedures setting forth

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

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

1 upon such application when continuously maintained in effect as  
2 required by law, or for the renewal or reinstatement of any license  
3 that is expired pursuant to subsection D of Section 1309 of this  
4 title, suspended or revoked, the deposit shall not be less than  
5 Fifty Thousand Dollars (\$50,000.00). Such deposits shall be subject  
6 to all laws, rules and regulations as deposits by domestic insurance  
7 companies but in no instance shall a professional bondsman write  
8 bonds which equal more than ten times the amount of the deposit  
9 which such bondsman has submitted to the Commissioner. In addition,  
10 a professional bondsman may make the deposit by purchasing an  
11 annuity through a licensed domestic insurance company in the State  
12 of Oklahoma. The annuity shall be in the name of the bondsman as  
13 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.

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

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

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

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

23        D. Notwithstanding any other provision of ~~Section~~ Sections 1301  
24 ~~et seq.~~ through 1340 of this title, the license of a professional

1 bondsman is transferable upon the death or legal or physical  
2 incapacitation of the bondsman to the bondsman's spouse, or to such  
3 other transferee as the professional bondsman may designate in  
4 writing, and the transferee may elect to act as a professional  
5 bondsman until the expiration of the license or for a period of one  
6 hundred eighty (180) days, whichever is greater, if the following  
7 conditions are 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. This act shall become effective November 1, 2009.

13 Passed the House of Representatives the 3rd day of March, 2009.

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17 Presiding Officer of the House of  
Representatives

18 Passed the Senate the \_\_\_\_ day of \_\_\_\_\_, 2009.

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21 \_\_\_\_\_  
22 Presiding Officer of the Senate

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