

THE HOUSE OF REPRESENTATIVES  
Thursday, February 26, 2009

Committee Substitute for  
House Bill No. 1371

COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 1371 - By: SMITHSON of the House and CORN of the Senate.

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

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

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

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

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

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

12 3. Professional bondsman applicants shall make a deposit with the Insurance  
13 Commissioner in the same manner as required of domestic insurance companies of an  
14 amount to be determined by the Commissioner. For all applications made prior to the  
15 effective date of this act and the subsequent renewals of a license issued upon such  
16 application when continuously maintained in effect as required by law, the deposit shall  
17 not be less than Twenty Thousand Dollars (\$20,000.00). For all applications made on  
18 and after the effective date of this act and the subsequent renewals of a license issued  
19 upon such application when continuously maintained in effect as required by law, or for  
20 the renewal or reinstatement of any license that is expired pursuant to subsection D of  
21 Section 1309 of this title, suspended or revoked, the deposit shall not be less than Fifty  
22 Thousand Dollars (\$50,000.00). Such deposits shall be subject to all laws, rules and

1 regulations as deposits by domestic insurance companies but in no instance shall a  
2 professional bondsman write bonds which equal more than ten times the amount of the  
3 deposit which such bondsman has submitted to the Commissioner. In addition, a  
4 professional bondsman may make the deposit by purchasing an annuity through a  
5 licensed domestic insurance company in the State of Oklahoma. The annuity shall be in  
6 the name of the bondsman as owner with legal assignment to the Insurance  
7 Commissioner. The assignment form shall be approved by the Commissioner. If a  
8 bondsman exceeds the above limitation, the bondsman shall be notified by the  
9 Commissioner by mail with return receipt requested that the excess shall be reduced or  
10 the deposit increased within ten (10) days of notification, or the license of the bondsman  
11 shall be suspended immediately after the ten-day period, pending a hearing on the  
12 matter.

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

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

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

1 B. The deposit provided in this section shall be held in safekeeping by the  
2 Insurance Commissioner and shall only be used if a bondsman fails to pay an order and  
3 judgment of forfeiture after being properly notified or shall be used if the license of a  
4 professional bondsman has been revoked. The deposit shall be held in the name of the  
5 Insurance Commissioner and the bondsman. The bondsman shall execute an assignment  
6 of the deposit to the Insurance Commissioner for the payment of unpaid bond forfeitures.

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

10 D. Notwithstanding any other provision of ~~Section~~ Sections 1301 ~~et seq.~~ through  
11 1340 of this title, the license of a professional bondsman is transferable upon the death or  
12 legal or physical incapacitation of the bondsman to the bondsman's spouse, or to such  
13 other transferee as the professional bondsman may designate in writing, and the  
14 transferee may elect to act as a professional bondsman until the expiration of the license  
15 or for a period of one hundred eighty (180) days, whichever is greater, if the following  
16 conditions are met:

- 17 1. The transferee must hold a valid license as a surety bondsman in this state; and
- 18 2. The asset and deposit requirements set forth in this section continue to be met.

19 SECTION 2. This act shall become effective November 1, 2009.

20 COMMITTEE REPORT BY: COMMITTEE ON ECONOMIC DEVELOPMENT AND  
21 FINANCIAL SERVICES, dated 02-25-09 - DO PASS, As Amended and Coauthored.