

1 STATE OF OKLAHOMA

2 1st Session of the 52nd Legislature (2009)

3 HOUSE BILL 1371

By: Smithson

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6 AS INTRODUCED

7 An Act relating to professions and occupations;
8 amending 59 O.S. 2001, Sections 1306, as last amended
9 by Section 1, Chapter 135, O.S.L. 2006 and 1309 (59
10 O.S. Supp. 2008, Section 1306), which relate to bail
11 bondsmen; modifying requirement for release and
12 return of deposit; clarifying statutory reference;
13 modifying certain requirement of renewal for a
14 professional bondsman license; and providing an
15 effective date.

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

17 SECTION 1. AMENDATORY 59 O.S. 2001, Section 1306, as
18 last amended by Section 1, Chapter 135, O.S.L. 2006 (59 O.S. Supp.
19 2008, Section 1306), is amended to read as follows:

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

23 2. In addition to the requirements prescribed in Section 1305
24 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

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

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

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

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

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

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

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

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

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

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

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

16 SECTION 2. AMENDATORY 59 O.S. 2001, Section 1309, is
17 amended to read as follows:

18 Section 1309. A. A renewal license shall be issued by the
19 Insurance Commissioner to a licensee who has continuously maintained
20 same in effect, without further examination, upon payment of a
21 renewal fee of One Hundred Dollars (\$100.00) for a bail bondsman and
22 proof of completion of eight (8) hours of continuing education as
23 required by Section 1308.1 of this title. The renewal fee shall be
24 submitted by September 15 of each year. Such licensee shall in all

1 other respects be required to comply with and be subject to the
2 provisions of ~~Section~~ Sections 1301 ~~et seq.~~ through 1340 of this
3 title.

4 B. In ~~case~~ every third year of renewal of a professional
5 bondsman license, the application shall also provide a financial
6 statement prepared by an accounting firm or individual holding a
7 permit to practice public accounting in this state in accordance
8 with generally accepted principles of accounting procedures showing
9 assets, liabilities, and net worth, said statement to be as of a
10 date not earlier than ninety (90) days prior to submission of the
11 license renewal application. The statements shall be attested to by
12 an unqualified opinion of the accounting firm or individual holding
13 a permit to practice public accounting in this state that prepared
14 the statement or statements. The statement shall be submitted by
15 September 15 of ~~each~~ every third year of renewal.

16 C. In case of renewal of a property bondsman license, the
17 application shall also provide a county assessor's written statement
18 stating the property's assessed value for each property used to post
19 bonds and a written statement from any lien holder stating the
20 current payoff amount on each lien for each property used to post
21 bonds. The written statements shall be submitted by September 15 of
22 each year.

23 D. If the license is not renewed or the renewal fee is not paid
24 by September 30 of each year, such license shall expire

1 automatically pursuant to Section 1304 of this title. If after
2 November 30 of each year the license has not been renewed or the
3 renewal fee paid, then such licensee shall be required to apply for
4 a license as a new applicant.

5 E. Late renewal fees shall be double the original fee.

6 SECTION 3. This act shall become effective November 1, 2009.

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