

SUBJECT: Four-year license for some bail bondsmen

COMMITTEE: Criminal Jurisprudence — committee substitute recommended

VOTE: 8 ayes — Hinojosa, Dunnam, Green, Keel, Nixon, Smith, Talton, Wise
0 nays
1 absent — Garcia

WITNESSES: For — John Dahill, Dallas County Commissioners Court
Against — Bruce Carr, Harris County Sheriff’s Department

BACKGROUND: In counties with populations over 110,000, bail bondsmen are licensed and overseen by county bail bond boards. Licenses are good for two years, and a license holder must file a renewal application with the board at least 30 days before the license expires.

DIGEST: CSHB 3457 would make some bail bond licenses good for four years. In a county with a population over 110,000, a license would be renewable for four years if the person had held it for at least six consecutive years without a suspension or revocation and had complied with the statutes covering bail bonds. The county bail bond board would have to know of no legal reason why the application should not be renewed and would have to determine that the applicant had submitted an annual financial report to each county’s board before the anniversary of the date the license was issued. A license renewed for four years under these conditions could be renewed subsequently every four years in a similar manner.

CSHB 3457 would take effect September 1, 1999, and would apply only to renewal applications filed on or after that date.

SUPPORTERS SAY: CSHB 3457 would remove the burden on both county bail bond boards and bondsmen of going through a time-consuming renewal process every two years for bondsmen who have proven themselves good business people. Such close monitoring is unnecessary for bondsmen who have demonstrated for six years that they run a financially sound, honest bail bond businesses.

The renewal process can be time-consuming and burdensome. Bondsmen must put together detailed reports on all aspects of their finances, including their liability, assets, appraisals, and more. CSHB 3457 would reduce this burden by allowing four-year renewals for those who have been through two detailed renewal inspections already.

The bail bond board would continue to oversee bondsmen subject to four-year renewals. Under CSHB 3457, these bondsmen would have to submit annual financial reports. The board still could suspend or revoke licenses at any time if a bondsman violated any rules or laws. In addition, the market itself provides oversight, because if a bondman's clients fail to appear in court as promised, the bondsman cannot stay in business.

Because bond boards would not have to do such detailed inspections every two years, any loss in revenue to them should be offset by reduced expenses. It would not be difficult for boards to set up a system to determine who was on a two-year renewal cycle and who was on a four-year cycle.

OPPONENTS
SAY:

CSHB 3457 would allow some bondsmen to operate without adequate oversight.

A detailed inspection of a bondsman's business is necessary at least every two years. In general, this is the only time bail bond boards take a close look at a bondsman's operations. In addition to examining a bondman's financial records, the board may look at the property that bondsmen have put up for collateral against their bonds. Scrutiny of bondmen's businesses has revealed nonpayment of taxes and buildings that were supposed to be part of a bondsman's collateral but that had burned. An annual financial statement would not necessarily reveal all these types of problems. It is better to monitor bondsmen's business on a two-year cycle to ensure that problems are identified early.

The renewal process is not burdensome or overly time-consuming for bondsmen. Most information required for the renewal can be gleaned from standard records that bondsmen must keep for taxes and other purposes.

CSHB 3457 could result in bail bond boards losing important operating funds. Bondsmen's \$500 renewal fees pay not only for renewal inspections but also

for a board's ongoing operations. If these funds were reduced significantly, the boards could find themselves in financial straits.

It could be difficult for bail bond boards to keep up with which bondsmen have two-year renewals and who qualified for the four-year renewals.

NOTES:

The committee substitute added the requirement for the annual financial report to each bail bond board.