

BILL ANALYSIS

Senate Research Center

S.B. 627
By: Sibley
State Affairs
3-3-97
As Filed

DIGEST

Currently, Texas law provides that an individual is ineligible for bail bondsmen licensing unless the individual is a resident of this state and a citizen of the United States, at least 18 years of age, possesses sufficient financial resources to provide indemnity against loss on such obligations as the individual may undertake as required by Section 1 of Article 2372p-3, V.T.C.S., and who after the effective date of the Act, commits a felony or misdemeanor involving moral turpitude for which the individual is convicted. However, because Article 2372p-3 only applies to counties with a population of more than 110,000, according to the last federal census, or in counties of less than 110,000 in which a bail bond board (board) has been created, current law only applies to 14 counties in Texas. With the exception of the board counties, there are no statutory restrictions on who is eligible to write a bail bond. The goal of S.B. 627 is to create a certification and examination process for all persons who make bail bonds for compensation in the State of Texas and to require continuing education for all individuals certified to make bail bonds for compensation.

PURPOSE

As proposed, S.B. 627 outlines provisions and provides penalties regarding certification of bail bondsmen by the Texas Department of Licensing and Regulation.

RULEMAKING AUTHORITY

Rulemaking authority is granted to the commissioner of licensing and regulation under SECTION 1, (Section 7(h), Article 2372p-4, V.T.C.S.) of the bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Title 44, V.T.C.S., by adding Article 2372p-4, as follows:

Art. 2372p-4. STATE CERTIFICATION OF BAIL BONDSMEN

Sec. 1. DEFINITIONS. Defines "commissioner," "department," and "person." Provides that the definitions adopted under Section 2, Chapter 550, Acts of the 63rd Legislature, Regular Session, 1973 (Article 2372p-3, V.T.C.S.) apply to this article in addition to the definitions under this section.

Sec. 2. CERTIFICATE OF REGISTRATION REQUIRED; PENALTY. (a) Prohibits a person from executing a bail bond in any county of this state as a surety for compensation unless the person holds a certificate of registration in addition to any other legal requirements. Provides that a person is entitled to a certificate of registration if the person passes the certification examination required under Section 4 of this article and pays all required fees.

(b) Sets forth instances in which a person is exempt from the certification examination requirement, notwithstanding Subsection (a) of this section.

(c) Authorizes a person who is exempt under Subsection (b) of this section to obtain a certificate of registration from the Texas Department of Licensing and Regulation (department) by filing a sworn statement that demonstrates to the satisfaction of the

commissioner of licensing and regulation (commissioner) that the person is eligible for the exemption claimed.

(d) Provides that a certificate of registration expires on the second anniversary of the date of issuance of the certificate and is not transferrable.

(e) Provides that a person commits a Class A misdemeanor if the person operates as a bondsman without a certificate of registration.

Sec. 3. APPLICATION; EXEMPTION. Provides that this article applies to a person who holds a license issued by a bail bond board under Chapter 550, Article 2372p-3, V.T.C.S., and does not apply to a person licensed to practice law by the Supreme Court of Texas.

Sec. 4. CERTIFICATION EXAMINATION; REQUIREMENTS. Requires each person who desires to operate as a bondsman in this state to pass the certification examination required by this section. Sets forth requirements and outlines provisions regarding the certification examination.

Sec. 5. CONTINUING EDUCATION REQUIREMENTS. Requires a bondsman to annually complete five hours of continuing education courses through a program qualified under Subsection (b) of this section to renew the certificate of registration. Requires the department to certify qualified continuing education programs. Requires the course offered by a program to cover all major topics involved in the operation of a bail bond business to be eligible for certification. Requires a fee charged by a provider of continuing education to be retained by the provider to cover the cost of presenting the program. Requires the fee to be paid in full by the participant and prohibits the fee from being paid for or waived by the provider. Sets forth requirements for a list that each provider of continuing education is required to provide the department.

Sec. 6. CERTIFICATE RENEWAL. Sets forth instances in which a person who holds a certificate of registration is entitled to renew the certificate.

Sec. 7. ADVISORY COUNCIL. Provides that the bail bondsman advisory council is established as an advisory committee to the department. Provides that the advisory council is composed of nine members appointed by the commissioner as provided by this section. Requires the Professional Bondsmen of Texas and the Corporate Surety Association to nominate two of their members to the commissioner for designation by the commissioner as members of the advisory council. Sets forth requirements for the appointment of the remaining five members. Outlines provisions regarding members of the advisory council. Sets forth requirements for the advisory council. Authorizes the advisory council to recommend standards for continuing education programs and topics to be covered in a continuing education course, and propose rules for adoption by the commissioner relating to the regulation of bail bondsmen. Provides that the advisory council is not subject to Article 6252-33, V.T.C.S.

SECTION 2. (a) Effective date: September 1, 1997, except as otherwise provided by this section.

(b) Provides that a person employed on the effective date of this Act by a bondsman licensed under Chapter 550, Article 2372p-3, V.T.C.S., is eligible for a certificate of registration under Article 2372p-4, V.T.C.S., as added by this Act, without compliance with the examination requirements if the person applies for the certificate to the Texas Department of Licensing and Regulation before January 1, 1998, and pays any required fees.

(c) Provides that a person is not required to hold a certificate of registration issued under Article 2372p-4, V.T.C.S., as added by this Act, until January 1, 1998.

(d) Requires the commissioner of licensing and regulation to adopt rules as necessary to implement Article 2372p-4, V.T.C.S., as added by this Act, not later than December 1, 1997.

(e) Provides that a person who, on September 1, 1997, holds a license issued by a county bail bond board under, Article 2372p-3, V.T.C.S., and receives a certificate of registration under Article 2372p-4, V.T.C.S., as added by this Act, without compliance with the examination requirements imposed under that article must comply with the continuing education requirements imposed under that article not later than September 1, 1998.

SECTION 3. Emergency clause.