

BILL ANALYSIS

Senate Research Center

C.S.S.B. 739
By: Armbrister
Criminal Justice
4/26/1999
Committee Report (Substituted)

DIGEST

Currently, no experience or financial security is necessary for a person to enter the bail bonding business. C.S.S.B. 739 would require persons seeking to enter the bail bonding business to obtain a license and would require bondsmen to establish a separate cash collateral account.

PURPOSE

As proposed, C.S.S.B. 739 sets forth provisions regarding the regulation of bail bondsmen.

RULEMAKING AUTHORITY

This bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 2(2), Article 2372p-3, V.T.C.S., to redefine “bondsmen.”

SECTION 2. Amends Sections 3(b) and (e), Article 2372p-3, V.T.C.S., to establish that no individual is eligible to be licensed as a bondsman or act as an agent for a corporate surety unless the individual fulfills certain conditions including continuous employment in all phases of the bonding business for a period of at least 24 months and has no unpaid final judgment arising out of a bail bond forfeiture. Sets forth conditions by which a person licensed to practice law may execute bail bonds or act as a surety. Deletes text regarding a license.

SECTION 3. Amends Section 4, Article 2372p-3, V.T.C.S., by adding a new heading and amending Subsections (a) and (b) and adding Subsections (c) and (d), as follows:

Sec. 4. New heading: RECORDS AND COLLATERAL ACCOUNT REQUIRED OF LICENSE HOLDER. Requires a license holder to maintain a record required to be maintained by this section for inspection on demand by the applicable board on the written request of the County Bail Bond Board (board) or its authorized representative. Requires a license holder to maintain a required record for four years after final disposition of the case. Sets forth requirements regarding a written agreement that describes the conditions under which the collateral will be refunded or retained. Requires the bondsman to maintain as trustee a separate cash collateral for the operation of the bonding business. Requires the bondsman to deposit the cash collateral not later than the fifth banking day after the date of the cash receipt. Deletes text requiring no security to be held for both the payment of a bail bond and assurance of the principal’s appearance in court; and the submission of certain records.

SECTION 4. Amends Section 6(b), Article 2372p-3, V.T.C.S., to require the application for an individual to be accompanied by a letter, rather than letters, of recommendations from each of three reputable persons, recommending the applicant as having a reputation of honesty, truthfulness, fair dealing and competency. Establishes that the letters of recommendation will be required for the agent named by a corporation in that application. Sets forth requirements regarding a sworn statement by each applicant. Deletes text regarding persons in charge of business; and requirements for the letters of recommendation.

SECTION 5. Amends Sections 15(a), (g), and (j), Article 2372p-3, V.T.C.S., to provide that no person is authorized to act as a bail bondsman or advertise as a bail bondsman without holding a license issued by the board, in a county with no board. Prohibits a person from placing in a detention facility an

advertisement for a bail bondsman or a device that charges a fee to dispense a bail bond in certain specified facilities. Provides that a person who violates this section, rather than Subsections (a) or (g), to be guilty of a Class A, rather than Class C, misdemeanor. Deletes text regarding advertising as a bail bondsman without a license.

SECTION 6. Repealer: Sections 15(k) and (l), Article 2372p-3, V.T.C.S. (regarding classification of violations).

SECTION 7. Amends Section 14A(a), Article 2372p-3, V.T.C.S., to prohibit a corporation in default on two, rather than five, or more bail bonds in a county on bonds executed by a single agent for that corporation, from executing any further bonds for the corporation while the defaults continue.

SECTION 8. Makes application of this Act prospective.

SECTION 9. Emergency clause.
Effective date: 90 days upon adjournment.

SUMMARY OF COMMITTEE CHANGES

SECTION 1.

Amends Section 2(2), Article 2372p-3, V.T.C.S., to redefine “bondsman.” Redesignated from proposed SECTION 1. Deletes certain proposed definitions and redefinitions. Deletes the following sections from proposed SECTION 1: Sections 1, 5, 7, 8, 9, 10, 11, 12, 13, 14, 15, and 16.

SECTION 2.

Amends Sections 3(b) and (e), Article 2372p-3, V.T.C.S., to establish conditions regarding eligibility for license as a bondsman. Sets forth conditions by which a person licensed to practice law may execute a bail bond or act as a surety. Redesignated from proposed SECTION 1. Deletes proposed text regarding licensing requirements and eligibility.

SECTION 3.

Amends Section 4, Article 2372p-3, V.T.C.S., to add a new heading. Establishes conditions regarding records and collateral account required of a license holder. Redesignated from proposed SECTION 1. Deletes proposed text regarding records and collateral.

SECTION 4.

Amends Section 6(b), Article 2372p-3, V.T.C.S., to establish requirements regarding the need for an applicant to include three letters of recommendation with an application. Redesignated from proposed SECTION 1. Deletes proposed text regarding the application and issuance of a license after having fulfilled necessary conditions.

SECTION 5.

Amends Sections 15(a), (g), and (j), Article 2372p-3, V.T.C.S., to provide that no person is authorized to act as a bail bondsman or advertise as a bail bondsman without holding a license issued by the board, in a county with no board. Prohibits a person from placing in a detention facility an advertisement for a bail bondsman or a device that charges a fee to dispense a bail bond in certain specified facilities. Provides that a person who violates this section, rather than Subsections (a) or (g), to be guilty of a Class A, rather than Class C, misdemeanor. Deletes text regarding advertising as a bail bondsman without a license. Redesignated from proposed SECTION 1. Deletes proposed text regarding prohibited acts and acts subject to a penalty under this section.

SECTION 6.

Repealer: Sections 15(k) and (l), Article 2372p-3, V.T.C.S. (regarding classification of violations).

SECTION 7.

Amends Section 14A(a), Article 2372p-3, V.T.C.S., Prohibits a corporation in default on two, rather than five, or more bail bonds in a county on bonds executed by a single agent for that corporation, from executing any further bonds for the corporation while the defaults continue.

SECTION 8.

Makes application of this Act prospective. Redesignated from proposed SECTION 2. Deletes proposed effective date.

SECTION 9.

Emergency clause.

Effective date: 90 days upon adjournment.

Redesignated from proposed SECTION 3.