

Department of Legislative Services
Maryland General Assembly
2005 Session

FISCAL AND POLICY NOTE

House Bill 1270

(Delegate Parker, *et al.*)

Judiciary

Corporate Bail Bondsmen and Property Bail Bondsmen - Qualifications

This bill prohibits a person who has been convicted of a felony or any two specified misdemeanors within the past seven years from being licensed as corporate or property bail bondsman. A person who knowingly violates this prohibition is guilty of a felony and upon conviction is subject to imprisonment of up to five years, a \$10,000 fine or both, and is also subject to denial, suspension, or revocation of any license or qualification currently held.

Fiscal Summary

State Effect: Potential minimal increase in general fund revenues and expenditures due to the bill's penalty provision.

Local Effect: Potential minimal increase expenditures due to the bill's penalty provision.

Small Business Effect: None.

Analysis

Bill Summary: A person may not be licensed as or provide services of a corporate or property bail bondsman if the person: (1) has been convicted of a felony; or (2) within seven years before the date the services are rendered, has been convicted of any two of the following misdemeanors: crimes against a person, weapons crimes, crimes relating to controlled dangerous substances, or thefts.

A corporate bail bondsman providing services on or before September 30, 2005, may continue to provide services despite a criminal conviction if:

- all criminal convictions existing at the time of initial licensing, and at the time of each renewal, were disclosed in writing to the Maryland Insurance Commissioner; and
- a written consent, if required under federal law, was issued by the Maryland Insurance Commissioner.

A property bail bondsman providing services on or before September 30, 2005, may continue to provide services despite a criminal conviction if:

- all criminal convictions existing at the time of initial licensing, and at the time of each renewal, were disclosed in writing to the appropriate bail bond commissioner; and
- a written consent, if applicable, was obtained under federal law.

A person who knowingly violates these provisions is subject to a fine of up to \$10,000 for each violation and/or imprisonment up to five years and denial, suspension, or revocation of any license or qualification currently held.

This bill does not restrict the regulation of bail bondsmen under the Insurance Article.

Current Law: An individual must obtain a license to provide bail bond services. An applicant must meet the requirements for acting as a property and casualty insurance producer. An applicant must:

- be of good character and trustworthy;
- be at least 18 years old;
- have the appropriate education and employment experience; and
- pass an examination given by the Commissioner.

An applicant may not have committed an enumerated act that the Commissioner finds would warrant denial of a license.

State Expenditures: General fund expenditures could increase minimally due to the Maryland Insurance Administration (MIA) having to prepare cases for criminal prosecution. MIA advises that this may require additional resources. However, the number of cases is expected to be small.

General fund revenues could increase minimally as a result of the bill's monetary penalty provision from cases heard in the circuit courts.

General fund expenditures could also increase minimally as a result of the bill's incarceration penalty due to more people being committed to Division of Correction (DOC) facilities. The number of people convicted of this proposed crime is expected to be minimal.

Persons serving a sentence longer than 18 months are incarcerated in DOC facilities. Currently, the average total cost per inmate, including overhead, is estimated at \$1,850 per month. This bill alone, however, should not create the need for additional beds, personnel, or facilities. Excluding overhead, the average cost of housing a new DOC inmate (including medical care and variable costs) is \$310 per month. Excluding medical care, the average variable costs total \$120 per month.

Local Expenditures: Expenditures could increase minimally as a result of the bill's incarceration penalty. Counties pay the full cost of incarceration for people in their facilities for the first 90 days of the sentence, plus part of the per diem cost after 90 days. Per diem operating costs of local detention facilities are expected to range from \$33 to \$119 per inmate in fiscal 2006.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Judiciary (Administrative Office of the Courts), Maryland Insurance Administration, Department of Legislative Services

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