

HOUSE BILL 742

C4, E2

2lr2109
CF SB 489

By: **Delegate Barnes**

Introduced and read first time: February 8, 2012

Assigned to: Judiciary and Economic Matters

Committee Report: Favorable with amendments

House action: Adopted with floor amendments

Read second time: March 21, 2012

CHAPTER _____

1 AN ACT concerning

2 **Bail Bondsmen – ~~Qualifications for Licensure~~ – Acceptance of Installment**
3 **Contracts**

4 FOR the purpose of ~~establishing certain qualifications for licensure as a bail~~
5 ~~bondsman~~; authorizing certain bail bondsmen to arrange to accept payment for
6 the premium charged for a bail bond in installments; providing that, if a bail
7 bondsman arranges to accept payment of a bail bond premium in installments,
8 the installment agreement shall include certain information; requiring a bail
9 bondsman to secure a certain affidavit of surety containing certain information
10 under certain circumstances; requiring a bail bondsman, if arranging to accept
11 payment of a bail bond premium in installments, to take certain actions and
12 keep certain records; requiring a bail bondsman to keep certain records in a
13 certain location and to make certain records available to the Maryland
14 Insurance Commissioner for inspection; requiring bail bondsmen to certify to
15 the Commissioner at a certain time the accuracy and truth of certain records;
16 providing certain penalties for certain violations of this Act; providing for the
17 application of this Act; and generally relating to the regulation of surety
18 bondsmen.

19 BY repealing and reenacting, without amendments,
20 Article – Criminal Procedure
21 Section 5–203
22 Annotated Code of Maryland
23 (2008 Replacement Volume and 2011 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 BY repealing and reenacting, with amendments,
2 Article – Insurance
3 Section 10–302 ~~and 10–305~~
4 Annotated Code of Maryland
5 (2011 Replacement Volume)

6 BY adding to
7 Article – Insurance
8 Section 10–309
9 Annotated Code of Maryland
10 (2011 Replacement Volume)

11 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
12 MARYLAND, That the Laws of Maryland read as follows:

13 **Article – Criminal Procedure**

14 5–203.

15 (a) (1) Subject to paragraph (2) of this subsection, a circuit court may
16 adopt rules setting the terms and conditions of bail bonds filed in that court and rules
17 on the qualifications of and fees charged by bail bondsmen.

18 (2) Notwithstanding any other law or rule to the contrary, if expressly
19 authorized by the court, a defendant or a private surety acting for the defendant may
20 post a bail bond by executing it in the full penalty amount and depositing with the
21 clerk of court the greater of 10% of the penalty amount or \$25.

22 (3) A bail bond commissioner may be appointed to carry out rules
23 adopted under this section.

24 (4) A violation of a rule adopted under this section is contempt of court
25 and shall be punished in accordance with Title 15, Chapter 200 of the Maryland Rules.

26 (5) A person may not engage in the business of becoming a surety for
27 compensation on bail bonds in criminal cases unless the person is:

28 (i) approved in accordance with any rules adopted under this
29 section; and

30 (ii) if required under the Insurance Article, licensed in
31 accordance with the Insurance Article.

32 (b) (1) In the circuit courts in the Seventh Judicial Circuit, a bail
33 bondsman approved under subsection (a) of this section shall pay a license fee of 1% of
34 the gross value of all bail bonds written in all courts of the circuit, if the fee is
35 approved by the court of the county in which it applies.

1 (2) The fee shall be paid to the court as required by the rules of court
2 and shall be used to pay the expenses of carrying out this section.

3 (3) Any absolute bail bond forfeitures collected may be used to pay the
4 expenses of carrying out this section.

5 Article – Insurance

6 10–302.

7 [This] EXCEPT AS PROVIDED IN § 10–309 OF THIS SUBTITLE, THIS subtitle
8 does not apply to bail bondsmen that provide bail bondsman services under § 5–203 of
9 the Criminal Procedure Article.

10 ~~10–305.~~

11 ~~(A) An applicant for a license must be an individual who meets the~~
12 ~~requirements for acting as a property and casualty insurance producer under Subtitle~~
13 ~~1 of this title.~~

14 ~~(B) TO QUALIFY FOR A LICENSE, AN APPLICANT MUST:~~

15 ~~(1) HAVE BEEN EMPLOYED REGULARLY BY A LICENSED BAIL~~
16 ~~BONDSMAN FOR A PERIOD TOTALING AT LEAST 1 YEAR; AND~~

17 ~~(2) CERTIFY TO THE COMMISSIONER THAT THE APPLICANT HAS~~
18 ~~COMPLETED THE PERIOD OF EMPLOYMENT REQUIRED UNDER THIS~~
19 ~~SUBSECTION.~~

20 10–309.

21 (A) THIS SECTION APPLIES TO BAIL BONDSMEN LICENSED UNDER THIS
22 SUBTITLE AND TO BAIL BONDSMEN THAT PROVIDE BAIL BONDSMAN SERVICES
23 UNDER § 5–203 OF THE CRIMINAL PROCEDURE ARTICLE.

24 (B) A BAIL BONDSMAN MAY ARRANGE TO ACCEPT PAYMENT FOR THE
25 PREMIUM CHARGED FOR A BAIL BOND IN INSTALLMENTS.

26 (C) IF A BAIL BONDSMAN ARRANGES TO ACCEPT PAYMENT FOR THE
27 PREMIUM CHARGED FOR A BAIL BOND IN INSTALLMENTS, THE INSTALLMENT
28 AGREEMENT SHALL INCLUDE:

29 (1) THE TOTAL AMOUNT OF THE PREMIUM OWED;

1 **(2) THE AMOUNT OF ANY DOWN PAYMENT MADE;**

2 **(3) THE BALANCE AMOUNT OWED TO THE BAIL BONDSMAN OR**
3 **THE BAIL BONDSMAN'S INSURER;**

4 **(4) THE AMOUNT AND DUE DATE OF EACH INSTALLMENT**
5 **PAYMENT; AND**

6 **(5) THE TOTAL NUMBER OF INSTALLMENT PAYMENTS REQUIRED**
7 **TO PAY THE AMOUNT ~~FINANCED~~ DUE.**

8 **(D) IF A BAIL BONDSMAN ARRANGES TO ACCEPT PAYMENT OF THE**
9 **PREMIUM CHARGED FOR A BAIL BOND IN INSTALLMENTS, THE BAIL BONDSMAN**
10 **SHALL:**

11 **(1) SECURE A SIGNED AFFIDAVIT OF SURETY BY THE DEFENDANT**
12 **OR THE INSURER CONTAINING THE INFORMATION REQUIRED UNDER**
13 **SUBSECTION (C) OF THIS SECTION AND PROVIDE THE AFFIDAVIT OF SURETY TO**
14 **THE COURT;**

15 **(2) TAKE ALL NECESSARY STEPS TO COLLECT THE TOTAL**
16 **AMOUNT OWED BY THE INSURED, INCLUDING SEEKING REMEDIES PROVIDED BY**
17 **LAW FOR THE COLLECTION OF DEBTS; AND**

18 **(3) KEEP AND MAINTAIN RECORDS OF ALL COLLECTION**
19 **ATTEMPTS, INSTALLMENT AGREEMENTS, AND AFFIDAVITS OF SURETY.**

20 **(E) (1) THE BAIL BONDSMAN SHALL KEEP AND MAINTAIN THE**
21 **RECORDS REQUIRED UNDER THIS SECTION IN AN OFFICE THAT IS GENERALLY**
22 **ACCESSIBLE TO THE PUBLIC DURING NORMAL BUSINESS HOURS.**

23 **(2) THE BAIL BONDSMAN SHALL MAKE THE RECORDS REQUIRED**
24 **UNDER THIS SECTION AVAILABLE TO THE COMMISSIONER FOR INSPECTION.**

25 **(3) EACH YEAR, EACH BAIL BONDSMAN SHALL CERTIFY TO THE**
26 **COMMISSIONER THAT THE RECORDS REQUIRED TO BE KEPT AND MAINTAINED**
27 **UNDER THIS SECTION ARE ACCURATE AND TRUE.**

28 **(F) IF A BAIL BONDSMAN VIOLATES ANY PROVISION OF THIS SECTION,**
29 **THE COMMISSIONER MAY TAKE ANY ACTIONS AUTHORIZED UNDER § 10-126 OF**
30 **THIS TITLE.**

31 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
32 October 1, 2012.