

Chapter 243

(Senate Bill 489)

AN ACT concerning

Bail Bondsmen – ~~Qualifications for Licensure~~ – Acceptance of Installment Contracts

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

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

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

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

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

Article – Criminal Procedure

5–203.

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

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

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

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

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

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

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

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

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

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

Article – Insurance

10–302.

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

~~10-305.~~

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

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

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

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

10-309.

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

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

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

(1) THE TOTAL AMOUNT OF THE PREMIUM OWED;

(2) THE AMOUNT OF ANY DOWN PAYMENT MADE;

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

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

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

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

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

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

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

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

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

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

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

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

Approved by the Governor, May 2, 2012.