

BILL ANALYSIS

Senate Research Center
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H.B. 1822
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

In counties where a bail bond business is regulated under the Occupations Code, an individual or an insurance company may obtain a license to write bail bonds. Each license holder may be required to place a security deposit with the county and then write bonds on a prescribed ratio to the value of that security deposit. The release of this security can become an issue when an individual stops conducting business. According to interested parties, although an attorney general's opinion concluded that a bail bond board had the authority to enact local rules governing a partial release of security, such boards across the state have not been uniform in recognizing this right, setting up local rules authorizing the right, or establishing procedures for the release of partial security.

H.B. 1822 seeks to address this issue by specifically authorizing a partial release of security when the amount of security remaining would meet certain requirements.

H.B. 1822 amends current law relating to the withdrawal of security by a bail bond surety.

RULEMAKING AUTHORITY

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

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 1704.210, Occupations Code, as follows:

Sec. 1704.210. WITHDRAWAL OF SECURITY. (a) Authorizes a license holder to withdraw the security or a portion of the security deposited or executed under Section 1704.160 (Security Requirements), and requires that the security be returned to the license holder or the license holder's heirs or assigns, if the person requesting the withdrawal is:

- (1) a license holder in good standing and the amount of the security remaining after the withdrawal is at least the minimum amount required by Section 1704.160, and an amount sufficient to maintain the ratios required by Section 1704.203 (Bail Bond Limit; Additional Security); or
- (2) a former license holder who has ceased to engage in the bonding business, or a former license holder's heir or assign, and the amount of the security remaining after the withdrawal is sufficient to pay any outstanding judgments, and secure any unexpired obligation on a bail bond executed by the former license holder.

Deletes existing text authorizing a license holder to withdraw the security deposited or executed under Section 1704.160, and requires that the security be returned to the license holder or the license holder's heirs or assigns, if the license holder ceases to engage in the bonding business, ceases to maintain the license, and presents a release by the board; and no judgment or bond liability, actual or potential, is outstanding against the license holder.

(b) Authorizes the county bail bond board to adopt rules to limit the number of times in a year security may be returned to a license holder under this section. Deletes existing text providing that the security returned to a license holder under Subsection (a) is equal to the amount of security deposited or executed under Section 1704.160 minus the amount of security depleted under Section 1704.204(b) (relating to failure to pay a final judgment by a license holder) to pay a judgment, and necessary to secure any unexpired obligation on a bail bond executed by the license holder.

SECTION 2. Effective date: September 1, 2011.