

REFERENCE TITLE: **bail bond agents; recovery agents**

State of Arizona  
Senate  
Fiftieth Legislature  
First Regular Session  
2011

## **SB 1599**

Introduced by  
Senators Shooter: McComish, Murphy; Representative McLain

### **AN ACT**

AMENDING SECTIONS 13-2508, 13-3885, 13-3967 AND 13-3969, ARIZONA REVISED STATUTES; AMENDING TITLE 13, CHAPTER 38, ARTICLE 12, ARIZONA REVISED STATUTES, BY ADDING SECTION 13-3970; AMENDING SECTIONS 13-3974 AND 20-340, ARIZONA REVISED STATUTES; RENUMBERING SECTIONS 20-340.01, 20-340.03, 20-340.05 AND 20-340.06, ARIZONA REVISED STATUTES, AS SECTIONS 20-340.03, 20-340.04, 20-340.09 AND 20-340.08, RESPECTIVELY; REPEALING SECTION 20-340.04, ARIZONA REVISED STATUTES; AMENDING TITLE 20, CHAPTER 2, ARTICLE 3.4, ARIZONA REVISED STATUTES, BY ADDING A NEW SECTION 20-340.01; AMENDING SECTION 20-340.02, ARIZONA REVISED STATUTES; AMENDING SECTIONS 20-340.03 AND 20-340.04, ARIZONA REVISED STATUTES, AS RENUMBERED BY THIS ACT; AMENDING TITLE 20, CHAPTER 2, ARTICLE 3.4, ARIZONA REVISED STATUTES, BY ADDING NEW SECTIONS 20-340.05 AND 20-340.06 AND SECTION 20-340.07; AMENDING SECTION 20-340.08, ARIZONA REVISED STATUTES, AS RENUMBERED BY THIS ACT; AMENDING SECTION 20-2901, ARIZONA REVISED STATUTES; RELATING TO BAIL BOND AGENTS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 13-2508, Arizona Revised Statutes, is amended to  
3 read:

4 13-2508. Resisting arrest; classification; definition

5 A. A person commits resisting arrest by intentionally preventing or  
6 attempting to prevent a person reasonably known to him to be a peace officer,  
7 acting under color of such peace officer's official authority, from effecting  
8 an arrest by:

9 1. Using or threatening to use physical force against the peace  
10 officer or another; or

11 2. Using any other means creating a substantial risk of causing  
12 physical injury to the peace officer or another.

13 B. Resisting arrest is a class 6 felony.

14 C. FOR THE PURPOSES OF THIS SECTION, "PEACE OFFICER" INCLUDES A BAIL  
15 RECOVERY AGENT, OR A BAIL BOND AGENT, AS DEFINED IN SECTION 20-340.

16 Sec. 2. Section 13-3885, Arizona Revised Statutes, is amended to read:

17 13-3885. Arrest of principal by surety; prohibited conduct;  
18 violation; classification; definitions

19 A. For the purpose of surrendering the defendant, a surety on the bail  
20 bond of a defendant may arrest the defendant before the forfeiture of the  
21 undertaking or, by written authority attached to a certified copy of the  
22 undertaking, may empower a bail recovery agent or a bail bond agent ~~as~~  
23 ~~defined in section 20-340~~ to arrest the defendant.

24 B. A BAIL RECOVERY AGENT OR A BAIL BOND AGENT SHALL:

25 1. PROVIDE NOTICE TO THE LOCAL LAW ENFORCEMENT AGENCY OF THE SURETY'S  
26 OR AGENT'S INTENTION TO APPREHEND OR ARREST THE DEFENDANT IN THE LAW  
27 ENFORCEMENT AGENCY'S JURISDICTION AND OF THE DEFENDANT'S CUSTODY AFTER THE  
28 ARREST.

29 2. EXCEPT AS PROVIDED IN PARAGRAPH 3 OF THIS SUBSECTION, IMMEDIATELY  
30 RETURN THE DEFENDANT TO THE CUSTODY OF THE SHERIFF OF THE COUNTY IN WHICH THE  
31 PROSECUTION IS PENDING.

32 3. IF THE DEFENDANT IS IN NEED OF MEDICAL ATTENTION, IMMEDIATELY  
33 TRANSPORT THE DEFENDANT TO A HOSPITAL FOR MEDICAL TREATMENT.

34 ~~B-~~ C. A bail recovery agent or a bail bond agent shall not do any of  
35 the following:

36 1. Enter an occupied residential structure without the consent of the  
37 occupants OR OWNER who are present at the time of the entry.

38 2. Conduct a bail recovery arrest or apprehension without written  
39 authorization from a bail bond agent OR AGENCY licensed in ~~Arizona~~ THIS  
40 STATE.

41 3. Wear, carry or display any uniform, badge, shield or other insignia  
42 or emblem that implies that the bail recovery agent is an employee, officer  
43 or agent of this state, a political subdivision of this state or the federal  
44 government. A bail recovery agent may display identification that indicates  
45 the agent's status as a bail recovery agent only.

1           4. Authorize or allow any third party bail recovery agent to undertake  
2 an apprehension or arrest if the bail recovery agent has been convicted in  
3 any jurisdiction of theft or of any felony or any crime involving carrying or  
4 the illegal use or possession of a deadly weapon or dangerous instrument.

5           5. MAINTAIN CUSTODY OF A DEFENDANT FOR MORE THAN TWO HOURS UNLESS:

6           (a) THE BAIL RECOVERY AGENT OR BAIL BOND AGENT IS RETURNING THE  
7 DEFENDANT TO THE CUSTODY OF A LAW ENFORCEMENT AGENCY WHERE A JUDICIAL  
8 PROCEEDING IS PENDING IMMEDIATELY FOLLOWING AN ARREST OR APPREHENSION FROM  
9 ANOTHER JURISDICTION, INCLUDING ANOTHER STATE'S JURISDICTION.

10          (b) MEDICAL ATTENTION IS REQUIRED.

11          ~~C.~~ D. The surety or bail bond agent employing, hiring as an  
12 independent contractor or otherwise utilizing a bail recovery agent shall  
13 advise the department of insurance in writing that the bail recovery agent is  
14 providing the services to the surety or bail bond agent on a given case or  
15 cases. The written notice to the department of insurance must be given  
16 within twenty-four hours after the retention and shall include the name, date  
17 of birth, home and business addresses and telephone number of the bail  
18 recovery agent. The bail recovery agent identified in the written notice  
19 shall certify on the written notice, under penalty of perjury, that the bail  
20 recovery agent ~~has never been convicted in any jurisdiction of theft or of~~  
21 ~~any felony or any crime involving carrying or the illegal use or possession~~  
22 ~~of a deadly weapon or dangerous instrument and that the bail recovery agent~~  
23 ~~has complied with section 20-340.04~~ IS LICENSED PURSUANT TO TITLE 20,  
24 CHAPTER 2, ARTICLE 3.4.

25          ~~D. Bail bond agents shall provide an annual report to the department~~  
26 ~~of insurance listing all bail recovery agents employed, hired as independent~~  
27 ~~contractors or otherwise utilized by the bail bond agent during the year.~~  
28 ~~This report shall certify that all employees of the bail bond agent have met~~  
29 ~~the requirements prescribed in section 20-340.03 and that all bail recovery~~  
30 ~~agents have complied with section 20-340.04. The report shall include the~~  
31 ~~name, home and business addresses, date of birth, telephone number, and a~~  
32 ~~two-inch wide by three-inch high photograph of the face of each person~~  
33 ~~identified in the report.~~

34          E. To satisfy the requirements of this section, a bail bond agent who  
35 is licensed in another state but WHO is not licensed in this state shall  
36 contract with a bail bond agent WHO IS licensed in this state to retain the  
37 services of a bail recovery agent in this state.

38          F. ON THE REQUEST OF A BAIL BOND AGENT OR A BAIL RECOVERY AGENT, A  
39 LOCAL LAW ENFORCEMENT AGENCY SHALL ASSIST THE AGENT IN THE APPREHENSION OR  
40 ARREST OF A DEFENDANT.

41          ~~F.~~ G. Any person who violates subsection ~~B- C~~ or E of this section is  
42 guilty of a class 5 felony. Any person who violates subsection ~~C-or~~ D of  
43 this section is subject to the provisions of section ~~20-295~~ 20-340.02.

44          ~~G.~~ H. For the purposes of this section:

45          1. "Bail bond agent" has the same meaning prescribed in section  
46 ~~20-282.01~~ 20-340.

1           2. "~~Bail recovery agent" means any person who has never been convicted~~  
2 ~~in any jurisdiction of theft or of a felony or any crime involving carrying~~  
3 ~~or the illegal use or possession of a deadly weapon or dangerous instrument~~  
4 ~~and who is employed or hired as an independent contractor or otherwise~~  
5 ~~utilized by a bail bond agent to assist the bail bond agent in presenting a~~  
6 ~~defendant in court when required, in apprehending a defendant and~~  
7 ~~surrendering the defendant to a court or in keeping a defendant under~~  
8 ~~necessary surveillance. Bail recovery agent does not include an attorney or~~  
9 ~~law enforcement officer who acts in an official capacity and who assists a~~  
10 ~~bail bond agent in the bail bond agent's business~~ HAS THE SAME MEANING  
11 PRESCRIBED IN SECTION 20-340.

12           3. "Occupied residential structure" means an edifice of a type that is  
13 generally used to house human beings.

14           Sec. 3. Section 13-3967, Arizona Revised Statutes, is amended to read:  
15 13-3967. Release on bailable offenses before trial; definition

16           A. At his appearance before a judicial officer, any person who is  
17 charged with a public offense that is bailable as a matter of right shall be  
18 ordered released pending trial on his own recognizance or on the execution of  
19 bail in an amount specified by the judicial officer. THE JUDICIAL OFFICER  
20 SHALL ALLOW A SECURED APPEARANCE BOND IN ALL CASES THAT BAIL IS PERMITTED  
21 EXCEPT IF THE DEFENDANT HAS PREVIOUSLY FAILED TO APPEAR OR IS BEING HELD FOR  
22 UNPAID CHILD SUPPORT, FINES OR FEES. A GOVERNMENT AGENCY SHALL NOT ACCEPT  
23 CREDIT CARD PAYMENT FOR A SECURED APPEARANCE BOND.

24           B. In determining the method of release or the amount of bail, the  
25 judicial officer, on the basis of available information, shall take into  
26 account all of the following:

- 27           1. The views of the victim.
- 28           2. The nature and circumstances of the offense charged.
- 29           3. The weight of evidence against the accused.
- 30           4. The accused's family ties, employment, financial resources,  
31 character and mental condition.
- 32           5. The results of any drug test submitted to the court.
- 33           6. Whether the accused is using any substance if its possession or use  
34 is illegal pursuant to chapter 34 of this title.
- 35           7. Whether the accused violated section 13-3407, subsection A,  
36 paragraph 2, 3, 4 or 7 involving methamphetamine or section 13-3407.01.
- 37           8. The length of residence in the community.
- 38           9. The accused's record of arrests and convictions.
- 39           10. The accused's record of appearance at court proceedings or of  
40 flight to avoid prosecution or failure to appear at court proceedings.
- 41           11. Whether the accused has entered or remained in the United States  
42 illegally.
- 43           12. Whether the accused's residence is in this state, in another state  
44 or outside the United States.

45           C. If a judicial officer orders the release of a defendant who is  
46 charged with a felony either on his own recognizance or on bail, the judicial

1 officer shall condition the defendant's release on the defendant's good  
2 behavior while so released. On a showing of probable cause that the  
3 defendant committed any offense during the period of release, a judicial  
4 officer may revoke the defendant's release pursuant to section 13-3968.

5 D. After providing notice to the victim pursuant to section 13-4406, a  
6 judicial officer may impose any of the following conditions on a person who  
7 is released on his own recognizance or on bail:

8 1. Place the person in the custody of a designated person or  
9 PRIVATE-SECTOR organization agreeing to supervise him.

10 2. Place restrictions on the person's travel, associates or place of  
11 abode during the period of release.

12 3. Require the deposit with the clerk of the court of cash or other  
13 security, such deposit to be returned on the performance of the conditions of  
14 release.

15 4. Prohibit the person from possessing any dangerous weapon or  
16 engaging in certain described activities or indulging in intoxicating liquors  
17 or certain drugs.

18 5. Require the person to report regularly to and remain under the  
19 supervision of an officer of the court OR THE SURETY THAT POSTED THE BOND.

20 6. Impose any other conditions deemed reasonably necessary to assure  
21 appearance as required including a condition requiring that the person return  
22 to custody after specified hours.

23 E. In addition to any of the conditions a judicial officer may impose  
24 pursuant to subsection D of this section, the judicial officer shall impose  
25 both of the following conditions on a person who is charged with a felony  
26 violation of chapter 14 or 35.1 of this title and who is released on his own  
27 recognizance or on bail:

28 1. Electronic monitoring where available.

29 2. A condition prohibiting the person from having any contact with the  
30 victim.

31 F. The judicial officer who authorizes the release of the person  
32 charged on his own recognizance or on bail shall do all of the following:

33 1. Issue an appropriate order containing statements of the conditions  
34 imposed.

35 2. Inform the person of the penalties that apply to any violation of  
36 the conditions of release.

37 3. Advise the person that a warrant for his arrest may be issued  
38 immediately on any violation of the conditions of release, including the  
39 failure to submit to deoxyribonucleic acid testing ordered pursuant to  
40 paragraph 4 of this subsection.

41 4. If the person is charged with a felony or misdemeanor offense  
42 listed in section 13-610, subsection 0, paragraph 3 and is summoned to  
43 appear, order the person to report within five days to the law enforcement  
44 agency that arrested the person or to the agency's designee and submit a  
45 sufficient sample of buccal cells or other bodily substances for  
46 deoxyribonucleic acid testing and extraction. If a person does not comply

1 with an order issued pursuant to this ~~subsection~~ PARAGRAPH, the court shall  
2 revoke the person's release.

3 G. At any time after providing notice to the victim pursuant to  
4 section 13-4406, the judicial officer who orders the release of a person on  
5 any condition specified in this section or the court in which a prosecution  
6 is pending may amend the order to employ additional or different conditions  
7 of release, including either an increase or reduction in the amount of bail.  
8 On application, the defendant shall be entitled to have the conditions of  
9 release reviewed by the judicial officer who imposed them or by the court in  
10 which the prosecution is pending. Reasonable notice of the application shall  
11 be given to the county attorney and the victim.

12 H. Any information that is stated or offered in connection with any  
13 order pursuant to this section need not conform to the rules pertaining to  
14 admissibility of evidence in a court of law.

15 I. This section does not prevent the disposition of any case or class  
16 of cases by forfeiture of bail or collateral security if such disposition is  
17 authorized by the court.

18 J. A judicial officer who orders the release of a juvenile who has  
19 been transferred to the criminal division of the superior court pursuant to  
20 section 8-327 or who has been charged as an adult pursuant to section 13-501  
21 shall notify the appropriate school district on the release of the juvenile  
22 from custody.

23 K. For the purposes of this section and section 13-3968, "judicial  
24 officer" means any person or court authorized pursuant to the constitution or  
25 laws of this state to bail or otherwise release a person before trial or  
26 sentencing or pending appeal.

27 Sec. 4. Section 13-3969, Arizona Revised Statutes, is amended to read:  
28 13-3969. Bail bond agent lists: prohibition; rotation;  
29 acceptance of bonds

30 A. The sheriff or keeper of ~~the~~ A COUNTY OR CITY jail shall provide to  
31 a person charged with aailable offense in his custody a list containing the  
32 names and telephone numbers of those persons authorized to post bail bonds in  
33 the county. Persons authorized to post bail bonds in the county may be  
34 listed under their own name or a trade name if the trade name is registered  
35 with the secretary of state. The list shall be updated ~~annually~~ MONTHLY. A  
36 BAIL BOND AGENT'S NAME OR TRADE NAME MAY APPEAR ONLY ONCE ON THE LIST.

37 B. The sheriff or keeper of ~~the~~ A COUNTY OR CITY jail shall not  
38 recommend any authorized bail bond agent to a person charged with aailable  
39 offense in the sheriff's or keeper's custody and shall rotate ~~quarterly~~  
40 MONTHLY the order of the names and telephone numbers of the authorized bail  
41 bond agents listed. THE LIST SHALL BE POSTED WHERE AN ARRESTEE CAN USE THE  
42 LIST. EMPLOYEES OF THE SHERIFF OR A COUNTY OR CITY JAIL ARE PROHIBITED FROM  
43 ASSISTING AN ARRESTEE IN CALLING A BAIL BOND AGENT.

1 C. The sheriff or keeper of ~~the~~ A COUNTY OR CITY jail in the county in  
2 which criminal charges are filed or in which the person charged is jailed  
3 shall accept the bond from any ~~person~~ EMPLOYEE OF A BAIL BOND AGENT OR  
4 AGENCY.

5 D. EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION, THE SHERIFF OR KEEPER  
6 OF A COUNTY OR CITY JAIL IS PROHIBITED FROM ADVERTISING FOR, BENEFITTING FROM  
7 OR DISPLAYING INFORMATION REGARDING ANY PRIVATE ENTITY RELATING TO BAIL BONDS  
8 IN OR AROUND WHERE PRISONERS ARE HOUSED OR IN THE COURTS THROUGH THE USE OF  
9 KIOSKS OR WEBSITES.

10 Sec. 5. Title 13, chapter 38, article 12, Arizona Revised Statutes, is  
11 amended by adding section 13-3970, to read:

12 13-3970. Bail bond forfeiture; administrative fee; bond  
13 forfeiture fund; remission

14 A. IF A DEFENDANT IS ADMITTED TO BAIL AND FAILS TO APPEAR AND  
15 SURRENDER HIMSELF TO THE BAIL BOND AGENT, COURT OR ANY LAW ENFORCEMENT AGENCY  
16 ACCORDING TO THE CONDITIONS OF HIS BOND, THE COURT SHALL DO ALL OF THE  
17 FOLLOWING:

18 1. ISSUE A WARRANT FOR THE DEFENDANT'S ARREST.

19 2. IF THE BAIL IS SECURED BY AN APPEARANCE BOND, WITHIN SEVENTY-TWO  
20 HOURS OF THE ISSUANCE OF THE WARRANT, NOTIFY THE BAIL BOND AGENT AND SURETY  
21 OF THE DEFENDANT'S FAILURE TO APPEAR.

22 3. SET A HEARING WITHIN ONE HUNDRED EIGHTY DAYS REQUIRING THE PARTIES  
23 AND THE SURETY TO SHOW JUST CAUSE WHY THE BOND SHOULD NOT BE FORFEITED. THE  
24 COURT SHALL PROVIDE NOTICE OF THE HEARING TO THE PARTIES AND THE SURETY BY  
25 MAILING A COPY OF THE MINUTE ENTRY TO THE ADDRESSES PREVIOUSLY PROVIDED BY  
26 THE PARTIES TO THE COURT.

27 B. AT THE HEARING, IF THE DEFENDANT'S FAILURE TO APPEAR IS NOT  
28 SATISFACTORILY EXPLAINED TO THE COURT, THE COURT SHALL ORDER THAT THE BOND BE  
29 FORFEITED ON THE ONE HUNDRED EIGHTY-FIRST DAY AFTER THE DATE ON WHICH THE  
30 DEFENDANT FAILED TO APPEAR. THE COURT SHALL PROVIDE NOTICE OF THE ORDER OF  
31 FORFEITURE TO THE PARTIES AND THE SURETY BY MAILING A COPY OF THE MINUTE  
32 ENTRY TO THE ADDRESSES PREVIOUSLY PROVIDED BY THE PARTIES TO THE COURT.

33 C. IF A DEFENDANT IS ARRESTED ON A BENCH WARRANT BY A LAW ENFORCEMENT  
34 AGENCY BEFORE THE DEFENDANT'S BOND IS FORFEITED ON THE ONE HUNDRED  
35 EIGHTY-FIRST DAY FROM FAILING TO APPEAR, THE SURETY SHALL PAY THE  
36 TRANSPORTATION COST OF A STATE DEPARTMENT OF CORRECTIONS PRIVATE EXTRADITION  
37 CONTRACTOR OR THE ACTUAL TRANSPORTATION COST TO DELIVER THE DEFENDANT TO THE  
38 SHERIFF OF THE COUNTY IN WHICH JUDICIAL PROCEEDINGS ARE PENDING.

39 D. IF THE SURETY SURRENDERS THE DEFENDANT INTO THE CUSTODY OF THE  
40 SHERIFF OF THE COUNTY IN WHICH THE PROSECUTION IS PENDING AND THE SHERIFF  
41 REPORTS THE SURRENDER TO THE COURT WITHIN SEVEN MONTHS AFTER THE BOND IS  
42 FORFEITED, THE SURETY MAY PETITION FOR REMISSION OF BAIL. THE AMOUNT OF  
43 REMISSION IS THE TOTAL AMOUNT OF BAIL FORFEITED MINUS TEN PER CENT OF THE  
44 TOTAL BAIL FOR EACH THIRTY DAYS THAT THE BENCH WARRANT WAS ACTIVE.

45 E. IF A DEFENDANT IS ARRESTED ON NEW, UNRELATED CHARGES WHILE ON BOND  
46 AND THE ARREST OCCURS BEFORE THE DEFENDANT FAILS TO APPEAR FOR THE CASE THAT

1 THE DEFENDANT IS ON BOND FOR, THE BAIL BOND AGENT OR SURETY IS RELIEVED FROM  
2 RESPONSIBILITY AND THE BOND IS EXONERATED IMMEDIATELY. THE DEFENDANT IS  
3 REQUIRED TO POST A NEW BOND ON ALL PENDING CASES.

4 F. IF A DEFENDANT IS ARRESTED OUTSIDE THE JURISDICTION OF THE PENDING  
5 CASE ON NEW, UNRELATED CHARGES WHILE ON BOND AND THE ARREST OCCURS BEFORE THE  
6 DEFENDANT FAILS TO APPEAR FOR THE CASE THAT THE DEFENDANT IS ON BOND FOR, THE  
7 COURT SHALL ISSUE A BENCH WARRANT WITH NO BOND UNTIL THE DEFENDANT IS  
8 RETURNED TO THE JURISDICTION OF THE PENDING CASE. THE TRANSPORTATION COSTS  
9 MAY BE CHARGED TO THE BAIL BOND AGENCY OR SURETY AND THE REMAINING BALANCE OF  
10 THE BOND IS EXONERATED.

11 Sec. 6. Section 13-3974, Arizona Revised Statutes, is amended to read:

12 13-3974. Exoneration of appearance bond

13 EXCEPT AS PRESCRIBED IN SECTION 13-3970, a surety ~~may~~ SHALL be relieved  
14 from liability on an appearance bond if the surety surrenders the defendant  
15 into the custody of the sheriff of the county in which the prosecution is  
16 pending and the sheriff reports the surrender to the court.

17 Sec. 7. Section 20-340, Arizona Revised Statutes, is amended to read:

18 20-340. Definitions

19 In this article, unless the context otherwise requires:

20 1. "BAIL BOND" MEANS A FINANCIAL GUARANTEE PROVIDED BY A SURETY  
21 INSURER THAT ALLOWS AN ARRESTEE TO BE RELEASED FROM CUSTODY AND THAT INSURES  
22 THE ARRESTEE'S APPEARANCE AT JUDICIAL PROCEEDINGS.

23 2. "BAIL BOND AGENCY" MEANS A BUSINESS OR CORPORATION THAT IS  
24 AUTHORIZED TO CONDUCT BAIL BONDS TRANSACTIONS.

25 ~~1- 3. "Bail bond agent" means an individual who is appointed by an~~  
26 ~~insurer through a power of attorney to execute or countersign bail bonds in~~  
27 ~~connection with judicial proceedings and who receives or is promised monies~~  
28 ~~or other things of value for that service~~ A PERSON WHO ENGAGES IN A CRIMINAL  
29 BAIL TRANSACTION ON BEHALF OF A SURETY INSURER OR THE INSURER'S  
30 REPRESENTATIVE.

31 4. "BAIL BOND TRANSACTION" MEANS A TRANSACTION BETWEEN A BAIL BOND  
32 AGENT OR AGENCY AND AN ARRESTEE OR INDEMNITOR TO SECURE COLLATERAL, PREMIUMS  
33 AND FEES FOR SECURING THE RELEASE OF AN ARRESTEE AND GUARANTEEING A SET SUM  
34 OF MONEY TO THE COURT IF THE ARRESTEE FAILS TO APPEAR AT COURT.

35 ~~2- 5. "Bail recovery agent" has the same meaning prescribed in~~  
36 ~~section 13-3885.~~ MEANS ANY PERSON WHO IS EMPLOYED OR HIRED AS AN INDEPENDENT  
37 CONTRACTOR OR OTHERWISE USED BY A BAIL BOND AGENT TO ASSIST THE BAIL BOND  
38 AGENT IN PRESENTING A DEFENDANT IN COURT WHEN REQUIRED, IN APPREHENDING A  
39 DEFENDANT AND SURRENDERING THE DEFENDANT TO A COURT OR IN KEEPING A DEFENDANT  
40 UNDER NECESSARY SURVEILLANCE. BAIL RECOVERY AGENT DOES NOT INCLUDE AN  
41 ATTORNEY OR LAW ENFORCEMENT OFFICER WHO ACTS IN AN OFFICIAL CAPACITY AND WHO  
42 ASSISTS A BAIL BOND AGENT IN THE BAIL BOND AGENT'S BUSINESS.

43 6. "CO-INDEMNITOR" MEANS A SECONDARY PERSON WHO PAYS A PREMIUM OR WHO  
44 PROVIDES COLLATERAL TO HAVE A BAIL BOND EXECUTED IN CONJUNCTION WITH A BAIL  
45 TRANSACTION.



1           7. "INDEMNITOR" MEANS A PERSON WHO PAYS A PREMIUM OR WHO PROVIDES  
2 COLLATERAL TO HAVE A BAIL BOND EXECUTED IN CONJUNCTION WITH A BAIL  
3 TRANSACTION.

4           8. "LICENSEE" MEANS A BAIL BOND AGENT OR BAIL RECOVERY AGENT WHO IS  
5 LICENSED PURSUANT TO THIS ARTICLE.

6           9. "SURETY INSURER" MEANS AN INSURER WHO IS AUTHORIZED AS A SURETY  
7 INSURER IN THIS STATE, WHO EXECUTES A BAIL BOND AND WHO IS BOUND TO PAY THE  
8 BOND AMOUNT IF THE ARRESTEE FAILS TO COMPLY WITH CONDITIONS OF THE BAIL BOND.

9           Sec. 8. Renumber

10           Sections 20-340.01, 20-340.03, 20-340.05 and 20-340.06, Arizona Revised  
11 Statutes, are renumbered as sections 20-340.03, 20-340.04, 20-340.09 and  
12 20-340.08, respectively.

13           Sec. 9. Repeal

14           Section ~~20-340.04~~, Arizona Revised Statutes, is repealed.

15           Sec. 10. Title 20, chapter 2, article 3.4, Arizona Revised Statutes,  
16 is amended by adding a new section 20-340.01, to read:

17           20-340.01. Applicant qualifications; application for license;  
18 fingerprinting; education; license required

19           A. AN APPLICANT FOR A BAIL BOND AGENT OR A BAIL RECOVERY AGENT LICENSE  
20 UNDER THIS ARTICLE SHALL:

21           1. SUBMIT AN APPLICATION PRESCRIBED BY THE DEPARTMENT.

22           2. BE AT LEAST EIGHTEEN YEARS OF AGE.

23           3. SUBMIT AN AFFIDAVIT ATTESTING TO THE APPLICANT'S RESIDENCY IN THIS  
24 STATE FOR AT LEAST ONE YEAR IMMEDIATELY PRECEDING THE DATE OF APPLICATION.

25           4. HAVE SUCCESSFULLY COMPLETED A SIX HOUR COURSE OF INSTRUCTION IN  
26 BAIL BONDS THAT IS OFFERED BY A STATE OR NATIONAL ORGANIZATION OF BAIL BOND  
27 AGENTS OR AN ORGANIZATION THAT ADMINISTERS TRAINING PROGRAMS FOR BAIL BOND  
28 AGENTS AND THAT IS APPROVED BY THE DEPARTMENT. IN ADDITION, THE APPLICANT  
29 SHALL HAVE COMPLETED FOURTEEN HOURS OF EDUCATION AND TRAINING AS SPECIFIED IN  
30 RULE BY THE DEPARTMENT.

31           B. AN APPLICANT FOR LICENSURE UNDER THIS CHAPTER SHALL SUBMIT A FULL  
32 SET OF FINGERPRINTS TO THE DEPARTMENT, AT THE APPLICANT'S OWN EXPENSE, FOR  
33 THE PURPOSE OF OBTAINING A STATE AND FEDERAL CRIMINAL HISTORY RECORDS CHECK  
34 PURSUANT TO SECTION 41-1750 AND P.L. 92-544. THE DEPARTMENT MAY EXCHANGE  
35 THIS FINGERPRINT DATA WITH THE FEDERAL BUREAU OF INVESTIGATION. A LICENSE  
36 SHALL NOT BE ISSUED UNTIL THE INFORMATION IS RECEIVED BY THE DEPARTMENT OF  
37 INSURANCE FROM THE DEPARTMENT OF PUBLIC SAFETY AND THE APPLICANT IS QUALIFIED  
38 FOR LICENSURE.

39           C. A PERSON SHALL NOT ACT AS OR REPRESENT THAT THE PERSON IS A BAIL  
40 BOND AGENT OR A BAIL RECOVERY AGENT UNLESS THE PERSON IS LICENSED AS A BAIL  
41 BOND AGENT OR BAIL RECOVERY AGENT PURSUANT TO THIS ARTICLE AND IS ACTING  
42 WITHIN THE SCOPE OF THE PERSON'S EMPLOYMENT FOR A BAIL BOND AGENCY LICENSED  
43 PURSUANT TO THIS TITLE.

1 Sec. 11. Section 20-340.02, Arizona Revised Statutes, is amended to  
2 read:

3 20-340.02. Bond of bail bond agents

4 A. Each applicant for a bail bond agent's license or license renewal  
5 shall file with the application and shall maintain in force while licensed a  
6 bond in favor of this state executed by a surety insurer authorized to do  
7 business in this state. The bond may be continuous in form, and total  
8 aggregate liability on the bond shall be at least ~~ten~~ ONE HUNDRED thousand  
9 dollars. The applicant shall place the bond on deposit with the state  
10 treasurer through the director's office. The bond shall be conditioned on  
11 full accounting and due payment to the person entitled to the bond of monies  
12 OR PROPERTY coming into the bail bond agent's possession as an incident to  
13 bail bond transactions under the license.

14 B. The bond remains in force until released by the director or until  
15 cancelled by the surety. Without prejudice to any liability previously  
16 incurred, the surety may cancel the bond on thirty days' advance written  
17 notice filed with the director.

18 Sec. 12. Section 20-340.03, Arizona Revised Statutes, as renumbered by  
19 this act, is amended to read:

20 20-340.03. Bail bond agents; bail bond agencies; place of  
21 business; maintenance of records

22 A. A person shall not act as a bail bond agent in this state unless  
23 the person is licensed ~~by the director in accordance with~~ PURSUANT TO this  
24 article.

25 B. The director shall not license a resident business entity as a bail  
26 bond ~~agent~~ AGENCY unless each ~~owner and shareholder~~ MEMBER, OFFICER OR  
27 DIRECTOR is individually licensed as a bail bond agent. IN ORDER FOR THE  
28 DEPARTMENT TO LICENSE A BAIL BOND AGENCY, THE AGENCY MUST BE REGISTERED WITH  
29 THE CORPORATION COMMISSION AS A CORPORATION, PARTNERSHIP OR LIMITED LIABILITY  
30 COMPANY AND ANY TRADE NAMES MUST BE REGISTERED WITH THE SECRETARY OF STATE.  
31 EACH BAIL BOND AGENCY MAY HAVE ONLY ONE TRADE NAME.

32 C. Each bail bond agent shall have and maintain a place of business in  
33 this state that is accessible to the public and where the bail bond agent  
34 principally conducts transactions under the agent's license.

35 D. EACH BAIL BOND AGENCY SHALL KEEP COMPLETE RECORDS OF ALL BUSINESS  
36 DONE UNDER THE AGENCY'S LICENSE, INCLUDING BOND CONTRACTS AND DOCUMENTS  
37 RELATED TO BOND CONTRACTS. THE DIRECTOR OR THE DIRECTOR'S DESIGNEE MAY  
38 EXAMINE THE RECORDS AT ANY BUSINESS TIME AT THE AGENCY'S PRINCIPAL PLACE OF  
39 BUSINESS. As a minimum requirement for permanent office records, each bail  
40 bond ~~agent and general lines agent who~~ AGENCY THAT is engaged in the bail  
41 bond business shall maintain a daily bond register that is the original and  
42 permanent record of all bonds or undertakings executed by ~~the licensee~~ EACH  
43 BAIL BOND AGENT EMPLOYED BY THE AGENCY and that states the:

- 44 1. Number of the power of attorney form.
- 45 2. Date the bond was executed.
- 46 3. Name of the principal.

- 1           4. Amount of the bond.
- 2           5. Premium charged AND REPORTED TO THE SURETY.
- 3           ~~6. Premium reported to the surety company.~~
- 4           ~~7. Security or collateral received.~~
- 5           ~~8. Date the security or collateral was received and the date released.~~
- 6           ~~9. Indemnity agreements.~~
- 7           ~~10.~~ 6. Disposition of the bond.
- 8           ~~11.~~ 7. Date of disposition.
- 9           ~~E. Each bail bond agent and general lines agent who is engaged in the~~
- 10 ~~bail bond business and who accepts monies or any other consideration for any~~
- 11 ~~bail bond undertaking shall for each payment received give to the person~~
- 12 ~~paying the monies or giving the consideration a prenumbered receipt as~~
- 13 ~~evidence of payment. The receipt must state the date, the name of the~~
- 14 ~~principal, a description of the consideration or amount of monies received~~
- 15 ~~and the purpose for which received, the number of the power of attorney form~~
- 16 ~~attached to the bond, the penal sum of the bond, the name of the person~~
- 17 ~~making the payment or giving the consideration and the terms under which the~~
- 18 ~~monies or other consideration shall be released. Each bail bond agent shall~~
- 19 ~~retain a duplicate copy of each receipt issued as part of the agent's~~
- 20 ~~records.~~
- 21           ~~F.~~ E. The bail bond agent shall keep at the agent's place of business
- 22 the usual and customary records pertaining to transactions made under the
- 23 BAIL BOND AGENT'S license. The ~~licensee~~ BAIL BOND AGENT shall keep all the
- 24 records as to any particular transaction available and open to the inspection
- 25 of the director at any business time during the three years immediately after
- 26 the date of completion of the transaction.
- 27           ~~G.~~ F. The director may examine the business practices, books and
- 28 records of any bail bond agent as often as the director deems appropriate.
- 29 The bail bond agent shall pay the costs incurred for the examination.
- 30           Sec. 13. Section 20-340.04, Arizona Revised Statutes, as renumbered by
- 31 this act, is amended to read:
- 32           20-340.04. Bail bond agent; bail recovery agent; prohibitions
- 33           A. A bail bond agent OR BAIL RECOVERY AGENT shall not:
- 34           1. Suggest or advise the employment of or name for employment any
- 35 particular attorney to represent the agent's principal BUT MAY OFFER A
- 36 RESOURCE LIST.
- 37           ~~2. Solicit business in or around any place where prisoners are~~
- 38 ~~confined or in or around any court.~~
- 39           ~~3.~~ 2. Receive or collect for an attorney any monies or other items of
- 40 value for any attorney fee, cost or other purpose on behalf of an arrestee,
- 41 unless a receipt is given.
- 42           ~~4. For any purpose, directly or indirectly, enter into an arrangement~~
- 43 ~~of any kind or have an understanding with any person to inform or notify any~~
- 44 ~~bail bond agent directly or indirectly of any of the following:~~
- 45           ~~(a) The existence of a criminal complaint.~~
- 46           ~~(b) The fact of an arrest.~~

1 ~~(c) The fact that an arrest of any person is pending or contemplated.~~  
2 ~~(d) Any information pertaining to matters described in this paragraph~~  
3 ~~or to the persons involved.~~

4 ~~5.~~ 3. Participate in the capacity of an attorney at a trial or  
5 hearing of a person on whose bond the bail bond agent is the surety.

6 ~~6.~~ 4. Accept anything of value from a principal except the premium  
7 and expenses. The bail bond agent may accept collateral security or other  
8 indemnity from the principal or on behalf of the principal that the bail bond  
9 agent shall return on final termination of liability on the bond unless the  
10 collateral has been forfeited because the defendant did not appear in court.  
11 The collateral security or other indemnity required by the bail bond agent  
12 must be reasonable in relation to the amount of the bond.

13 ~~7.~~ 5. Give, authorize, sign or countersign in blank any power of  
14 attorney to bonds unless the authorized person is a licensed bail bond agent  
15 directly employed by the bail bond agent giving the power of attorney.

16 ~~8.~~ 6. Advertise as or claim to be a surety company.

17 ~~9.~~ 7. Employ or assist in the employment of any person who has been  
18 convicted in any jurisdiction of theft or of any felony or of any crime  
19 involving carrying or the possession of a deadly weapon or dangerous  
20 instrument. This paragraph does not apply to a person whose felony  
21 conviction has been set aside or whose civil rights have been restored  
22 because of a felony conviction, except for a conviction of theft or of any  
23 crime involving carrying or the possession of a deadly weapon or dangerous  
24 instrument.

25 ~~B.~~ For the purposes of ~~subsection A,~~ THIS paragraph ~~9,~~ "employment"  
26 means working for a salary, a commission or under contract or owning,  
27 operating or controlling any business or agency that solicits, services or  
28 assists in any way in dealing in bail bonds.

29 8. WHEN SELLING, SOLICITING OR NEGOTIATING A BAIL BOND, MISLEAD,  
30 EXAGGERATE OR MISREPRESENT ANY FACT, DATA OR INFORMATION TO ANY PERSON IN  
31 CONNECTION WITH A BAIL BOND TRANSACTION OR USE COERCION OR DECEPTION.

32 9. IMPOSE A REQUIREMENT ON AN ARRESTEE THAT CONFLICTS WITH A  
33 REQUIREMENT SPECIFIED BY A COURT OR LAW ENFORCEMENT OFFICER.

34 10. WRITE OR PROCURE A BOND THAT IS NOT SECURED BY COLLATERAL PROVIDED  
35 BY AN INDEMNITOR.

36 11. REQUIRE AN ARRESTEE WHO RESIDES IN THIS STATE TO PHYSICALLY REPORT  
37 TO A LOCATION OUTSIDE OF THE COUNTY IN WHICH THE ARRESTEE RESIDES UNLESS IT  
38 IS REQUIRED AS PART OF THE TERMS AND CONDITIONS AGREED ON IN ADVANCE OF THE  
39 BOND BEING POSTED.

40 12. SOLICIT OR ACCEPT SEX, DIRECTLY OR INDIRECTLY, IN CONNECTION WITH A  
41 BAIL BOND TRANSACTION.

42 13. FOR ANY PURPOSE, DIRECTLY OR INDIRECTLY, ENTER INTO AN ARRANGEMENT  
43 OF ANY KIND OR HAVE AN UNDERSTANDING WITH ANY PERSON TO INFORM OR NOTIFY ANY  
44 BAIL BOND AGENT OR BAIL RECOVERY AGENT DIRECTLY OR INDIRECTLY OF ANY OF THE  
45 FOLLOWING:

46 (a) THE EXISTENCE OF A CRIMINAL COMPLAINT.

- 1 (b) THE FACT OF AN ARREST.
- 2 (c) THE FACT THAT AN ARREST OF ANY PERSON IS PENDING OR CONTEMPLATED.
- 3 (d) INFORMATION PERTAINING TO MATTERS DESCRIBED IN THIS PARAGRAPH OR
- 4 TO THE PERSONS INVOLVED.

5 14. SOLICIT BUSINESS IN OR AROUND ANY PLACE WHERE PRISONERS ARE  
6 CONFINED OR IN OR AROUND ANY COURT.

7 15. POST ANY BAIL BONDS FOR BAIL BOND AGENTS OR SURETIES THAT ARE NOT  
8 LICENSED IN THIS STATE OR FOR ANOTHER BAIL BOND AGENT WHO IS NOT AN EMPLOYEE  
9 OF THE BAIL BOND AGENT OR AGENCY.

10 16. RETAIN THE COLLATERAL FOR MORE THAN TWENTY-ONE DAYS AFTER THE  
11 EXONERATION OF THE BAIL BOND. IF THE COLLATERAL IS NOT RETURNED, THE  
12 DIRECTOR MAY DEMAND THAT THE COLLATERAL BE RETURNED WITHIN FIVE DAYS OR THE  
13 BAIL BOND AGENT'S LICENSE SHALL BE SUSPENDED PENDING AN ADMINISTRATIVE  
14 HEARING.

15 B. A BAIL BOND AGENT OR BAIL RECOVERY AGENT MAY WEAR AN AGENCY UNIFORM  
16 THAT IDENTIFIES THE PERSON AS A BAIL BOND AGENT OR A BAIL RECOVERY AGENT.

17 C. Law enforcement, DETENTION OFFICERS, CORRECTIONS OFFICERS,  
18 adjudication and prosecution officials and the officials' employees,  
19 attorneys-at-law, officials authorized to admit to bail and state and county  
20 officers shall not be bail bond agents and shall not directly or indirectly  
21 ASSIST IN OR receive any benefits from the execution of any bail bond. This  
22 section does not prohibit a bail bond agent from hiring counsel or asking  
23 assistance of a law enforcement officer. THIS SECTION PROHIBITS ALL  
24 GOVERNMENT EMPLOYEES FROM ASSISTING A DEFENDANT WITH BAIL BOND TRANSACTIONS.

25 D. In any bail transaction or in connection with any bail transaction,  
26 a bail bond agent shall not directly or indirectly charge or collect monies  
27 or other valuable consideration from any person except for the following  
28 purposes:

- 29 1. To pay the premium at the rates that are established by the surety
- 30 insurer and that are approved by the director.
- 31 2. To provide collateral.
- 32 3. To be reimbursed for actual and reasonable expenses incurred in
- 33 connection with the individual bail transaction AS PRESCRIBED IN SECTION
- 34 20-340.05.

35 Sec. 14. Title 20, chapter 2, article 3.4, Arizona Revised Statutes,  
36 is amended by adding new sections 20-340.05 and 20-340.06 and section  
37 20-340.07, to read:

38 20-340.05. Premiums; fees

39 A. A BAIL BOND AGENCY SHALL CONSPICUOUSLY DISPLAY THE BAIL BOND  
40 PREMIUM SCHEDULE AT EACH BUSINESS LOCATION. IF A BAIL BOND AGENT FACILITATES  
41 A BAIL BOND OUTSIDE OF THE AGENT'S BUSINESS LOCATION, THE AGENT SHALL PROVIDE  
42 A FEE DISCLOSURE STATEMENT THAT INCLUDES ALL PREMIUM AND FEE SCHEDULES TO THE  
43 POTENTIAL INDEMNITOR.

44 B. THE DEPARTMENT SHALL ESTABLISH AT A BIENNIAL PUBLIC HEARING  
45 CONDUCTED BY THE DEPARTMENT A SCHEDULE OF REASONABLE INDUSTRY EXPENSES THAT  
46 MAY BE CHARGED TO AN INDEMNITOR OR AN ARRESTEE INCLUDING, AT A MINIMUM:

- 1 1. GUARD FEES.
- 2 2. NOTARY FEES AND RECORDING FEES.
- 3 3. LONG-DISTANCE TELEPHONE EXPENSES AND TRAVEL EXPENSES INCURRED.
- 4 4. COURT REQUIRED CONTACT MANAGEMENT FEES.
- 5 5. BAIL BOND RECOVERY FEES AFTER AN INDEMNITOR OR A CO-INDEMNITOR
- 6 REQUESTS THE SURRENDER AND RETURN OF AN ARRESTEE TO JAIL.
- 7 6. AFTER HOURS FEES.
- 8 7. POSTING FEES.
- 9 8. DRUG TESTING FEES.
- 10 C. THE SURETY INSURER OR THE BAIL BOND AGENT SHALL RETURN THE BAIL
- 11 BOND INSURANCE PREMIUM TO THE INDEMNITOR IF THE BAIL BOND AGENT SURRENDERS AN
- 12 ARRESTEE TO CUSTODY BEFORE THE TIME SPECIFIED IN THE BAIL BOND UNLESS:
- 13 1. THE ARRESTEE'S RETURN TO CUSTODY WAS REQUIRED BY LAW.
- 14 2. THE ARRESTEE VIOLATED A LAWFUL PROVISION OF THE BAIL BOND AGREEMENT
- 15 OR ANY BAIL BOND TERMS AND CONDITIONS OF THE BAIL BOND AGENCY.
- 16 3. THE ARRESTEE MISREPRESENTED INFORMATION ON THE APPLICATION FOR BAIL
- 17 BOND INSURANCE THAT CAUSED THE RISKS ASSOCIATED WITH THE ARRESTEE'S RELEASE
- 18 TO BE MATERIALLY GREATER THAN THE BAIL BOND AGENT OR SURETY BELIEVED THEY
- 19 WOULD BE.
- 20 4. THE ARRESTEE IS CHARGED WITH A NEW OFFENSE AND THE BAIL BOND AGENCY
- 21 NO LONGER WANTS TO BE RESPONSIBLE FOR THE ARRESTEE AND THE BAIL BOND ISSUED.
- 22 5. THE ARRESTEE THREATENS OR INTIMIDATES OR HIRES ANOTHER PERSON TO
- 23 THREATEN OR INTIMIDATE A BAIL BOND AGENT OR AN EMPLOYEE OF THE BAIL BOND
- 24 AGENCY.
- 25 6. THE ARRESTEE TESTS POSITIVE FOR A CONTROLLED SUBSTANCE IN A TEST
- 26 ADMINISTERED BY THE BAIL BOND AGENT OR BAIL RECOVERY AGENT.
- 27 7. AN INDEMNITOR REVOKES THE COLLATERAL OR FAILS TO PAY THE AGREED
- 28 PREMIUMS AND FEES ON THE PAYMENT SCHEDULE.
- 29 20-340.06. Collateral
- 30 A. A BAIL BOND AGENT MAY NOT ACCEPT ANY OF THE FOLLOWING AS COLLATERAL
- 31 FOR A BAIL BOND:
- 32 1. A QUIT CLAIM DEED TO REAL PROPERTY, EXCEPT THAT A BAIL BOND AGENT
- 33 MAY ACCEPT A REAL PROPERTY DEED IN THE NAME OF THE SURETY INSURER.
- 34 2. A VIATICAL SETTLEMENT CONTRACT, A LIFE SETTLEMENT CONTRACT OR ANY
- 35 CONTRACT OR PROVISION THAT REQUIRES A PERSON TO ALTER THE BENEFICIARY ON AN
- 36 INSURANCE POLICY.
- 37 3. HAZARDOUS OR EXPLOSIVE MATERIALS.
- 38 4. ANY DRUG, MEDICATION OR PROSTHETIC.
- 39 B. A BAIL BOND AGENT WHO RECEIVES COLLATERAL IN CONNECTION WITH A BAIL
- 40 TRANSACTION SHALL:
- 41 1. PROVIDE TO THE INDEMNITOR A COLLATERAL RECEIPT THAT CONTAINS THE
- 42 FOLLOWING:
- 43 (a) THE NAME OF THE ARRESTEE.
- 44 (b) THE CASE NUMBER ASSIGNED BY THE COURT OR THE BOOKING NUMBER
- 45 ASSIGNED BY THE LAW ENFORCEMENT AGENCY.
- 46 (c) THE BAIL BOND AGENT'S NAME, BUSINESS ADDRESS AND TELEPHONE NUMBER.

1 (d) THE NAME, ADDRESS AND TELEPHONE NUMBER OF THE INDEMNITOR AND ANY  
2 CO-INDEMNITOR.

3 (e) A DESCRIPTION OF EACH ITEM OF PROPERTY BEING HELD AS COLLATERAL.

4 (f) DETAILS REGARDING THE CONDITION OF THE COLLATERAL IF THE  
5 COLLATERAL IS BEING STORED BY THE BAIL BOND AGENT.

6 (g) A STATEMENT THAT DESCRIBES THE CONDITIONS UNDER WHICH THE  
7 COLLATERAL WILL NOT BE RETURNED TO THE INDEMNITOR.

8 (h) AN ATTESTATION THAT THE INFORMATION PROVIDED BY THE INDEMNITOR IS  
9 COMPLETE AND ACCURATE AND THAT FOR ALL PROPERTY PROVIDED AS COLLATERAL BY THE  
10 INDEMNITOR, THE INDEMNITOR IS EITHER THE OWNER OF THE PROPERTY OR IS  
11 OTHERWISE AUTHORIZED BY THE OWNER TO OFFER THE ITEMS AS COLLATERAL IN THE  
12 BAIL BOND TRANSACTION.

13 (i) THE SIGNATURE OR ELECTRONIC VERIFICATION OF ALL PARTIES TO THE  
14 CONTRACT AND THE DATE OF SIGNING OR ELECTRONIC VERIFICATION.

15 2. MAINTAIN THE COLLATERAL SEPARATELY FROM ANY OTHER MONIES, ASSETS OR  
16 PROPERTY OF THE BAIL BOND AGENT OR AGENCY.

17 3. PREVENT THE COLLATERAL FROM BEING USED BY ANY PERSON OTHER THAN THE  
18 INDEMNITOR.

19 4. PREVENT ANY PERSON OTHER THAN THE INDEMNITOR FROM RECEIVING ANY  
20 FINANCIAL OR PERSONAL GAIN FROM THE COLLATERAL EXCEPT TO SATISFY OBLIGATIONS  
21 SPECIFIED IN THE INDEMNITY AGREEMENT.

22 C. A BAIL BOND AGENT SHALL RETURN THE COLLATERAL TO THE INDEMNITOR NO  
23 LATER THAN TWENTY-ONE DAYS AFTER THE DATE OF EXONERATION. THE BAIL BOND  
24 AGENT SHALL REPORT ON A QUARTERLY BASIS ALL CASH COLLATERAL TO THE SURETY  
25 INSURER.

26 D. A BAIL BOND AGENT OR SURETY INSURER MAY USE COLLATERAL TO SATISFY  
27 UNPAID BALANCES IF EITHER OF THE FOLLOWING APPLIES:

28 1. THE COURT TO WHICH THE BAIL BOND WAS POSTED HAS ENTERED AN ORDER OF  
29 JUDGMENT FORFEITING ALL OR PART OF THE AMOUNT OF THE BOND.

30 2. THE COURT HAS RELEASED THE BAIL BOND, THE INDEMNITY AGREEMENT  
31 PROVIDES THAT THE BAIL BOND AGENT MAY USE COLLATERAL TO PAY THE BALANCE OF  
32 UNPAID PREMIUM AND UNREIMBURSED ACTUAL AND REASONABLE EXPENSES AND THE BAIL  
33 BOND AGENT OR SURETY INSURER IS OWED FOR UNPAID PREMIUM OR ACTUAL AND  
34 REASONABLE EXPENSES.

35 E. AT LEAST FIFTEEN CALENDAR DAYS BEFORE CONVERTING NONCASH COLLATERAL  
36 TO CASH AND APPLYING THE COLLATERAL TO AN OBLIGATION UNDER THE INDEMNITY  
37 AGREEMENT, A BAIL BOND AGENT SHALL SEND BY CERTIFIED MAIL TO THE LAST KNOWN  
38 ADDRESS OF EACH INDEMNITOR A COLLATERAL CONVERSION NOTICE ACCOMPANIED BY A  
39 COPY OF THE FORFEITURE ORDER ISSUED BY THE COURT. THE COLLATERAL CONVERSION  
40 NOTICE SHALL INCLUDE ALL OF THE FOLLOWING:

41 1. THE BAIL BOND PREMIUM AMOUNT.

42 2. THE AMOUNT FORFEITED TO THE COURT.

43 3. ITEMIZED DETAILS OF THE ACTUAL AND REASONABLE EXPENSES INCURRED BY  
44 THE BAIL BOND AGENT.

45 4. THE PAYMENTS MADE BY THE ARRESTEE AND ANY INDEMNITOR.

46 5. THE BALANCE DUE FOR THE BAIL TRANSACTION.

1           6. THE DATE BY WHICH THE INDEMNITOR MUST PAY THE BAIL BOND AGENT TO  
2 AVOID HAVING THE NONCASH COLLATERAL CONVERTED TO CASH AND APPLIED TO THE  
3 UNPAID BALANCE.

4           7. A STATEMENT THAT THE BAIL BOND AGENT MAY INCUR ACTUAL AND  
5 REASONABLE EXPENSES TO CONVERT THE NONCASH COLLATERAL TO CASH.

6           F. A BAIL BOND AGENT SHALL MAKE A REASONABLE EFFORT TO RECOVER THE  
7 FAIR MARKET VALUE OF THE NONCASH COLLATERAL WHEN CONVERTING THE ITEM TO CASH.  
8 THE BAIL BOND AGENT SHALL NOT SELL, TRANSFER, GIFT OR OTHERWISE CONVEY  
9 COLLATERAL TO ANY EMPLOYEE, CONTRACTOR, BAIL RECOVERY AGENT OR OTHER PERSON  
10 ACTING ON BEHALF OF THE BAIL BOND AGENT OR AGENCY EMPLOYING THE BAIL BOND  
11 AGENT OR TO ANY RELATIVE OF THE BAIL BOND AGENT FOR AN AMOUNT LESS THAN FAIR  
12 MARKET VALUE.

13           G. A BAIL BOND AGENT SHALL RETURN TO THE INDEMNITOR ANY COLLATERAL OR  
14 ANY CASH FROM CONVERTED COLLATERAL THAT WAS NOT REQUIRED TO REMUNERATE THE  
15 SURETY INSURER OR THE COURT AND THAT WAS NOT REQUIRED TO PAY THE ACTUAL AND  
16 REASONABLE EXPENSES INCURRED BY THE BAIL BOND AGENT.

17           H. IF THE AGGREGATE VALUE OF THE COLLATERAL BEING HELD BY A BAIL BOND  
18 AGENT IS MORE THAN ONE HUNDRED THOUSAND DOLLARS, THE BAIL BOND AGENT SHALL  
19 OBTAIN INSURANCE TO PROTECT THE COLLATERAL.

20           20-340.07. Fees

21           THE DEPARTMENT MAY ESTABLISH AND CHARGE FEES FOR PRELICENSING  
22 EXAMINATIONS, CONTINUING EDUCATION, ISSUING LICENSES AND REGULATING BAIL BOND  
23 AGENTS AND THE BAIL RECOVERY AGENT INDUSTRY PURSUANT TO THIS ARTICLE.

24           Sec. 15. Section 20-340.08, Arizona Revised Statutes, as renumbered by  
25 this act, is amended to read:

26           20-340.08. Application of other laws

27           To the extent not inconsistent with this article, sections 20-106,  
28 20-281, 20-284 and 20-285, section 20-286, subsections B, C and D, section  
29 20-288, subsection B and sections 20-289, 20-289.01, 20-292, 20-295, 20-296,  
30 20-297, 20-298, 20-299, 20-301 and 20-302 apply to bail bond agents.

31           Sec. 16. Section 20-2901, Arizona Revised Statutes, is amended to  
32 read:

33           20-2901. Definitions

34           In this article, unless the context otherwise requires:

35           1. "Applicant" means a provider organization that submits an  
36 application to the contractor to provide continuing education courses.

37           2. "Approved continuing education course" means any course that has  
38 been approved by at least five other states or that is approved by a  
39 contractor or automatically approved pursuant to section 20-2904.

40           3. "Approved provider" means an organization or individual that offers  
41 an approved continuing education course and that is authorized by the  
42 contractor to offer the course to a licensee for credit toward the licensee's  
43 continuing education requirements.

44           4. "Continuing education review committee" means the committee  
45 appointed by the director pursuant to section 20-2905 to establish minimum



1 standards that apply to approved providers and approved continuing education  
2 courses and minimum performance standards that apply to contractors.

3 5. "Contractor" means the person who has a contract with the  
4 department of insurance to approve continuing education providers and courses  
5 and to administer the continuing education program and who is paid through  
6 fees collected from approved providers when the approved providers apply for  
7 continuing education course approval.

8 6. "Credit hour" means the value assigned to an hour of instruction in  
9 an approved continuing education course.

10 7. "License period" means the period between the date an Arizona  
11 insurance license is issued or last renewed and the expiration date of the  
12 Arizona insurance license.

13 8. "Licensee" means an insurance producer, including a surplus lines  
14 broker, ~~or~~ a managing general agent as defined in chapter 2, article 3.1 of  
15 this title who at any time during the license period holds a current  
16 nonresident license to transact insurance in another state **OR A BAIL BOND**  
17 **AGENT**. Licensee does not include any firm, corporation or other similar  
18 entity or an adjuster as defined in section 20-321.

19 9. "Nonresident applicant" means an insurance producer or a managing  
20 general agent or service representative who holds a resident license in  
21 another state and a nonresident license in this state and who is applying for  
22 the renewal of a nonresident license in this state.

23 10. "Provider organization" means a person that provides continuing  
24 education courses but has not yet been accepted as an approved provider  
25 pursuant to section 20-2904.

26 Sec. 17. Exemption from rule making

27 For the purposes of this act, the department of insurance is exempt  
28 from the rule making requirements of title 41, chapter 6, Arizona Revised  
29 Statutes, for two years after the effective date of this act.

30 Sec. 18. Applicability

31 Section 20-340.02, Arizona Revised Statutes, as amended by this act,  
32 does not apply to bail bond agents who are licensed on the effective date of  
33 this act until the bail bond agent's license renewal or two years after the  
34 effective date of this act, whichever is later.