

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 6419
BILL NUMBER: SB 117

DATE PREPARED: Nov 19, 2001
BILL AMENDED:

SUBJECT: Bail Agent and Recovery Agent Licensing.

FISCAL ANALYST: Michael Molnar
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FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: This bill establishes procedures for the reinstatement of an expired bail agent or recovery agent license. The bill requires an applicant for a bail agent license to complete certain courses before issuance of a license. The bill establishes: (1) continuing education requirements for the renewal of a bail agent license; and (2) procedures for bail agent instruction or continuing education.

The bill also requires an insurer that terminates the appointment of a surety bail agent to report to the Insurance Commissioner concerning certain activities of the surety bail agent. It also prohibits an insurer from appointing a person as a surety bail agent under certain circumstances.

Effective Date: July 1, 2002.

Explanation of State Expenditures: The Department of Insurance could have administrative expenditures involved with the printing of the new continuing education requirements and implementation of the provisions for persons offering approved course work for the new continuing education requirement. Based on the new fees introduced by the bill, it is believed the Department could absorb these expenditures.

Explanation of State Revenues: The bill would allow the Department to collect the following fees:

In case of reinstatement not more than 90 days after expiration of the license:

- (1) Reinstatement fee of \$200.
- (2) a pro rata portion of the license fee of either \$650 for bail recovery agents or \$300 for recovery agents (if the date of renewal leaves one year remaining in the biennial renewal period, the fee is 50% of this amount).

In case of persons wishing to offer course work for the continuing education requirement deemed approved by the Commissioner: \$500 on an annual basis.

The revenue received from this provision would be used to cover the costs associated to implement the provision. All revenues collected relating to bail recovery agent licensure or persons offering continuing education course work are deposited into the Bail Bond Enforcement and Administration Fund.

The Department reports there are currently 393 bail agents with active licenses. The number of licenses not renewed in the last renewal period was 74. Generally, 10% of expired licenses do not renew based on the economic condition of the industry.

The impact of this bill is indeterminable and would depend on the number of expired bail bond agent licenses renewed under the provisions of the bill. The impact also depends on the number of persons wishing to offer approved continuing education.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Indiana Department of Insurance.

Local Agencies Affected:

Information Sources: Adam Crowe, Deputy Commissioner, Indiana Department of Insurance, (317) 232-5693.