

HOUSE COMMITTEE OF REFERENCE REPORT

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Chairman of Committee

February 28, 2012  
Date

Committee on Judiciary.

After consideration on the merits, the Committee recommends the following:

HB12-1266 be amended as follows, and as so amended, be referred to the Committee on Appropriations with favorable recommendation:

1 Amend printed bill, strike everything below the enacting clause and  
2 substitute:

3           **"SECTION 1.** In Colorado Revised Statutes, 10-1-102, **amend**  
4 (3); and **add** (3.5) as follows:

5           **10-1-102. Definitions.** As used in this title, unless the context  
6 otherwise requires:

7           (3) "Admitted company" or "authorized company" designates  
8 companies duly qualified and licensed to transact business in this state,  
9 under the provisions of this title. "Nonadmitted companies" or  
10 "unauthorized companies" designates companies not licensed to transact  
11 business in this state, under the provisions of this title (except article 15)  
12 ~~article 7 of title 12~~, and article 14 of title 24, C.R.S.

13           (3.5) "BAIL INSURANCE COMPANY" MEANS AN INSURER ENGAGED  
14 IN THE BUSINESS OF WRITING BAIL BONDS THROUGH BONDING AGENTS AND  
15 SUBJECT TO REGULATION BY THE DIVISION.

16           **SECTION 2.** In Colorado Revised Statutes, 10-1-103, **amend** (3)  
17 and (6) (b) (I) (D); and **repeal** (6) (b) (I) (A) as follows:

18           **10-1-103. Division of insurance - subject to termination -**  
19 **repeal of functions.** (3) All direct and indirect expenditures of the  
20 division ~~shall be~~ ARE paid from the division of insurance cash fund,  
21 which fund is hereby created in the state treasury. All fees collected  
22 ~~pursuant to~~ UNDER sections 8-44-204 (7), C.R.S., 8-44-205 (6), C.R.S.,  
23 10-2-413, 10-3-108, 10-3-207, 10-3.5-104, 10-3.5-107, 10-12-106,  
24 10-15-103, 10-16-110 (1) and (2), 10-16-111 (1), 10-23-102, 10-23-104,

1 24-10-115.5 (5), C.R.S., and 29-13-102 (5), C.R.S., not including fees  
2 retained pursuant to UNDER contracts entered into in accordance with  
3 section 10-2-402 (5) or 24-34-101, C.R.S., and all taxes collected  
4 pursuant to UNDER section 10-3-209 (4) designated for the division of  
5 insurance, shall be ARE transmitted to the state treasurer, who shall credit  
6 the same MONEYS to the division of insurance cash fund. THE DIVISION  
7 SHALL USE all moneys credited to the division of insurance cash fund shall  
8 be used as provided in this section and in section 24-48.5-106, C.R.S.,  
9 shall not be deposited in or transferred SUBJECT TO ANNUAL  
10 APPROPRIATION BY THE GENERAL ASSEMBLY FOR THE PURPOSES  
11 AUTHORIZED IN THIS TITLE AND AS OTHERWISE AUTHORIZED BY LAW.  
12 MONEYS IN THE FUND DO NOT REVERT to the general fund of this state or  
13 to any other fund. and shall be subject to annual appropriation by the  
14 general assembly for the purposes authorized in this title and as otherwise  
15 authorized by law. In accordance with section 24-36-114, C.R.S., all  
16 interest derived from the deposit and investment of moneys in the fund  
17 shall be IS credited to the general fund.

18 (6) (b) (I) (A) ~~The functions of the division of insurance related~~  
19 ~~to the licensing of bail bonding agents are repealed, effective July 1,~~  
20 ~~2012, pursuant to the provisions of this section and section 12-7-112,~~  
21 ~~C.R.S.~~

22 (D) The functions of the division of insurance other than those  
23 functions related to the licensing of bail bonding agents, are repealed,  
24 effective July 1, 2017, pursuant to this section and section 24-34-104  
25 (48), C.R.S.

26 **SECTION 3.** In Colorado Revised Statutes, 10-1-108, amend (5),  
27 (8), and (9) as follows:

28 **10-1-108. Duties of commissioner - reports - publications - fees**  
29 **- disposition of funds - adoption of rules - examinations and**  
30 **investigations.** (5) It is the duty of the commissioner to make such  
31 investigations and examinations as are authorized by this title (except  
32 article 15) ~~article 7 of title 12,~~ and article 14 of title 24, C.R.S., and to  
33 investigate such information as is presented to the commissioner by  
34 authority that the commissioner believes to be reliable pertaining to  
35 violation of the insurance laws of Colorado, and it is the commissioner's  
36 duty to present the result of such investigations and examinations for  
37 further investigation and prosecution to either the district attorney of the  
38 proper judicial district or the attorney general when, in the commissioner's  
39 opinion, such violations justify such action.

40 (8) It is the duty of the commissioner to examine all requests and  
41 applications from insurers for certificates of authority to be issued  
42 pursuant to section 10-3-105. The commissioner is authorized to refuse

1 to issue any such certificates of authority until the commissioner is  
2 reasonably satisfied as to the qualifications and general fitness of the  
3 insurer to comply with the requirements of the provisions of this title  
4 (except article 15) ~~article 7 of title 12~~; and article 14 of title 24, C.R.S.

5 (9) It is the duty of the commissioner to transmit all surcharges,  
6 costs, taxes, penalties, and fines collected by the division of insurance  
7 under any provision of this title (except article 15) ~~article 7 of title 12~~; and  
8 article 14 of title 24, C.R.S., to the department of the treasury. All funds  
9 so transmitted shall be credited to the general fund; except that any funds  
10 collected by the commissioner as reimbursement for out-of-state travel  
11 costs in conjunction with the examination of an insurance company or  
12 with an activity to improve regulation of insurance companies are hereby  
13 continuously appropriated to the division of insurance in addition to any  
14 other funds appropriated for its normal operation.

15 **SECTION 4.** In Colorado Revised Statutes, 10-1-110, **amend** (1)  
16 introductory portion and (2) as follows:

17 **10-1-110. Grounds and procedure for suspension or**  
18 **revocation of certificate or license of entities.** (1) The certificate of  
19 authority of an insurance company to do business in this state may be  
20 revoked or suspended by the commissioner for any reason specified in  
21 this title ~~article 7 of title 12~~; and article 14 of title 24, C.R.S. Specifically,  
22 the certificate may be suspended or revoked by the commissioner for  
23 reasons that include, but are not limited to:

24 (2) If the commissioner finds upon examination, hearing, or other  
25 evidence that any foreign or domestic insurance company has committed  
26 any of the acts specified in subsection (1) of this section, or any other act  
27 specified in this title ~~article 7 of title 12~~; and article 14 of title 24, C.R.S.,  
28 for which the penalty is suspension or revocation of the certificate of  
29 authority, the commissioner may suspend or revoke such certificate of  
30 authority, if he or she deems it in the best interest of the public and the  
31 policyholders of the company, notwithstanding any other provision of  
32 said references. Notice of any revocation shall be published in one or  
33 more daily newspapers in Denver that have a general state circulation.  
34 Before suspending or revoking any certificate of authority of an insurance  
35 company, the commissioner shall grant the company fifteen days in which  
36 to show cause why such action should not be taken. Any final decision of  
37 the commissioner to suspend or revoke a certificate of authority or license  
38 of any person or entity regulated by the division of insurance shall be  
39 subject to judicial review by the court of appeals pursuant to section  
40 24-4-106 (11), C.R.S.

41 **SECTION 5.** In Colorado Revised Statutes, **amend** 10-1-111 as  
42 follows:

1           **10-1-111. Invoking aid of courts.** The commissioner, through the  
2 attorney general, may invoke the aid of the courts through injunction or  
3 other proper process, mandatory or otherwise, to enforce any proper order  
4 made by the commissioner or action taken by the commissioner; but  
5 nothing in this title (except article 15) ~~article 7 of title 12~~, and article 14  
6 of title 24, C.R.S., shall be construed to prevent the company or person  
7 affected by any order, ruling, proceeding, act, or action of the  
8 commissioner, or any person acting on behalf and at instance of the  
9 commissioner, from testing the validity of the same in any court of  
10 competent jurisdiction, through injunction, appeal, or other proper  
11 process or proceeding, mandatory or otherwise.

12           **SECTION 6.** In Colorado Revised Statutes, **amend** 10-1-112 as  
13 follows:

14           **10-1-112. Policy conditions required by other states.** The  
15 policies of a domestic insurance company, when issued or delivered in  
16 any other state, territory, district, or country, may contain any provision  
17 required by the laws of the state, territory, district, or country in which the  
18 same are issued, anything in this title (except article 15) ~~article 7 of title~~  
19 ~~12~~, and article 14 of title 24, C.R.S., to the contrary notwithstanding.

20           **SECTION 7.** In Colorado Revised Statutes, 10-1-211, **add** (6) as  
21 follows:

22           **10-1-211. Protocols for market conduct actions.** (6) SUBJECT  
23 TO SECTION 16-4-108 (1.5), A BAIL PREMIUM IS EARNED IN ITS ENTIRETY  
24 BY A COMPENSATED SURETY UPON THE DEFENDANT'S RELEASE FROM  
25 CUSTODY.

26           **SECTION 8.** In Colorado Revised Statutes, 10-2-301, **amend** (6)  
27 (a) and (6) (c) as follows:

28           **10-2-301. Continuing education requirement - advisory**  
29 **committee.** (6) (a) The commissioner shall be responsible for  
30 administering the continuing insurance education requirements under this  
31 article ~~and the continuing education requirements under article 7 of title~~  
32 ~~12, C.R.S.~~, and approving courses of instruction ~~which~~ THAT qualify for  
33 such purposes. The commissioner shall promulgate such rules ~~and~~  
34 ~~regulations~~ as the commissioner deems necessary to administer ~~such~~ THE  
35 continuing education requirements, including the provisions and  
36 requirements of this section. The commissioner shall also promulgate  
37 ~~regulations~~ RULES requiring that producers ~~and bail bonding agents~~  
38 ~~licensed under article 7 of title 12, C.R.S.~~, be required to provide to a  
39 continuing education administrator proof of compliance with the  
40 continuing education requirements as a condition of license renewal. For  
41 persons licensed pursuant to section 10-11-116 (1) (c), compliance with

1 the continuing legal education credits requirements of the Colorado  
2 supreme court shall be deemed to meet the requirements of this section.

3 (c) Each producer ~~and bail bonding agent~~ licensed under THIS  
4 article ~~7 of title 12, C.R.S., shall be~~ IS responsible for paying to the  
5 continuing education administrator a reasonable biennial fee for the  
6 operation of the continuing education programs, which fee ~~shall be~~ IS  
7 used to administer the provisions of this section.

8 **SECTION 9.** In Colorado Revised Statutes, 10-4-407, **amend** (1)  
9 introductory portion; and **repeal** (1) (f) as follows:

10 **10-2-407. License - definitions of lines of insurance - authority.**

11 (1) Unless A PERSON IS denied licensure pursuant to section 10-2-801, ~~or~~  
12 ~~12-7-106, C.R.S.~~, THE DIVISION SHALL ISSUE a person who has met the  
13 requirements of sections 10-2-401 OR 10-2-404 ~~12-7-102, or 12-7-103,~~  
14 ~~C.R.S., may be issued~~ an insurance producer license. An insurance  
15 producer may receive qualification for a single license to include one or  
16 more of the following lines of authority:

17 (f) ~~Bail bonding agent including a surety agent, as defined in~~  
18 ~~section 12-7-101 (1), C.R.S., a cash bonding agent, as defined in section~~  
19 ~~12-7-102 (1), C.R.S., and a professional cash bail agent, as defined in~~  
20 ~~section 12-7-101 (7), C.R.S.;~~

21 **SECTION 10.** In Colorado Revised Statutes, 10-2-415.5, **amend**  
22 (1), (2) (a), (2) (b) introductory portion, (2) (b) (I), and (3) as follows:

23 **10-2-415.5. Appointment of insurance producer - continuation**

24 **- renewal - exceptions.** (1) No insurance producer with ~~bail bonding~~  
25 ~~agent authority as set forth in section 10-2-407 (1) (f)~~ shall claim to be a  
26 representative or authorized or appointed agent of, or use any other term  
27 implying a contractual relationship with, a particular ~~insurer~~ BAIL  
28 INSURANCE COMPANY or accept applications on behalf of ~~such insurer~~ THE  
29 BAIL INSURANCE COMPANY unless ~~such~~ THE insurance producer becomes  
30 ~~pursuant to a~~ THROUGH A WRITTEN contract ~~in writing~~; a producer  
31 appointee, appointed by that ~~insurer~~ BAIL INSURANCE COMPANY in  
32 accordance with this section, to act in the capacity of an agent of the  
33 ~~insurer~~ BAIL INSURANCE COMPANY.

34 (2) (a) ~~An insurer~~ A BAIL INSURANCE COMPANY shall notify the  
35 commissioner of each INSURANCE producer ~~bail bonding agent~~  
36 appointment. Each ~~insurer~~ BAIL INSURANCE COMPANY shall file with the  
37 commissioner, monthly or at such other less frequent intervals as the  
38 commissioner may prescribe, a current list of insurance producers that it  
39 has appointed to solicit business on its behalf. The list shall contain all  
40 relevant appointment information as prescribed by the commissioner,  
41 including the effective date of appointment.

1 (b) Subject to renewal, each insurance producer ~~bail bonding~~  
2 ~~agent~~ appointment shall remain in effect until:

3 (I) The insurance producer's license is allowed to expire,  
4 discontinued, or cancelled by the insurance producer ~~bail bonding agent~~  
5 or revoked by the commissioner; or

6 (3) Each active insurance producer ~~bail bonding agent~~  
7 appointment shall be subject to renewal on October 1 of the renewal year.  
8 The division shall provide a list of active insurance producer appointees  
9 to the ~~insurer~~ BAIL INSURANCE COMPANY along with a renewal invoice  
10 stating the fee required for the renewal of each active insurance producer  
11 ~~bail bonding agent~~ appointment.

12 **SECTION 11.** In Colorado Revised Statutes, 10-2-415.7, **amend**  
13 (2) as follows:

14 **10-2-415.7. Termination of insurance producer bail bonding**  
15 **agent - notice - penalty.** (2) If the termination of an agent's appointment  
16 is for any of the causes listed in section 10-1-128 OR 10-2-801, ~~12-7-106,~~  
17 ~~or 12-7-109, C.R.S.~~, the insurer shall notify the commissioner of the  
18 reason and, if the commissioner so requests, the insurer shall provide any  
19 information, records, statements, or other data pertaining to the  
20 termination that may be used by the division in any action taken ~~pursuant~~  
21 ~~to sections~~ UNDER SECTION 10-2-801. ~~and 12-7-106, C.R.S.~~

22 **SECTION 12.** In Colorado Revised Statutes, **add** 10-2-418 as  
23 follows:

24 **10-2-418. Bail bonding authority.** (1) THE DIVISION SHALL  
25 ADVISE STATE COURT ADMINISTRATORS THAT A PERSON MAY FURNISH A  
26 BAIL BOND IF THE PERSON IS A LICENSED INSURANCE PRODUCER WITH A  
27 POWER OF ATTORNEY FROM AN INSURANCE COMPANY, APPEARS ON THE  
28 DIVISION'S WEB SITE AS AN ACTIVE INSURANCE PRODUCER WITH CASUALTY  
29 AUTHORITY, AND IS APPOINTED BY THAT INSURANCE COMPANY.

30 (2) THE DIVISION SHALL ISSUE CREDENTIALS TO EACH INSURANCE  
31 PRODUCER WHO IS APPOINTED BY A BAIL INSURANCE COMPANY THAT  
32 CLEARLY IDENTIFIES THE PERSON AS HOLDING AUTHORITY TO ACT AS A  
33 BAIL BOND AGENT.

34 **SECTION 13.** In Colorado Revised Statutes, 10-2-502, **amend**  
35 (1) introductory portion as follows:

36 **10-2-502. Nonresident licensing - qualification.** (1) ~~Except for~~  
37 ~~individuals or entities writing bail,~~ The commissioner may qualify an  
38 applicant as a nonresident, unless the applicant is denied licensure  
39 pursuant to section 10-2-801, and shall issue an insurance producer  
40 license to any qualified nonresident person in accordance with the  
41 following:

1           **SECTION 14.** In Colorado Revised Statutes, 10-2-702, **amend**  
2 (2) as follows:

3           **10-2-702. Commissions.** (2) ~~Except for individuals or entities~~  
4 ~~writing bail,~~ An insurer or insurance producer may pay or assign  
5 commissions, service fees, brokerages, or other valuable consideration to  
6 an insurance agency, business entity, or persons who do not sell, solicit,  
7 or negotiate insurance in this state, unless the payment would violate  
8 section 10-3-1104 (1) (g).

9           **SECTION 15.** In Colorado Revised Statutes, 10-2-801, **add** (1)  
10 (q) as follows:

11           **10-2-801. Licenses - denial, suspension, revocation,**  
12 **termination - reporting of actions - definitions.** (1) The commissioner  
13 may place an insurance producer on probation; suspend, revoke, or refuse  
14 to issue, continue, or renew an insurance producer license; order  
15 restitution to be paid from an insurance producer; or assess a civil penalty  
16 pursuant to section 10-2-804 or 10-3-1108, if, after notice to the insurance  
17 producer licensee and after a hearing held in accordance with sections  
18 24-4-104 and 24-4-105, C.R.S., the commissioner finds that as to the  
19 licensee or applicant any one or more of the following conditions exist:

20           (q) PROFITING EITHER DIRECTLY OR INDIRECTLY FROM THE  
21 BUSINESS OF A CASH-BONDING AGENT OR PROFESSIONAL CASH-BAIL AGENT  
22 UNLESS THE PERSON PROFITING IS REGISTERED AS A CASH-BONDING AGENT  
23 OR PROFESSIONAL CASH-BAIL AGENT AND THE PROFIT IS DERIVED FROM  
24 THEIR OWN BUSINESS.

25           **SECTION 16.** In Colorado Revised Statutes, 10-3-101, **amend**  
26 (2) as follows:

27           **10-3-101. Formation of insurance companies.** (2) When not  
28 less than the amount required by section 10-3-201 has been paid in by the  
29 incorporators and deposited with the commissioner, as provided for in  
30 this title (except article 15) ~~article 7 of title 12,~~ and article 14 of title 24,  
31 C.R.S., the commissioner shall cause an examination to be made either by  
32 the commissioner or some disinterested person especially appointed by  
33 the commissioner for the purpose, who shall certify that said provisions  
34 have been complied with by said company, as far as applicable thereto.  
35 Such certificate shall be filed in the office of the commissioner, who shall  
36 thereupon deliver to such company a certified copy thereof, which,  
37 together with a copy of the articles of incorporation, shall be filed in the  
38 office of the recorder of deeds of the county wherein the company is to  
39 be located, before the authority to commence business is granted. Any  
40 filings required to be made with the commissioner pursuant to this  
41 subsection (2) may be in an electronic format.

1           **SECTION 17.** In Colorado Revised Statutes, **amend** 10-3-103 as  
2 follows:

3           **10-3-103. Names of companies.** No domestic insurance company  
4 shall adopt the name of any existing company transacting a similar  
5 business nor any name so similar as to be calculated to mislead the public,  
6 but any domestic mutual or mutual assessment insurance company, upon  
7 complying with the terms and conditions of this title (except article 15),  
8 ~~article 7 of title 12~~, and article 14 of title 24, C.R.S., may be reorganized  
9 and reincorporated as a joint stock company under the same name by  
10 which it was incorporated as a mutual or assessment company, with the  
11 omission of the word "mutual", and it is unlawful for any other company  
12 to be incorporated or transact business under or by the name under which  
13 any such mutual or mutual assessment company was operating at the time  
14 of reincorporation.

15           **SECTION 18.** In Colorado Revised Statutes, **amend** 10-3-104 as  
16 follows:

17           **10-3-104. Unauthorized companies - penalties.** Except for  
18 reinsurance by an authorized insurer or insurance effected pursuant to the  
19 provisions of article 5 or article 15 of this title, it is unlawful for any  
20 person, company, or corporation in this state to procure, receive, or  
21 forward applications for insurance in, or to issue or to deliver policies for,  
22 any company not legally authorized to do business in this state, as  
23 provided in this title ~~article 7 of title 12~~, and article 14 of title 24, C.R.S.  
24 Any person violating the provisions of this section commits a class 1  
25 misdemeanor and shall be punished as provided in section 18-1.3-501,  
26 C.R.S.

27           **SECTION 19.** In Colorado Revised Statutes, **amend** 10-3-108 as  
28 follows:

29           **10-3-108. File duly certified copy of charter.** Except pursuant  
30 to the provisions of article 5 of this title, no foreign insurance company  
31 shall transact any business in this state unless it first files in the office of  
32 the commissioner a duly certified copy of its charter, articles of  
33 incorporation, or deed of settlement, together with a statement, under  
34 oath, of the president and secretary, or other chief officers of such  
35 company, showing the condition of affairs of such company on the  
36 thirty-first day of December next preceding the date of such oath. The  
37 statement shall be in the same form and shall set forth the same  
38 particulars as the annual statement required by this title (except article 15)  
39 ~~article 7 of title 12~~, and article 14 of title 24, C.R.S. After filing its  
40 articles of incorporation or charter with the secretary of state, no  
41 insurance company shall be required to file its annual report or any other



1 instrument, except amendments to said articles of incorporation or  
2 charter, in the office of the secretary of state or to pay to the secretary of  
3 state an annual corporation tax. The filings required pursuant to this  
4 section may be made in an electronic format.

5 **SECTION 20.** In Colorado Revised Statutes, **amend** 10-3-111 as  
6 follows:

7 **10-3-111. Violations - penalty.** Except for violations of section  
8 10-3-104 or article 15 of this title, any officer, director, stockholder,  
9 attorney, or agent of any corporation or association who violates any of  
10 the provisions of this title ~~article 7 of title 12~~, and article 14 of title 24,  
11 C.R.S., who participates in or aids, abets, or advises or consents to any  
12 such violation, and any person who solicits or knowingly receives any  
13 money or property in violation of said references, is guilty of a  
14 misdemeanor and, upon conviction thereof, shall be punished by  
15 imprisonment in the county jail for not more than one year and by a fine  
16 of not more than one thousand dollars, and any officer aiding or abetting  
17 in any contribution made in violation of said references is liable to the  
18 company or association for the amount so contributed. No person shall be  
19 excused from attending and testifying or producing any books, papers, or  
20 other documents, before any court, upon any investigation, proceeding,  
21 or trial, for a violation of any of the provisions of said references upon the  
22 ground or for the reason that the testimony or evidence, documentary or  
23 otherwise, required of such person may tend to incriminate or degrade  
24 him or her; but no person shall be prosecuted or subjected to any penalty  
25 or forfeiture for or on account of any transaction, matter, or thing  
26 concerning which he or she may so testify or produce evidence,  
27 documentary or otherwise, and no testimony so given or produced shall  
28 be used against him or her upon any criminal investigation or proceeding.

29 **SECTION 21.** In Colorado Revised Statutes, 10-3-113, **amend**  
30 (2) as follows:

31 **10-3-113. Increase of capital.** (2) The provisions of this title  
32 (except article 15) ~~article 7 of title 12~~, and article 14 of title 24, C.R.S.,  
33 ~~shall~~ also apply in the formation and authorization of domestic insurance  
34 companies formed upon the mutual plan, and to associations formed upon  
35 the assessment plan, that are organized with a guaranty fund in lieu of  
36 capital as provided in said references.

37 **SECTION 22.** In Colorado Revised Statutes, 10-3-123, **amend**  
38 (2), (5), and (7) as follows:

39 **10-3-123. Assessment accident associations.** (2) Twenty-five or  
40 more persons who are citizens of this state may form a corporation to  
41 carry on the business of casualty insurance on the assessment plan, but no

1 such corporation shall begin to do business until a guaranty fund of at  
2 least ten thousand dollars is provided and deposited, in cash or in such  
3 securities as are permitted by law in the case of stock companies, with the  
4 commissioner under the conditions named in this title (except article 15)  
5 ~~article 7 of title 12~~; and article 14 of title 24, C.R.S. When this is done  
6 and at least two hundred persons have subscribed in writing to be insured,  
7 and when each has paid in at least one monthly assessment or premium,  
8 the commissioner, if the laws have been complied with, shall issue a  
9 certificate of authority for such corporation, which authorizes it to  
10 commence business. The word "association" shall be used in the title or  
11 name of all corporations organized under this section instead of the word  
12 "company".

13 (5) Any corporation organized under the authority of any other  
14 state or government to issue policies or certificates of casualty insurance  
15 on the assessment plan, as a condition precedent to transacting business  
16 in this state, shall pay such fees and comply with the same requirements  
17 as exacted of stock casualty insurance companies of other states or  
18 countries, as provided by this title (except article 15) ~~article 7 of title 12~~;  
19 and article 14 of title 24, C.R.S., and thereafter be subject to the same  
20 general laws and penalties of this title, unless otherwise provided in this  
21 section, and it shall deposit with the commissioner or with the proper  
22 official of some other state, for the protection of all its policyholders, a  
23 sum not less than that required to be deposited by domestic casualty  
24 insurance companies organized upon the mutual assessment plan. Such  
25 corporation shall also file with the commissioner a copy of its policies or  
26 certificates and applications therefor, for approval by the commissioner,  
27 and a sworn statement from the proper officers of such corporation that  
28 they have received a copy of this section, and shall be governed thereby  
29 in issuing policies or certificates in this state. The commissioner may  
30 thereupon issue or renew the authority of such corporation to do business  
31 in this state.

32 (7) Any corporation doing a casualty insurance business in this  
33 state on April 15, 1913, that is incorporated to do business on the  
34 assessment plan may reincorporate under the provisions of this title  
35 (except article 15) ~~article 7 of title 12~~; and article 14 of title 24, C.R.S.,  
36 but nothing in said references shall be construed as requiring any such  
37 corporation to reincorporate, and any such corporation may continue to  
38 exercise all rights, powers, and privileges conferred by said references,  
39 or its articles of incorporation not inconsistent ~~herewith~~ WITH THIS  
40 SUBSECTION (7).

41 **SECTION 23.** In Colorado Revised Statutes, 10-3-201, **amend**  
42 (2) as follows:

1           **10-3-201. Cash capital - guaranty fund - deposit.** (2) The cash  
2 or securities representing the minimum capital or guaranty fund and  
3 surplus required by paragraph (a) of subsection (1) of this section shall be  
4 deposited, in the case of domestic companies, with the commissioner in  
5 the manner provided by law and, in the case of foreign or alien  
6 companies, with the commissioner or with the duly authorized officer of  
7 some other state of the United States; except that the guaranty fund of  
8 mutual companies shall be construed to include deposits held for the  
9 benefit of policyholders as provided in this title (except article 15) ~~article~~  
10 ~~7 of title 12, C.R.S.~~; and article 14 of title 24, C.R.S.

11           **SECTION 24.** In Colorado Revised Statutes, 10-3-206, **amend**  
12 (1) as follows:

13           **10-3-206. Security deposits - certificates.** (1) The commissioner  
14 shall receive and hold on deposit, in the manner provided in this law, the  
15 securities of domestic companies that are deposited by any such company  
16 under the provisions of this title (except article 15) ~~article 7 of title 12,~~  
17 ~~and article 14 of title 24, C.R.S.~~, for the purpose of securing policyholders  
18 or to comply with any similar law of another state to enable ~~such~~ THE  
19 company to transact business in such state. All securities so offered for  
20 deposit shall belong to and be the sole property of such company and  
21 shall be free and clear of any claims whatsoever, and the commissioner  
22 shall determine the same by proper inquiry.

23           **SECTION 25.** In Colorado Revised Statutes, 10-3-208, **amend**  
24 (1) as follows:

25           **10-3-208. Financial statements.** (1) All insurance companies  
26 doing business in this state, unless otherwise provided in this title (except  
27 article 15) ~~article 7 of title 12,~~ and article 14 of title 24, C.R.S., shall  
28 make and file with the commissioner annually, on or before the first day  
29 of March in each year, a statement under oath, upon a form to be  
30 prescribed by the commissioner, stating the amount of all premiums  
31 collected or contracted for in this state or from residents thereof, in cash  
32 or notes, by the company making such statement during the year ending  
33 the last day of December next preceding; the amounts actually paid  
34 policyholders on losses and the amounts paid policyholders as returned  
35 premiums by property and casualty insurance companies; the amount of  
36 insurance reinsured in other companies authorized to do business in this  
37 state and the amount of premiums paid therefor; the amount of insurance  
38 reinsured in companies, naming them, not authorized to do business in  
39 this state and the amount of premiums paid therefor; and the amount of  
40 reinsurance accepted from admitted companies and the premiums  
41 received from such reinsurance on residents of this state or risks located  
42 in this state, with the name of the companies so reinsured. The annual

1 statement made to the commissioner pursuant to this section or other  
2 provisions of said references shall at least include the substance of that  
3 which is required by what is known as the convention blank form adopted  
4 from year to year by the national association of insurance commissioners,  
5 including any instructions, procedures, and guidelines not in conflict with  
6 any provision of this title for completing the convention blank form.

7 **SECTION 26.** In Colorado Revised Statutes, 10-3-209, **amend**  
8 (1) (c) as follows:

9 **10-3-209. Tax on premiums collected - exemptions - penalties.**

10 (1) (c) The taxes prescribed in paragraph (b) of this subsection (1) shall  
11 constitute all taxes collectible under the laws of this state against any such  
12 insurance companies, and no other occupation tax or other taxes shall be  
13 levied or collected from any insurance company by any county, city, or  
14 town within this state; but this title (except article 15) ~~article 7 of title 12;~~  
15 and article 14 of title 24, C.R.S., shall not be construed to prohibit the  
16 levy and collection of state, county, school, and municipal taxes upon the  
17 real and personal property of such companies, nor shall it include or  
18 prohibit the levy and collection of a tax to be paid on net workers'  
19 compensation premiums, as provided under the "Colorado Medical  
20 Disaster Insurance Fund Act", part 3 of article 46 of title 8, C.R.S.

21 **SECTION 27.** In Colorado Revised Statutes, 10-3-213, **amend**  
22 (1) as follows:

23 **10-3-213. Investments eligible as admitted assets.** (1) Domestic  
24 insurance companies may invest their funds in the categories of assets  
25 described in sections 10-3-215 to 10-3-230 and 10-3-242. Every such  
26 investment shall be an admitted asset of the company; except that, if the  
27 section describing a category of asset contains a quantitative limitation,  
28 an investment in that category of asset shall be an admitted asset under  
29 that section to the extent that it does not exceed such limitation. Any such  
30 limitation shall apply only with respect to the category of assets described  
31 in that section and shall not constitute a general prohibition and shall not  
32 be applicable to any other section. Except as provided in section  
33 10-3-237, any investment, or part thereof, that does not qualify under any  
34 of said sections shall not be an admitted asset under the provisions of this  
35 part 2. Except as specifically provided in this title (except article 15)  
36 ~~article 7 of title 12;~~ and article 14 of title 24, C.R.S., a domestic insurance  
37 company shall not be prohibited from acquiring or holding an asset that  
38 is not an admitted asset, and such company may lend, pledge, sell,  
39 transfer, assign, hypothecate, dispose of, or exchange any asset acquired  
40 by it.

41 **SECTION 28.** In Colorado Revised Statutes, **amend** 10-3-214 as  
42 follows:

1           **10-3-214. Quantitative investment limitations - manner of**  
2 **applying.** In applying the investment limitations set forth in this part 2,  
3 which are expressed as percentages of a company's admitted assets, there  
4 shall be used as a base the total of all assets of the company that would be  
5 admitted under this title (except article 15) ~~article 7 of title 12~~; and article  
6 14 of title 24, C.R.S., without regard to such limitations and without  
7 regard to any condition or restriction set forth in section 10-3-237 (2), and  
8 asset values will be those values determined at the current annual  
9 statement date or, in case of any statement or examination as of a date  
10 other than an annual statement date, those values determined at such other  
11 date. In applying any investment limitation set forth in this part 2, which  
12 is expressed as a percentage of a company's surplus, the amount of the  
13 company's surplus shall be that determined at the current annual statement  
14 date or, in the case of any statement or examination as of a date other than  
15 an annual statement date, the amount determined at such other date.

16           **SECTION 29.** In Colorado Revised Statutes, 10-3-230, **amend**  
17 (1) introductory portion as follows:

18           **10-3-230. Additional investments.** (1) Domestic insurance  
19 companies may invest in any additional investments, except items  
20 specifically defined as nonadmitted assets in this title (except article 15)  
21 ~~article 7 of title 12~~; and article 14 of title 24, C.R.S., without regard to any  
22 limitation, condition, restriction, or exclusion set forth in sections  
23 10-3-215 to 10-3-229 and 10-3-242, and regardless of whether the same  
24 or a similar type of investment has been included in or omitted from any  
25 such section, subject to the following provisions:

26           **SECTION 30.** In Colorado Revised Statutes, 10-3-235, **amend**  
27 (2) and (4) as follows:

28           **10-3-235. Certain admitted assets deemed securities for**  
29 **deposit purposes.** (2) For purposes of optional reserve deposits  
30 permitted by section 10-7-101 (3) or other deposits permitted but not  
31 required by this title (except article 15) ~~article 7 of title 12~~; and article 14  
32 of title 24, C.R.S., the following admitted assets, in addition to those  
33 referred to in subsection (1) of this section, shall be deemed to be  
34 securities eligible for such deposits: Any asset qualified as an admitted  
35 asset under section 10-3-220 or 10-3-226 to 10-3-228, and any life  
36 insurance policy, to the extent of the company's interest in the cash value  
37 thereof.

38           (4) For purposes of all deposits required or permitted by this title  
39 (except article 15) ~~article 7 of title 12~~; and article 14 of title 24, C.R.S.,  
40 assets shall be valued at their fair market value; except that, for purposes  
41 of optional reserve deposits permitted by section 10-7-101 (3), or other  
42 deposits permitted but not required by said references, bonds and

1 mortgages shall be valued at their current book values under the methods  
2 used in determining admitted asset values for annual statement purposes.

3 **SECTION 31.** In Colorado Revised Statutes, **amend** 10-3-236 as  
4 follows:

5 **10-3-236. Assets acquired through merger, consolidation, or**  
6 **reinsurance.** Any investments acquired after May 31, 1969, through  
7 merger, consolidation, or reinsurance that are not admitted assets under  
8 this title (except article 15) ~~article 7 of title 12~~; and article 14 of title 24,  
9 C.R.S., shall not be deemed admitted assets by reason of their acquisition  
10 through merger, consolidation, or reinsurance.

11 **SECTION 32.** In Colorado Revised Statutes, 10-3-237, **amend**  
12 (2) as follows:

13 **10-3-237. Assets acquired under prior law.**  
14 (2) Notwithstanding any other provision of this title (except article 15)  
15 ~~article 7 of title 12~~; and article 14 of title 24, C.R.S., any asset held by a  
16 company on May 31, 1969, that is not an admitted asset under section  
17 10-1-102 (2) or subsection (1) of this section and that did not meet the  
18 requirements of the law in effect immediately prior to such date for an  
19 investment of the company's reserves, paid-up capital stock, and other  
20 liabilities but which, under such law, would have been taken into account  
21 as an asset in determining the surplus of the company shall be taken into  
22 account as an admitted asset at all times at which the company has  
23 aggregate admitted assets under section 10-1-102 (2) and subsection (1)  
24 of this section in an amount at least equal to the total of its reserves,  
25 paid-up capital stock, and all other liabilities.

26 **SECTION 33.** In Colorado Revised Statutes, **amend** 10-3-238 as  
27 follows:

28 **10-3-238. Refunds.** Whenever it appears to the satisfaction of the  
29 commissioner that, because of some mistake of fact, error in calculation,  
30 or erroneous interpretation of a statute of this or any other state, any  
31 insurer or other person engaged in the business of insurance in this state  
32 has paid to the commissioner or to the state of Colorado, pursuant to any  
33 provision of this title (except article 15) ~~article 7 of title 12~~; and article 14  
34 of title 24, C.R.S., any taxes, fees, or other charges in excess of the  
35 amount legally chargeable against said insurer or other person during the  
36 one-year period immediately preceding the discovery of such  
37 overpayment, the commissioner has the authority to refund to such insurer  
38 or other person the amount of such excess by applying the amount thereof  
39 toward the payment of taxes, fees, or other charges already due, or that  
40 may thereafter become due, from such insurer or other person until such  
41 excess has been fully refunded; or, at the commissioner's discretion, the  
42 commissioner may make a cash refund thereof.

1           **SECTION 34.** In Colorado Revised Statutes, 10-3-903, **amend**  
2 (1) introductory portion; and **add** (1) (j), (1) (k), and (2) (l) as follows:

3           **10-3-903. Definition of transacting insurance business.** (1) Any  
4 of the following acts in this state, effected by mail or otherwise, by an  
5 unauthorized insurer constitute transacting insurance business in this state  
6 as ~~such~~ THE term is used in section 10-3-105:

7           (j) FUNDING, EITHER DIRECTLY OR INDIRECTLY, THE CASH  
8 QUALIFICATION BOND OF A CASH-BONDING AGENT OR PROFESSIONAL  
9 CASH-BAIL AGENT WHEN THE MEANS DO NOT CONSTITUTE AN  
10 ARM'S-LENGTH TRANSACTION UNDER REASONABLE COMMERCIAL  
11 STANDARDS OR WHERE THE AGREEMENT TO REPAY IS CONTINGENT ON THE  
12 VOLUME OR VALUE OF THE BONDS POSTED.

13           (k) EXCEPT FOR PAYMENTS FROM THE DEFENDANT OR A  
14 THIRD-PARTY INDEMNITOR WHO APPLIED FOR THE BOND, PAYING, EITHER  
15 DIRECTLY OR INDIRECTLY, FOR THE FORFEITURE OF A BAIL BOND POSTED  
16 BY A CASH-BONDING AGENT OR PROFESSIONAL CASH-BAIL AGENT WHEN  
17 THE PAYMENT IS MADE BY A PERSON OTHER THAN THE CASH-BONDING  
18 AGENT OR PROFESSIONAL CASH-BAIL AGENT THAT POSTED THE BAIL BOND.

19           (2) The provisions of this section do not apply to:

20           (1) A PERSON LICENSED AS A CASH-BONDING AGENT OR  
21 PROFESSIONAL CASH-BAIL AGENT UNDER ARTICLE 7 OF TITLE 12, C.R.S.,  
22 UNLESS THE PERSON ENGAGES IN CONDUCT DESCRIBED IN SUBSECTION (1)  
23 OF THIS SECTION.

24           **SECTION 35.** In Colorado Revised Statutes, 10-3-1104, **add** (1)  
25 (mm) as follows:

26           **10-3-1104. Unfair methods of competition - unfair or deceptive**  
27 **acts or practices.** (1) The following are defined as unfair methods of  
28 competition and unfair or deceptive acts or practices in the business of  
29 insurance:

30           (mm) PAYING A FEE OR REBATE OR GIVING OR PROMISING  
31 ANYTHING OF VALUE TO A JAILER, PEACE OFFICER, CLERK, DEPUTY CLERK,  
32 AN EMPLOYEE OF A COURT, DISTRICT ATTORNEY OR DISTRICT ATTORNEY'S  
33 EMPLOYEES, OR A PERSON WHO HAS POWER TO ARREST OR TO HOLD A  
34 PERSON IN CUSTODY AS A RESULT OF WRITING A BAIL BOND.

35           **SECTION 36.** In Colorado Revised Statutes, 10-12-105, **amend**  
36 (1) as follows:

37           **10-12-105. Guaranty fund of mutual companies.** (1) Guaranty  
38 fund certificates may be issued to provide a guaranty fund for domestic  
39 life and fire insurance companies incorporated upon the mutual plan and  
40 for domestic casualty insurance associations incorporated upon the  
41 assessment plan, such fund to be held as security for the payment of all  
42 losses and other policy liabilities of such companies. Guaranty fund

1 certificates may draw interest or dividends not exceeding in the aggregate  
2 eight percent per annum, which shall only be paid from the profits of the  
3 company. The certificates may only be retired or redeemed by using the  
4 profits of the company for that purpose, but the full fund as required of  
5 each kind of mutual and assessment company by this title (except article  
6 15), ~~article 7 of title 12~~, and article 14 of title 24, C.R.S., shall at all times  
7 be maintained. Such guaranty fund shall be a liability until redeemed or  
8 retired. It shall only be used to pay policy claims or liabilities when the  
9 contingent mutual liability of the policyholders has been drawn upon and  
10 found insufficient to meet the losses of policy claims or when the  
11 directors for any cause fail to provide for the payment of policy claims.

12 **SECTION 37.** In Colorado Revised Statutes, **amend** 10-12-106  
13 as follows:

14 **10-12-106. Fees of mutual companies.** Mutual and assessment  
15 companies, unless otherwise specified in this title (except article 15),  
16 ~~article 7 of title 12~~, and article 14 of title 24, C.R.S., are required to pay  
17 the same fees and be under the same supervision and authority of the  
18 commissioner as companies that are engaged in the same kind of  
19 insurance business and that are organized upon the joint-stock plan, and  
20 they shall comply with the general laws of this title, unless otherwise  
21 specified, and be subject to the penalties provided therein.

22 **SECTION 38.** In Colorado Revised Statutes, **repeal** article 7 of  
23 title 12.

24 **SECTION 39.** In Colorado Revised Statutes, **add with amended**  
25 **and relocated provisions** article 23 to title 10 as follows:

### 26 **ARTICLE 23**

#### 27 **Cash Bonding Agents**

28 **10-23-101. [Formerly 12-7-101] Definitions.** As used in this  
29 article, unless the context otherwise requires:

30 ~~(1) "Bail bonding agent" or "bonding agent" means any person~~  
31 ~~who furnishes bail for compensation in any court or courts in this state~~  
32 ~~and who is appointed by an insurer by power of attorney to execute or~~  
33 ~~countersign bail bonds in connection with judicial proceedings and who~~  
34 ~~is other than a full-time salaried officer or employee of an insurer or a~~  
35 ~~person who pledges United States currency, a United States postal money~~  
36 ~~order, a cashier's check, or other property as security for a bail bond in~~  
37 ~~connection with a judicial proceeding, whether for compensation or~~  
38 ~~otherwise.~~

39 ~~(1.3) "Bail insurance company" means an insurer as defined in~~  
40 ~~section 10-1-102 (13), C.R.S., engaged in the business of writing bail~~  
41 ~~appearance bonds through bonding agents which company is subject to~~



1 regulation by the division of insurance in the department of regulatory  
2 agencies:

3 ~~(1.5) "Bail recovery" means actions taken by a person other than~~  
4 ~~a peace officer to apprehend an individual or take an individual into~~  
5 ~~custody because of the failure of such individual to comply with bail bond~~  
6 ~~requirements.~~

7 ~~(2) (Deleted by amendment, L. 96, p. 1177, § 1, effective June 1,~~  
8 ~~1996.)~~ (1) "CASH-BONDING AGENT" MEANS A PERSON WHO WAS LICENSED  
9 BY THE DIVISION AS OF JANUARY 1, 1992, TO WRITE BAIL BONDS AS A  
10 CASH-BONDING AGENT.

11 ~~(2.5) "Compensated surety" means any person in the business of~~  
12 ~~writing bail appearance bonds who is subject to regulation by the~~  
13 ~~Colorado division of insurance, including bonding agents and bail~~  
14 ~~insurance companies. Nothing in this subsection (2.5) shall be construed~~  
15 ~~to authorize bail insurance companies to write bail bonds except through~~  
16 ~~licensed bail bonding agents.~~

17 ~~(3) "Division" means the division of insurance.~~

18 ~~(4) (Deleted by amendment, L. 96, p. 1177, § 1, effective June 1,~~  
19 ~~1996.)~~

20 ~~(5) Repealed.~~

21 ~~(6) (2) "On the board" means that the name of a compensated~~  
22 ~~surety~~ THE PERSON has been publicly posted or disseminated by a court as  
23 being ineligible to write bail bonds pursuant to UNDER section 16-4-112  
24 (5) (e) or (5) (f), C.R.S.

25 ~~(7) (3) "Professional cash-bail agent" means a person who is an~~  
26 ~~authorized FURNISHES bail bond agent who furnishes bail for~~  
27 ~~compensation in any court or courts in this state in connection with~~  
28 ~~judicial proceedings and who is not a BY POSTING A BOND WITH THE~~  
29 ~~DIVISION. "PROFESSIONAL CASH-BAIL AGENT" DOES NOT MEAN A full-time~~  
30 ~~salaried officer or employee of an insurer nor a person who pledges~~  
31 ~~United States currency, a United States postal money order, a cashier's~~  
32 ~~check, or other property in connection with a judicial proceeding, whether~~  
33 ~~for compensation or otherwise.~~

34 **10-23-102. [Formerly 12-7-102] Registration required -**  
35 **qualifications - enforcement.** (1) No person can qualify QUALIFIES to be  
36 a bail bonding agent unless such person is a licensed insurance producer  
37 appointed to represent an insurance company or is a licensed, professional  
38 cash-bail agent under article 2 of title 10, C.R.S. UNLESS THE PERSON  
39 REGISTERS WITH THE DIVISION. However, any bail bonding agent who was  
40 licensed by the division as of January 1, 1992, to write bail bonds as a  
41 cash-bonding agent shall be permitted to MAY continue such licensure TO

1 BE REGISTERED upon compliance with the other requirements of this  
2 article.

3 (2) No firm, partnership, association, or corporation, as such, shall  
4 be ~~licensed~~ REGISTERED. No person engaged as a law enforcement or  
5 judicial officer shall be ~~licensed~~ REGISTERED as a ~~bonding agent~~  
6 CASH-BONDING AGENT OR PROFESSIONAL CASH-BAIL AGENT.

7 (a) and (b) ~~(Deleted by amendment, L. 96, p. 1178, § 2, effective~~  
8 ~~June 1, 1996.)~~

9 (c) to (e) ~~(Deleted by amendment, L. 95, p. 280, § 2, effective July~~  
10 ~~1, 1995.)~~

11 (3) (a) ~~The division is vested with the authority to enforce the~~  
12 ~~provisions of this article. The division shall have authority to make~~  
13 ~~investigations and promulgate such rules and regulations as may be~~  
14 ~~necessary for the enforcement of this article.~~ ALL REGISTRATIONS EXPIRE  
15 IN ACCORDANCE WITH A SCHEDULE ESTABLISHED BY THE COMMISSIONER,  
16 AND THE REGISTRANT SHALL RENEW OR REINSTATE THE REGISTRATION IN  
17 ACCORDANCE WITH THE RULES OF THE COMMISSIONER. IF THE  
18 COMMISSIONER SCHEDULES A REGISTRATION TO EXPIRE FOR LONGER OR  
19 SHORTER THAN A YEAR, THE FEE FOR THE COMMISSIONER SHALL  
20 PROPORTIONALLY ADJUST THE RENEWAL FEE FOR THE REGISTRATION. THE  
21 REGISTRANT MUST SATISFY ALL REGISTRATION AND RENEWAL  
22 REQUIREMENTS TO QUALIFY TO REGISTER.

23 (b) THE COMMISSIONER SHALL GIVE A REGISTRANT A SIXTY-DAY  
24 GRACE PERIOD TO RENEW THE REGISTRATION WITHOUT DISCIPLINE OR  
25 SANCTIONS. THE COMMISSIONER MAY ESTABLISH RENEWAL FEES AND  
26 DELINQUENCY FEES FOR REINSTATEMENT BY RULE. IF A PERSON FAILS TO  
27 RENEW A REGISTRATION WHEN REQUIRED BY THE SCHEDULE ESTABLISHED  
28 BY THE COMMISSIONER, THE REGISTRATION EXPIRES.

29 (4) ~~Each licensee's license shall expire biennially on January 1~~  
30 ~~unless revoked or suspended prior thereto by the division or upon notice~~  
31 ~~served upon the commissioner by the insurer or the employer or user of~~  
32 ~~any license that such insurer, employer, or user has cancelled the~~  
33 ~~licensee's authority to act for or in behalf of such insurer, employer, or~~  
34 ~~user.~~ THE DIVISION SHALL TRANSMIT ALL FEES COLLECTED UNDER THIS  
35 ARTICLE TO THE STATE TREASURER, WHO SHALL CREDIT THE FEES TO THE  
36 DIVISION OF INSURANCE CASH FUND CREATED IN SECTION 10-1-103.

37 (5) The division shall prepare and deliver to each licensee  
38 REGISTRANT a pocket card showing the name, address, and classification  
39 of ~~such licensee~~ ~~Such~~ THE REGISTRANT. THE pocket card shall MUST  
40 clearly state that ~~such~~ THE person is a ~~licensed bonding agent~~  
41 AUTHORIZED TO PRACTICE AS A CASH-BONDING AGENT OR PROFESSIONAL  
42 CASH-BAIL AGENT.

1           ~~(6) The division shall notify each bail bonding agent in writing on~~  
2 ~~an annual basis regarding changes to the state laws regarding the~~  
3 ~~regulation of bail bonding agents.~~

4           **10-23-103. [Formerly 12-7-103] Registration requirements -**  
5 **application - qualification bond - forfeiture.** (1) ~~Any person desiring~~  
6 ~~to engage in the business of bail bonding agent in this state~~ AN APPLICANT  
7 FOR REGISTRATION AS A PROFESSIONAL CASH-BAIL AGENT shall supply the  
8 following information to the division:

9           ~~(a) (Deleted by amendment, L. 96, p. 1179, § 4, effective June 1,~~  
10 ~~1996.)~~

11           ~~(b) Repealed.~~

12           ~~(c) (a) Whether the applicant DURING THE LAST TEN YEARS has~~  
13 ~~been convicted of a felony, entered a guilty plea to a felony, accepted a~~  
14 ~~plea of nolo contendere to a felony, or engaged in or committed an act~~  
15 ~~described in section 12-7-106 (1) during the previous ten years~~ THAT  
16 VIOLATES THIS ARTICLE, A RULE PROMULGATED UNDER THIS ARTICLE, OR  
17 ANY ACT THAT WOULD VIOLATE THIS ARTICLE OR A RULE PROMULGATED  
18 UNDER THIS ARTICLE IF IT HAD BEEN COMMITTED IN COLORADO; AND

19           ~~(d) (b) Such ANY other information as may be required by this~~  
20 ~~article or by the division, including but not limited to a full-face~~  
21 ~~photograph, In addition, each~~ FOR WHICH THE applicant shall pay the  
22 actual costs associated with obtaining any IF A photograph that may be IS  
23 required.

24           ~~(e) and (f) Repealed.~~

25           ~~(1.5) (a) (2) Prior to submission of an application UNDER THIS~~  
26 ~~ARTICLE, each applicant shall have his or her fingerprints taken by a local~~  
27 ~~law enforcement agency for the purpose of obtaining~~ TO OBTAIN a  
28 fingerprint-based criminal history record check. The applicant is required  
29 to submit payment by certified check or money order for the fingerprints  
30 and for the actual costs of said THE record check at the time WHEN the  
31 fingerprints are submitted to the Colorado bureau of investigation. Upon  
32 receipt of fingerprints and receipt of the payment for costs, the Colorado  
33 bureau of investigation shall conduct a state and national  
34 fingerprint-based criminal history record check utilizing records of the  
35 Colorado bureau of investigation and the federal bureau of investigation.

36           ~~(b) For purposes of this subsection (1.5), "applicant" shall include~~  
37 ~~any:~~

38           ~~(I) Bail bonding agent, as defined in section 12-7-101 (1);~~

39           ~~(II) Professional cash bail agent, as defined in section 12-7-101~~  
40 ~~(7); and~~

41           ~~(III) Bail bonding agent licensed to write bail bonds as a cash~~  
42 ~~bonding agent, as described in section 12-7-102 (1).~~

1           ~~(2) (Deleted by amendment, L. 96, p. 1179, § 4, effective June 1,~~  
2 ~~1996.)~~

3           ~~(3) (a) Each applicant who is to be authorized as a cash bonding~~  
4 ~~agent pursuant to section 12-7-102 (1) shall be required to post a~~  
5 ~~qualification bond in the amount of fifty thousand dollars with the~~  
6 ~~division. The bond shall be to the people of the state of Colorado in favor~~  
7 ~~of any court in this state, whether municipal, county, district, or other~~  
8 ~~court. Any qualification bond for a cash bail bonding agent shall also be~~  
9 ~~to the commissioner and the division to fulfill the purposes of this section.~~  
10 ~~In the event of a forfeiture of a cash bonding agent's qualification bond;~~  
11 ~~the division shall have priority over all other claimants to such bond. Such~~  
12 ~~bond shall be conditioned upon full and prompt payment into the court~~  
13 ~~ordering such bond forfeited. Bail bonding agents authorized as cash~~  
14 ~~bonding agents pursuant to section 12-7-102 (1) may only issue bonds in~~  
15 ~~accordance with the provisions of section 16-4-104 (1) (b) (III), C.R.S.~~  
16 ~~In the event of a qualification bond forfeiture, a cash bonding agent shall~~  
17 ~~be prohibited from writing new bail bonds until the qualification bond is~~  
18 ~~restored to fifty thousand dollars.~~

19           ~~(b) If the name of a cash bonding agent is placed on the board~~  
20 ~~pursuant to section 16-4-112 (5) (e), C.R.S., and remains on the board for~~  
21 ~~the same forfeiture for more than thirty consecutive days, the court that~~  
22 ~~placed the name of the cash bonding agent on the board shall order the~~  
23 ~~division to declare the qualification bond of such cash bonding agent to~~  
24 ~~be forfeited after a hearing as provided in section 12-7-106 (2). The~~  
25 ~~division shall then order the cash bonding agent on the qualification bond~~  
26 ~~to deposit with the court an amount equal to the amount of the bond~~  
27 ~~issued by such cash bonding agent and declared forfeited by the court or~~  
28 ~~the amount of the qualification bond, whichever is the smaller amount.~~  
29 ~~The division shall suspend the license of such cash bonding agent until~~  
30 ~~such time as all forfeitures and judgments ordered and entered against the~~  
31 ~~cash bonding agent have been certified as paid or vacated by order of a~~  
32 ~~court of record and another qualification bond in the required amount is~~  
33 ~~posted with the division.~~

34           ~~(c) If the name of a bail bonding agent, other than a cash bonding~~  
35 ~~agent, is placed on the board pursuant to section 16-4-112 (5) (e), C.R.S.,~~  
36 ~~and remains on the board for the same forfeiture for more than forty-five~~  
37 ~~consecutive days, the court that placed the name of the bail bonding agent~~  
38 ~~on the board shall order the division to suspend the license of said bail~~  
39 ~~bonding agent, after hearing pursuant to section 10-2-801, C.R.S., until~~  
40 ~~such time as all forfeitures and judgments ordered and entered against~~  
41 ~~said bail bonding agent have been certified as paid or vacated by order of~~  
42 ~~a court of record. If the bail forfeiture judgment is not paid within fifteen~~

1 days after the name of a bail insurance company has been placed on the  
2 board pursuant to section 16-4-112 (5) (f), C.R.S., the division shall also  
3 order the bail insurance company on the bond to pay the judgment after  
4 notice and hearing pursuant to sections 24-4-104 and 24-4-105, C.R.S.

5 (4) to (7) (Deleted by amendment, L. 96, p. 1179, § 4, effective  
6 June 1, 1996.)

7 (8) (a) Each applicant who is to be authorized as a professional  
8 cash bail agent pursuant to section 12-7-102 (1) shall be required to post  
9 a qualification bond in the amount of no less than fifty thousand dollars  
10 with the division. The bond shall be to the people of the state of Colorado  
11 in favor of any court in this state, whether municipal, county, district, or  
12 other court. Any qualification bond for a professional cash bail agent shall  
13 also be to the commissioner and the division to fulfill the purposes of this  
14 section. A professional cash bail agent shall not furnish a single bail  
15 greater than twice the amount of the bond posted with the division. In the  
16 event of a forfeiture of a professional cash bail agent's qualification bond,  
17 the division shall have priority over all other claimants to such bond. Such  
18 bond shall be conditioned upon full and prompt payment into the court  
19 ordering such bond forfeited. Bail bonding agents authorized as  
20 professional cash bail agents pursuant to section 12-7-102 (1) may only  
21 issue bonds in accordance with the provisions of section 16-4-104 (1) (b)  
22 (H), C.R.S. In the event of a qualification bond forfeiture, a professional  
23 cash bail agent shall be prohibited from writing new bail bonds until the  
24 qualification bond is restored to at least fifty thousand dollars.

25 (b) If the name of a professional cash bail agent is placed on the  
26 board pursuant to section 16-4-112 (5) (e), C.R.S., and remains on the  
27 board for the same forfeiture for more than thirty consecutive days, the  
28 court that placed the name of the professional cash bonding agent on the  
29 board shall order the division to declare the qualification bond of such  
30 professional cash bail agent to be forfeited after a hearing as provided in  
31 section 12-7-106 (2). The division shall then order the professional cash  
32 bail agent on the qualification bond to deposit with the court an amount  
33 equal to the amount of the bond issued by such professional cash bail  
34 agent and declared forfeited by the court or the amount of the  
35 qualification bond, whichever is the smaller amount. The division shall  
36 suspend the license of such professional cash bail agent until such time  
37 as all forfeitures and judgments ordered and entered against the  
38 professional cash bail agent have been certified as paid or vacated by  
39 order of a court of record and another qualification bond in the required  
40 amount is posted with the division.

41 (3) [Formerly 12-7-102.5 (7)] The TO QUALIFY AS A professional  
42 cash bonding agent, shall be THE APPLICANT MUST HAVE BEEN licensed as

1 ~~a bail bonding agent~~ AN INSURANCE PRODUCER WHO FURNISHES BAIL in  
2 Colorado for four years ~~prior to~~ BEFORE applying for licensure  
3 REGISTRATION as a professional cash bail agent.

4 **10-23-104. Fees.** (1) (a) EACH PROFESSIONAL CASH-BAIL AGENT  
5 AND CASH-BONDING AGENT SHALL PAY AN APPLICATION FEE SET BY THE  
6 DIVISION IN AN AMOUNT TO OFFSET THE DIRECT AND INDIRECT COST OF  
7 PROCESSING REGISTRATION APPLICATIONS AND ISSUING A REGISTRATION.

8 (b) EACH PROFESSIONAL CASH-BAIL AGENT AND CASH-BONDING  
9 AGENT SHALL PAY A REGISTRATION RENEWAL FEE SET BY THE DIVISION IN  
10 AN AMOUNT THAT OFFSETS THE DIRECT AND INDIRECT COST OF  
11 IMPLEMENTING THIS ARTICLE, NET OF THE TOTAL AMOUNT OF THE FEES  
12 PAID BY THAT AGENT UNDER PARAGRAPH (c) OF THIS SUBSECTION (1).

13 (c) EACH PROFESSIONAL CASH-BAIL AGENT AND CASH-BONDING  
14 AGENT SHALL PAY TO THE DIVISION A FEE OF ONE PERCENT ON THE GROSS  
15 AMOUNT OF ALL PREMIUMS AND FEES COLLECTED OR CONTRACTED FOR  
16 THE FURNISHING OF BAIL, LESS ANY PREMIUM OR FEE REFUNDED AFTER  
17 BEING COLLECTED. THE DIVISION MAY LOWER THE FEE IF THE AMOUNT  
18 COLLECTED WOULD EXCEED THE AMOUNT NEEDED TO IMPLEMENT THIS  
19 ARTICLE PLUS A RESERVE OF SIXTEEN AND ONE-HALF PERCENT.

20 (d) THE PREMIUM FEE IS DUE AND PAYABLE ON THE FIFTEENTH DAY  
21 OF JANUARY IN EACH YEAR. ANY PROFESSIONAL CASH-BAIL AGENT OR  
22 CASH-BONDING AGENT FAILING OR REFUSING TO RENDER A STATEMENT  
23 AND INFORMATION, OR TO PAY THE FEE UNDER THIS SECTION, FOR MORE  
24 THAN THIRTY DAYS AFTER THE TIME SPECIFIED, IS LIABLE FOR A PENALTY  
25 OF UP TO ONE HUNDRED DOLLARS FOR EACH ADDITIONAL DAY OF  
26 DELINQUENCY. THE DIVISION MAY ASSESS THE PENALTY AND INTEREST AT  
27 A RATE OF ONE PERCENT PER MONTH OR FRACTION THEREOF ON THE  
28 UNPAID AMOUNT FROM THE DATE WHEN PAYMENT WAS DUE TO THE DATE  
29 WHEN FULL PAYMENT IS MADE. THE DIVISION MAY SUSPEND THE  
30 REGISTRATION OF A DELINQUENT AGENT UNTIL ANY FEES, PENALTIES, AND  
31 INTEREST ARE FULLY PAID.

32 (2) THE DIVISION SHALL TRANSFER THE FEES IMPOSED BY THIS  
33 SECTION TO THE TREASURER, WHO SHALL CREDIT THE FEE TO THE DIVISION  
34 OF INSURANCE CASH FUND CREATED IN SECTION 10-1-103.

35 (3) FOR THE PURPOSE OF AUDITING A PROFESSIONAL CASH-BAIL  
36 AGENT'S OR CASH-BONDING AGENT'S PREMIUM FEE STATEMENT, THE  
37 DIVISION MAY EXAMINE ANY BOOKS, PAPERS, RECORDS, AGREEMENTS, OR  
38 MEMORANDA BEARING UPON THE MATTERS REQUIRED TO BE INCLUDED IN  
39 THE PREMIUM FEE STATEMENT. THE AGENT SHALL MAKE THE BOOKS,  
40 PAPERS, RECORDS, AGREEMENTS, OR MEMORANDA AVAILABLE UPON  
41 REQUEST TO THE DIVISION.

1           **10-23-105. [Formerly 12-7-103 (3) (a)] Qualification bond -**  
2 **forfeiture.** (1) Each applicant who is to be authorized as a cash-bonding  
3 agent pursuant to section 12-7-102 (1) shall be required to post a CASH  
4 qualification bond in the amount of fifty thousand dollars with the  
5 division. The bond shall MUST be to the people of the state of Colorado  
6 in favor of any court in this state, whether municipal, county, district, or  
7 other court, ~~Any qualification bond for a cash bail bonding agent shall~~  
8 ~~also be to the commissioner and TO the division to fulfill~~ FOR the  
9 purposes of this section. In the event of a forfeiture of a cash-bonding  
10 agent's qualification bond, the division shall have HAS priority over all  
11 other claimants. To such bond. Such COMPLY WITH THIS SUBSECTION (1),  
12 THE bond shall MUST be conditioned upon full and prompt payment into  
13 the court ordering such THE bond forfeited. ~~Bail bonding agents~~  
14 ~~authorized as Cash-bonding agents pursuant to section 12-7-102 (1) may~~  
15 ~~only~~ SHALL NOT issue bonds EXCEPT in accordance with the provisions of  
16 section 16-4-104 (1) (b) (III), C.R.S. In the event of a qualification bond  
17 forfeiture, a cash-bonding agent shall be prohibited from writing SHALL  
18 NOT WRITE new bail bonds until the qualification bond is restored to fifty  
19 thousand dollars.

20           (2) **[Formerly 12-7-103 (8) (a)]** Each applicant who is to be  
21 authorized as a professional cash-bail agent pursuant to section 12-7-102  
22 (1) shall be required to post a CASH qualification bond in the amount of  
23 no less than fifty thousand dollars with the division. The bond shall be to  
24 the people of the state of Colorado in favor of any court in this state,  
25 whether municipal, county, district, or other court, ~~Any qualification bond~~  
26 ~~for a professional cash bail agent shall also be to the commissioner and~~  
27 ~~TO the division to fulfill~~ FOR the purposes of this section. A professional  
28 cash-bail agent shall not furnish a single bail greater than twice the  
29 amount of the bond posted with the division. In the event of a forfeiture  
30 of a professional cash-bail agent's qualification bond, the division shall  
31 have HAS priority over all other claimants to such THE bond. Such TO  
32 COMPLY WITH THIS SUBSECTION (2), THE bond shall MUST be conditioned  
33 upon full and prompt payment into the court ordering such THE bond  
34 forfeited. ~~Bail bonding agents authorized as Professional cash-bail agents~~  
35 ~~pursuant to section 12-7-102 (1) may only~~ SHALL NOT issue bonds EXCEPT  
36 in accordance with the provisions of section 16-4-104 (1) (b) (III), C.R.S.  
37 In the event of a qualification bond forfeiture, a professional cash-bail  
38 agent shall be prohibited from writing NOT WRITE new bail bonds until the  
39 qualification bond is restored to at least fifty thousand dollars.

40           (3) TO COMPLY WITH THIS SECTION, THE DIVISION MUST BE  
41 DESIGNATED AS AN AUTHORIZED SIGNATORY WITH RIGHT OF

1 SURVIVORSHIP ON ANY BANK ACCOUNT, CERTIFICATION OF DEPOSIT,  
2 COMMERCIAL INSTRUMENT, OR SECURITY THAT FUNDS THE BOND  
3 REQUIRED BY THIS SECTION. THE RIGHT OF SURVIVORSHIP TERMINATES ON  
4 THE LATER OF THE DATE ON WHICH ANY LIABILITY COVERED BY THE BOND  
5 IS SATISFIED OR RELEASED OR THE THIRD ANNIVERSARY OF THE DEATH OF  
6 THE PROFESSIONAL CASH-BAIL AGENT OR CASH-BONDING AGENT. WHEN  
7 THE RIGHT OF SURVIVORSHIP TERMINATES, THE DIVISION SHALL RELEASE  
8 THE BOND TO THE AGENT'S ESTATE OR, IF THE ESTATE HAS BEEN SETTLED,  
9 TO THE HEIRS OF THE AGENT.

10 (4) TO QUALIFY UNDER THIS SECTION:

11 (a) A BANK ACCOUNT, CERTIFICATE OF DEPOSIT, COMMERCIAL  
12 INSTRUMENT, OR SECURITY MUST BE IN THE LEGAL NAME OF THE  
13 PROFESSIONAL CASH-BAIL OR CASH-BONDING AGENT AND NOT A TRADE  
14 NAME OR OTHER BUSINESS NAME;

15 (b) THE QUALIFICATION BOND MUST CONSIST OF ASSETS THAT ARE  
16 SOLELY OWNED AND IN THE NAME OF THE PROFESSIONAL CASH-BAIL OR  
17 CASH-BONDING AGENT AND BE IMMEDIATELY AVAILABLE FOR  
18 LIQUIDATION BY THE COMMISSIONER OR THE DIVISION;

19 (c) THE QUALIFICATION BOND MUST BE WORTH FIFTY THOUSAND  
20 DOLLARS NET OF ANY PENALTY FOR WITHDRAWAL OR LIQUIDATION;

21 (d) THE PROFESSIONAL CASH-BAIL OR CASH-BONDING AGENT MAY  
22 RECEIVE INTEREST THEREON, UNLESS THE PRINCIPAL AMOUNT OF THE  
23 QUALIFICATION BOND FALLS BELOW THE REQUIRED FIFTY THOUSAND  
24 DOLLARS, IF THE QUALIFICATION BOND IS AN INTEREST-BEARING  
25 INSTRUMENT;

26 (e) THE TERMS OF THE LOAN, PROMISSORY NOTE, AND FINANCIAL  
27 ARRANGEMENT MUST BE SUBMITTED TO THE DIVISION IF THE  
28 QUALIFICATION BOND IS FUNDED BY THE PROCEEDS FROM A LOAN,  
29 PROMISSORY NOTE, OR OTHER FINANCIAL ARRANGEMENT; AND

30 (f) THE AGREEMENT MUST TERMINATE AT A FIXED TIME AND ANY  
31 RATE OF RETURN IS AN ANNUAL PERCENTAGE RATE AND NOT TIED TO ANY  
32 PREMIUM OR COLLATERAL OR ANY OTHER DIRECT FUNCTION FROM WHICH  
33 AN AGENT MAKES A PROFIT IF THE QUALIFICATION BOND CONSISTS OF  
34 MONEYS FROM A LOAN, PROMISSORY NOTE, OR OTHER FINANCIAL  
35 ARRANGEMENT.

36 (5) UPON REQUEST BY THE PERSON WHO POSTED THE  
37 QUALIFICATION BOND TO BE REGISTERED UNDER THIS ARTICLE, THE  
38 COMMISSIONER SHALL RELEASE THE BOND IF THE PERSON HAS NOT BEEN  
39 REGISTERED OR LICENSED TO WRITE A BOND AS A PROFESSIONAL  
40 CASH-BAIL AGENT OR CASH-BONDING AGENT WITHIN THE LAST SEVEN  
41 YEARS. NEITHER THE COMMISSIONER NOR THE DIVISION ARE LIABLE TO



1 ANY OTHER PARTY FOR RELEASING THE QUALIFICATION BOND IN  
2 ACCORDANCE WITH THIS SECTION.

3 **10-23-106. [Formerly 12-7-106] Discipline - hearing - civil**  
4 **penalty.** (1) The division ~~shall~~ MAY deny, suspend, revoke, or refuse to  
5 renew as may be appropriate, ~~the license of any person engaged in the~~  
6 ~~business of bail bonding agent for any of the following reasons~~ A  
7 REGISTRATION, OR ISSUE A CEASE-AND-DESIST ORDER IN ACCORDANCE  
8 WITH THIS SECTION, UPON REASONABLE GROUNDS THAT THE REGISTRANT:

9 (a) ~~Failure of a cash bonding agent or professional cash bail agent~~  
10 FAILED to post a qualified bond in the required amount with the division  
11 ~~during the period such person is~~ WHILE engaged in ~~the~~ business ~~within~~  
12 ~~this state~~ or, if ~~such~~ THE bond ~~has been~~ WAS posted, ~~the forfeiture~~ IT WAS  
13 FORFEITED or ~~cancellation of such bond~~ CANCELLED;

14 (b) ~~Knowingly failing~~ FAILED to comply with or knowingly  
15 ~~violating any provisions of~~ VIOLATED this article or ~~of~~ any proper order  
16 or rule of the division or any court of this state where the licensee  
17 REGISTRANT knew or reasonably should have known of the ~~provisions,~~  
18 order or rule;

19 (c) ~~Any activity prohibited in~~ VIOLATED section ~~12-7-109 (1)~~  
20 12-7-107 (1);

21 (d) ~~Failure to satisfy, pay, or otherwise discharge a bail forfeiture~~  
22 ~~judgment after having his or her name placed on the board pursuant to~~  
23 ~~section 16-4-112 (5) (e), C.R.S., for more than forty-five consecutive days~~  
24 ~~for the same forfeiture~~ WAS CONVICTED OF A FELONY OR PLED GUILTY OR  
25 NOLO CONTENDERE TO A FELONY WITHIN THE LAST TEN YEARS,  
26 REGARDLESS OF WHETHER THE CONVICTION OR PLEA RESULTED FROM  
27 CONDUCT IN OR CONDUCT RELATED TO THE BAIL BOND BUSINESS;

28 (e) ~~Conviction of a felony, a guilty plea to a felony, or a plea of~~  
29 ~~nolo contendere to a felony within the last ten years, regardless of~~  
30 ~~whether the conviction or plea resulted from conduct in or conduct related~~  
31 ~~to the bail bond business~~ SERVED A SENTENCE UPON A CONVICTION OF A  
32 FELONY IN A STATE CORRECTIONAL FACILITY, CITY OR COUNTY JAIL, OR  
33 COMMUNITY CORRECTIONAL FACILITY OR UNDER THE SUPERVISION OF THE  
34 STATE BOARD OF PAROLE OR ANY PROBATION DEPARTMENT WITHIN THE  
35 LAST TEN YEARS;

36 (f) ~~Service of a sentence upon a conviction of a felony in a~~  
37 ~~correctional facility, city or county jail, or community correctional facility~~  
38 ~~or under the supervision of the state board of parole or any probation~~  
39 ~~department within the last ten years~~ CONTINUED TO EXECUTE BAIL BONDS  
40 IN ANY COURT IN THIS STATE WHILE ON THE BOARD IF THE BAIL  
41 FORFEITURE JUDGMENT THAT RESULTED IN THE REGISTRANT'S BEING

1 PLACED ON THE BOARD HAS NOT BEEN PAID, STAYED, VACATED,  
2 EXONERATED, OR OTHERWISE DISCHARGED;

3 ~~(g) Failure to report, to preserve without use and retain separately,~~  
4 ~~or to return collateral taken as security on any bond to the principal,~~  
5 ~~indemnitor, or depositor of such collateral;~~ FURNISHED BAIL IN ANY  
6 COURT IN THIS STATE IN AN AMOUNT GREATER THAN TWICE THE AMOUNT  
7 OF THE PROFESSIONAL CASH-BAIL AGENT'S BOND POSTED WITH THE  
8 DIVISION.

9 ~~(h) Soliciting business in or about any place where prisoners are~~  
10 ~~confined, arraigned, or in custody;~~

11 ~~(i) Failure to pay a final, nonappealable judgment award for~~  
12 ~~failure to return or repay collateral received to secure a bond;~~

13 ~~(j) Hiring, contracting with, or paying compensation to any~~  
14 ~~individual for bail recovery services in violation of the provisions of~~  
15 ~~section 12-7-105.5;~~

16 ~~(k) Continuing to execute bail bonds in any court in this state~~  
17 ~~while on the board pursuant to section 16-4-112 (5) (e), C.R.S., where the~~  
18 ~~bail forfeiture judgment that resulted in being placed on the board has not~~  
19 ~~been paid, stayed, vacated, exonerated, or otherwise discharged;~~

20 ~~(l) If a professional cash bail agent furnishes a single bail in any~~  
21 ~~court in this state in an amount greater than twice the amount of the~~  
22 ~~professional cash bail agent's bond posted with the division.~~

23 (2) ~~If the division denies, suspends, revokes, or refuses to renew~~  
24 ~~any such license, the aggrieved person shall be given an opportunity for~~  
25 ~~a hearing subject to judicial review as provided in article 4 of title 24,~~  
26 ~~C.R.S. EXCEPT FOR THE REASONS LISTED IN PARAGRAPHS (d) AND (e) OF~~  
27 ~~SUBSECTION (1) OF THIS SECTION, THE DIVISION, IN LIEU OF REVOKING OR~~  
28 ~~SUSPENDING A REGISTRATION, MAY IN ANY ONE PROCEEDING, BY ORDER,~~  
29 ~~REQUIRE THE REGISTRANT TO PAY A CIVIL PENALTY IN THE SUM OF NO LESS~~  
30 ~~THAN THREE HUNDRED DOLLARS AND NO MORE THAN ONE THOUSAND~~  
31 ~~DOLLARS FOR EACH OFFENSE. IF THE REGISTRANT FAILS TO PAY THE~~  
32 ~~PENALTY WITHIN TWENTY DAYS AFTER THE MAILING OF THE ORDER,~~  
33 ~~POSTAGE PREPAID, REGISTERED AND ADDRESSED TO THE LAST-KNOWN~~  
34 ~~PLACE OF BUSINESS OF THE REGISTRANT, THE DIVISION MAY REVOKE THE~~  
35 ~~REGISTRATION OR MAY SUSPEND THE REGISTRATION FOR SUCH A PERIOD~~  
36 ~~AS THE COMMISSIONER MAY DETERMINE, UNLESS THE ORDER IS STAYED BY~~  
37 ~~A COURT OF COMPETENT JURISDICTION. THE DIVISION SHALL TRANSMIT~~  
38 ~~THE CIVIL PENALTY TO THE STATE TREASURER, WHO SHALL DEPOSIT IT IN~~  
39 ~~THE GENERAL FUND.~~

40 (3) ~~Except for the reasons listed in paragraphs (e) and (f) of~~  
41 ~~subsection (1) of this section, the commissioner, in lieu of revoking or~~

1 ~~suspending a license, may in any one proceeding, by order, require the~~  
2 ~~licensee to pay to the commissioner, to be deposited in the general fund~~  
3 ~~of the state, a civil penalty in the sum of no less than three hundred~~  
4 ~~dollars and no more than one thousand dollars for each offense. Upon~~  
5 ~~failure of the licensee to pay the penalty within twenty days after the~~  
6 ~~mailing of the order, postage prepaid, registered and addressed to the~~  
7 ~~last-known place of business of the licensee, the commissioner may~~  
8 ~~revoke the license of the licensee or may suspend the license for such~~  
9 ~~period as the commissioner may determine, unless the commissioner's~~  
10 ~~order is stayed by an order of a court of competent jurisdiction. EXCEPT~~  
11 ~~AS OTHERWISE PROVIDED IN THIS SECTION, THE COMMISSIONER NEED NOT~~  
12 ~~FIND THAT THE ACTIONS THAT ARE GROUNDS FOR DISCIPLINE WERE~~  
13 ~~WILLFUL BUT MAY CONSIDER WHETHER THE ACTIONS WERE WILLFUL WHEN~~  
14 ~~DETERMINING THE NATURE OF DISCIPLINARY SANCTIONS TO BE IMPOSED.~~

15 (4) (a) THE COMMISSIONER MAY COMMENCE A PROCEEDING TO  
16 DISCIPLINE A REGISTRANT WHEN THE COMMISSIONER HAS REASONABLE  
17 GROUNDS TO BELIEVE THAT THE REGISTRANT HAS COMMITTED AN ACT  
18 ENUMERATED IN THIS SECTION.

19 (b) IN ANY PROCEEDING HELD UNDER THIS SECTION, THE  
20 COMMISSIONER MAY ACCEPT AS EVIDENCE OF GROUNDS FOR DISCIPLINARY  
21 ACTION ANY DISCIPLINARY ACTION TAKEN AGAINST A REGISTRANT IN  
22 ANOTHER JURISDICTION IF THE VIOLATION THAT PROMPTED THE  
23 DISCIPLINARY ACTION IN THE OTHER JURISDICTION WOULD BE GROUNDS  
24 FOR DISCIPLINARY ACTION UNDER THIS ARTICLE.

25 (5) DISCIPLINARY PROCEEDINGS, HEARINGS, AND OPPORTUNITY  
26 FOR REVIEW MUST BE CONDUCTED IN ACCORDANCE WITH ARTICLE 4 OF  
27 TITLE 24, C.R.S., BY THE COMMISSIONER OR BY AN ADMINISTRATIVE LAW  
28 JUDGE, AT THE COMMISSIONER'S DISCRETION. THE COMMISSIONER MAY  
29 EXERCISE ALL POWERS AND DUTIES CONFERRED BY THIS ARTICLE DURING  
30 THE DISCIPLINARY PROCEEDINGS.

31 (6) (a) THE COMMISSIONER MAY REQUEST THE ATTORNEY  
32 GENERAL TO SEEK AN INJUNCTION, IN ANY COURT OF COMPETENT  
33 JURISDICTION, TO ENJOIN A PERSON FROM COMMITTING AN ACT  
34 PROHIBITED BY THIS ARTICLE. WHEN SEEKING AN INJUNCTION UNDER THIS  
35 PARAGRAPH (a), THE ATTORNEY GENERAL SHALL NOT BE REQUIRED TO  
36 ALLEGE OR PROVE THE INADEQUACY OF ANY REMEDY AT LAW OR THAT  
37 SUBSTANTIAL OR IRREPARABLE DAMAGE IS LIKELY TO RESULT FROM A  
38 CONTINUED VIOLATION OF THIS ARTICLE.

39 (b) (I) THE COMMISSIONER MAY INVESTIGATE, HOLD HEARINGS,  
40 AND GATHER EVIDENCE IN ALL MATTERS RELATED TO THE EXERCISE AND  
41 PERFORMANCE OF THE POWERS AND DUTIES OF THE COMMISSIONER.

1 (II) IN ORDER TO AID THE COMMISSIONER IN ANY HEARING OR  
2 INVESTIGATION INSTITUTED UNDER THIS SECTION, THE COMMISSIONER OR  
3 AN ADMINISTRATIVE LAW JUDGE APPOINTED BY THE COMMISSIONER MAY  
4 ADMINISTER OATHS, TAKE AFFIRMATIONS OF WITNESSES, AND ISSUE  
5 SUBPOENAS COMPELLING THE ATTENDANCE OF WITNESSES AND THE  
6 PRODUCTION OF ALL RELEVANT RECORDS, PAPERS, BOOKS, DOCUMENTARY  
7 EVIDENCE, AND MATERIALS IN ANY HEARING, INVESTIGATION,  
8 ACCUSATION, OR OTHER MATTER BEFORE THE COMMISSIONER OR AN  
9 ADMINISTRATIVE LAW JUDGE.

10 (III) UPON FAILURE OF ANY WITNESS OR REGISTRANT TO COMPLY  
11 WITH A SUBPOENA OR PROCESS, THE DISTRICT COURT OF THE COUNTY  
12 WHERE THE SUBPOENAED PERSON OR REGISTRANT RESIDES OR CONDUCTS  
13 BUSINESS, UPON APPLICATION BY THE COMMISSIONER WITH NOTICE TO THE  
14 SUBPOENAED PERSON OR REGISTRANT, MAY ISSUE TO THE PERSON OR  
15 REGISTRANT AN ORDER REQUIRING THE PERSON OR REGISTRANT TO  
16 APPEAR BEFORE THE COMMISSIONER; TO PRODUCE THE RELEVANT PAPERS,  
17 BOOKS, RECORDS, DOCUMENTARY EVIDENCE, OR MATERIALS IF SO  
18 ORDERED; OR TO GIVE EVIDENCE TOUCHING THE MATTER UNDER  
19 INVESTIGATION OR IN QUESTION. IF THE PERSON OR REGISTRANT FAILS TO  
20 OBEY THE ORDER OF THE COURT, THE PERSON OR REGISTRANT MAY BE  
21 HELD IN CONTEMPT OF COURT.

22 (c) THE COMMISSIONER MAY APPOINT AN ADMINISTRATIVE LAW  
23 JUDGE UNDER PART 10 OF ARTICLE 30 OF TITLE 24, C.R.S., TO CONDUCT  
24 HEARINGS, TAKE EVIDENCE, MAKE FINDINGS, AND REPORT THE FINDINGS  
25 TO THE COMMISSIONER.

26 (7) (a) THE COMMISSIONER, THE COMMISSIONER'S STAFF, ANY  
27 PERSON ACTING AS A WITNESS OR CONSULTANT TO THE COMMISSIONER,  
28 ANY WITNESS TESTIFYING IN A PROCEEDING AUTHORIZED UNDER THIS  
29 ARTICLE, AND ANY PERSON WHO LODGES A COMPLAINT PURSUANT TO THIS  
30 ARTICLE IS IMMUNE FROM LIABILITY IN ANY CIVIL ACTION BROUGHT  
31 AGAINST HIM OR HER FOR ACTS OCCURRING WHILE ACTING IN HIS OR HER  
32 CAPACITY AS COMMISSIONER, STAFF, CONSULTANT, OR WITNESS,  
33 RESPECTIVELY, IF SUCH INDIVIDUAL WAS ACTING IN GOOD FAITH WITHIN  
34 THE SCOPE OF HIS OR HER RESPECTIVE CAPACITY, MADE A REASONABLE  
35 EFFORT TO OBTAIN THE FACTS OF THE MATTER AS TO WHICH HE OR SHE  
36 ACTED, AND ACTED IN THE REASONABLE BELIEF THAT THE ACTION TAKEN  
37 BY HIM OR HER WAS WARRANTED BY THE FACTS.

38 (b) A PERSON PARTICIPATING IN GOOD FAITH IN MAKING A  
39 COMPLAINT OR REPORT OR IN AN INVESTIGATIVE OR ADMINISTRATIVE  
40 PROCEEDING UNDER THIS SECTION IS IMMUNE FROM ANY CIVIL OR  
41 CRIMINAL LIABILITY THAT OTHERWISE MIGHT RESULT BY REASON OF THE  
42 PARTICIPATION.

1 (8) A FINAL ACTION OF THE COMMISSIONER IS SUBJECT TO JUDICIAL  
2 REVIEW BY THE COURT OF APPEALS PURSUANT TO SECTION 24-4-106 (11),  
3 C.R.S. A JUDICIAL PROCEEDING TO ENFORCE AN ORDER OF THE  
4 COMMISSIONER MAY BE INSTITUTED IN ACCORDANCE WITH SECTION  
5 24-4-106 (3), C.R.S.

6 (9) WHEN A COMPLAINT OR AN INVESTIGATION DISCLOSES AN  
7 INSTANCE OF MISCONDUCT THAT, IN THE OPINION OF THE COMMISSIONER,  
8 WARRANTS FORMAL ACTION, NO PERSON SHALL RESOLVE THE COMPLAINT  
9 BY A DEFERRED SETTLEMENT, ACTION, JUDGMENT, OR PROSECUTION.

10 (10) (a) IF IT APPEARS TO THE COMMISSIONER, BASED UPON  
11 CREDIBLE EVIDENCE AS PRESENTED IN A WRITTEN COMPLAINT BY ANY  
12 PERSON, THAT A REGISTRANT IS ACTING IN A MANNER THAT IS AN  
13 IMMINENT THREAT TO THE HEALTH AND SAFETY OF THE PUBLIC, OR THAT  
14 A PERSON IS ACTING OR HAS ACTED WITHOUT THE REQUIRED  
15 REGISTRATION, THE COMMISSIONER MAY ISSUE AN ORDER TO CEASE AND  
16 DESIST SUCH ACTIVITY. THE ORDER MUST SET FORTH THE STATUTES AND  
17 RULES ALLEGED TO HAVE BEEN VIOLATED, THE FACTS ALLEGED TO HAVE  
18 CONSTITUTED THE VIOLATION, AND THE REQUIREMENT THAT ALL  
19 UNLAWFUL ACTS OR UNREGISTERED PRACTICES IMMEDIATELY CEASE.

20 (b) WITHIN TEN DAYS AFTER SERVICE OF THE ORDER TO CEASE AND  
21 DESIST UNDER PARAGRAPH (a) OF THIS SUBSECTION (10), THE REGISTRANT  
22 MAY REQUEST A HEARING ON THE QUESTION OF WHETHER ACTS OR  
23 PRACTICES IN VIOLATION OF THIS ARTICLE HAVE OCCURRED. THE HEARING  
24 MUST BE CONDUCTED PURSUANT TO SECTIONS 24-4-104 AND 24-4-105,  
25 C.R.S.

26 (11) (a) IF IT APPEARS TO THE COMMISSIONER, BASED UPON  
27 CREDIBLE EVIDENCE AS PRESENTED IN A WRITTEN COMPLAINT BY ANY  
28 PERSON, THAT A PERSON HAS VIOLATED ANY OTHER PORTION OF THIS  
29 ARTICLE, THEN, IN ADDITION TO ANY SPECIFIC POWERS GRANTED  
30 PURSUANT TO THIS ARTICLE, THE COMMISSIONER MAY ISSUE TO THE  
31 PERSON AN ORDER TO SHOW CAUSE AS TO WHY THE COMMISSIONER  
32 SHOULD NOT ISSUE A FINAL ORDER DIRECTING THE PERSON TO CEASE AND  
33 DESIST FROM THE UNLAWFUL ACT OR UNREGISTERED PRACTICE.

34 (b) THE COMMISSIONER SHALL NOTIFY A PERSON AGAINST WHOM  
35 AN ORDER TO SHOW CAUSE HAS BEEN ISSUED OF THE ISSUANCE OF THE  
36 ORDER, ALONG WITH A COPY OF THE ORDER, THE FACTUAL AND LEGAL  
37 BASIS FOR THE ORDER, AND THE DATE SET BY THE COMMISSIONER FOR A  
38 HEARING ON THE ORDER. THE NOTICE MAY BE SERVED ON THE PERSON  
39 AGAINST WHOM THE ORDER HAS BEEN ISSUED BY PERSONAL SERVICE OR  
40 BY CERTIFIED, POSTAGE-PREPAID, UNITED STATES MAIL. PERSONAL  
41 SERVICE OR MAILING OF AN ORDER OR DOCUMENT CONSTITUTES NOTICE OF  
42 THE ORDER TO THE PERSON.

1 (c) (I) THE COMMISSIONER SHALL HOLD THE HEARING ON AN  
2 ORDER TO SHOW CAUSE NO SOONER THAN TEN AND NO LATER THAN  
3 FORTY-FIVE CALENDAR DAYS AFTER THE DATE OF TRANSMISSION OR  
4 SERVICE OF THE NOTIFICATION BY THE COMMISSIONER AS PROVIDED IN  
5 THIS SUBSECTION (11). THE HEARING MAY BE CONTINUED BY AGREEMENT  
6 OF ALL PARTIES BASED UPON THE COMPLEXITY OF THE MATTER, NUMBER  
7 OF PARTIES TO THE MATTER, AND LEGAL ISSUES PRESENTED IN THE  
8 MATTER.

9 (II) IF A PERSON AGAINST WHOM AN ORDER TO SHOW CAUSE HAS  
10 BEEN ISSUED DOES NOT APPEAR AT THE HEARING, THE COMMISSIONER MAY  
11 PRESENT EVIDENCE THAT NOTIFICATION WAS PROPERLY SENT OR SERVED  
12 ON THE PERSON UNDER THIS SUBSECTION (11) AND SUCH OTHER EVIDENCE  
13 RELATED TO THE MATTER AS THE COMMISSIONER DEEMS APPROPRIATE.  
14 THE COMMISSIONER SHALL ISSUE THE ORDER WITHIN TEN DAYS AFTER THE  
15 COMMISSIONER'S DETERMINATION RELATED TO REASONABLE ATTEMPTS TO  
16 NOTIFY THE RESPONDENT, AND THE ORDER SHALL BECOME FINAL AS TO  
17 THAT PERSON BY OPERATION OF LAW. THE COMMISSIONER SHALL  
18 CONDUCT THE HEARING IN ACCORDANCE WITH SECTIONS 24-4-104 AND  
19 24-4-105, C.R.S.

20 (III) IF THE COMMISSIONER REASONABLY FINDS THAT THE PERSON  
21 AGAINST WHOM THE ORDER TO SHOW CAUSE WAS ISSUED IS ACTING OR  
22 HAS ACTED WITHOUT THE REQUIRED LICENSURE, OR HAS OR IS ABOUT TO  
23 ENGAGE IN ACTS OR PRACTICES CONSTITUTING VIOLATIONS OF THIS  
24 ARTICLE, A FINAL CEASE-AND-DESIST ORDER MAY BE ISSUED, DIRECTING  
25 THE PERSON TO CEASE AND DESIST FROM FURTHER UNLAWFUL ACTS OR  
26 UNREGISTERED PRACTICES.

27 (IV) THE COMMISSIONER SHALL PROVIDE NOTICE, IN THE MANNER  
28 SET FORTH IN THIS SUBSECTION (11), OF THE FINAL CEASE-AND-DESIST  
29 ORDER WITHIN TEN CALENDAR DAYS AFTER THE HEARING IS CONDUCTED  
30 TO EACH PERSON AGAINST WHOM THE FINAL ORDER HAS BEEN ISSUED. THE  
31 FINAL ORDER ISSUED IS EFFECTIVE WHEN ISSUED AND IS A FINAL ORDER  
32 FOR PURPOSES OF JUDICIAL REVIEW.

33 (12) IF IT APPEARS TO THE COMMISSIONER, BASED UPON CREDIBLE  
34 EVIDENCE PRESENTED TO THE COMMISSIONER, THAT A PERSON HAS  
35 ENGAGED OR IS ABOUT TO ENGAGE IN AN UNREGISTERED ACT OR  
36 PRACTICE; AN ACT OR PRACTICE CONSTITUTING A VIOLATION OF THIS  
37 ARTICLE, A RULE PROMULGATED UNDER THIS ARTICLE, OR AN ORDER  
38 ISSUED UNDER THIS ARTICLE; OR AN ACT OR PRACTICE CONSTITUTING  
39 GROUNDS FOR ADMINISTRATIVE SANCTION UNDER THIS ARTICLE, THE  
40 COMMISSIONER MAY ENTER INTO A STIPULATION WITH THE PERSON.

41 (13) IF ANY PERSON FAILS TO COMPLY WITH A FINAL  
42 CEASE-AND-DESIST ORDER OR A STIPULATION, THE COMMISSIONER MAY

1 REQUEST THE ATTORNEY GENERAL OR THE DISTRICT ATTORNEY FOR THE  
2 JUDICIAL DISTRICT IN WHICH THE ALLEGED VIOLATION EXISTS TO BRING,  
3 AND IF SO REQUESTED, THE ATTORNEY GENERAL SHALL BRING SUIT FOR A  
4 TEMPORARY RESTRAINING ORDER AND FOR INJUNCTIVE RELIEF TO  
5 PREVENT ANY FURTHER OR CONTINUED VIOLATION OF THE FINAL ORDER.

6 (14) A PERSON AGGRIEVED BY THE FINAL CEASE-AND-DESIST  
7 ORDER MAY SEEK JUDICIAL REVIEW OF THE COMMISSIONER'S  
8 DETERMINATION OR OF THE COMMISSIONER'S FINAL ORDER AS PROVIDED  
9 IN SUBSECTION (8) OF THIS SECTION.

10 **10-23-107. [Formerly 12-7-109] Prohibited activities -**  
11 **penalties.** (1) It is unlawful for any licensee REGISTRANT under this  
12 article to engage in any of the following activities:

13 (a) ~~Specify, suggest, or advise the employment of any particular~~  
14 ~~attorney to represent such licensee's principal;~~ EXCEPT FOR THE BOND FEE,  
15 TO FAIL TO RETURN ANY NONFORFEITED COLLATERAL OR SECURITY WITHIN  
16 TEN WORKING DAYS AFTER RECEIPT OF A COPY OF THE COURT ORDER THAT  
17 RESULTS IN A RELEASE OF THE BOND BY THE COURT, UNLESS:

18 (I) THE COLLATERAL ALSO SECURES OTHER OBLIGATIONS; OR

19 (II) (A) THE LATER OF THREE YEARS OR, IF THE COURT GRANTS AN  
20 EXTENSION, SIX YEARS HAVE ELAPSED FROM THE DATE THE BOND WAS  
21 POSTED; OR

22 (B) THE REGISTRANT IS EXONERATED AND, AT THE REQUEST OF  
23 THE PERSON WHO TENDERED THE COLLATERAL OR SECURITY, RETURNS THE  
24 COLLATERAL TO THE PERSON WHO POSTED THE COLLATERAL WITHIN TEN  
25 BUSINESS DAYS AFTER THE THREE-YEAR PERIOD.

26 ((b) Pay a fee or rebate or give or promise to give anything of  
27 value to a jailer, ~~police officer,~~ peace officer, clerk, deputy clerk, ~~any~~  
28 ~~other~~ AN employee of any A court, district attorney or ~~any of such~~ district  
29 attorney's employees, or any person who has power to arrest or to hold  
30 any A person in custody.

31 (c) ~~Pay a fee or rebate or give anything of value to an attorney in~~  
32 ~~bail bond matters, except in defense of any action on a bond or as counsel~~  
33 ~~to represent such bail bonding agent or such bonding agent's~~  
34 ~~representative or employees~~ FAIL TO ISSUE TO THE PERSON FROM WHOM  
35 COLLATERAL OR SECURITY IS TAKEN A RECEIPT WHICH INCLUDES A  
36 DESCRIPTION OF THE COLLATERAL OR SECURITY AT THE TIME IT IS TAKEN  
37 INTO THE CUSTODY OF THE BAIL BONDING AGENT;

38 (d) ~~Pay a fee or rebate or give or promise to give anything of value~~  
39 ~~to the person on whose bond such licensee is surety;~~ FAIL TO POST A BOND  
40 WITHIN TWENTY-FOUR HOURS AFTER RECEIPT OF FULL PAYMENT OR A  
41 SIGNED CONTRACT FOR PAYMENT, OR, IF THE BOND IS NOT POSTED WITHIN  
42 TWENTY-FOUR HOURS AFTER RECEIPT OF FULL PAYMENT OR A SIGNED

1 CONTRACT FOR PAYMENT, FAIL TO REFUND ALL MONEYS RECEIVED,  
2 RELEASE ALL LIENS, AND RETURN ALL COLLATERAL WITHIN FORTY-EIGHT  
3 HOURS AFTER RECEIPT OF THE PAYMENT OR CONTRACT.

4 ~~(d.5) Except for the fee received for the bond, to fail to return any~~  
5 ~~collateral or security within ten working days after receipt of a copy of the~~  
6 ~~court order that results in a release of the bond by the court, unless the~~  
7 ~~collateral also secures other obligations in compliance with section~~  
8 ~~12-7-108 (10). A copy of the court order shall be provided to the bonding~~  
9 ~~agent in Colorado or the company, if any, for whom the bonding agent~~  
10 ~~works whether in Colorado or out-of-state, or both, by the person for~~  
11 ~~whom the bond was written; except that, if three years have elapsed from~~  
12 ~~the date of the posting of the bond, unless a judgment has been entered~~  
13 ~~against the surety or the principal for the forfeiture of the bond, or unless~~  
14 ~~the court grants an extension of the three-year time period for good cause~~  
15 ~~shown, the bail bonding agent, as principal or as surety, shall be~~  
16 ~~exonerated and, at the request of the person who tendered the collateral~~  
17 ~~or security, return the collateral or security to the person who posted the~~  
18 ~~collateral or security within ten business days after the three-year time~~  
19 ~~period. The commissioner may release a lien after the three-year time~~  
20 ~~period has expired if the lienholder cannot be contacted after an attempt~~  
21 ~~has been made by certified mail and the attempt has failed.~~

22 ~~(e) Accept anything of value from a person on whose bond such~~  
23 ~~licensee is surety or from others on behalf of such person except the fee~~  
24 ~~or premium on the bond, but the bail bonding agent may accept collateral~~  
25 ~~security or other indemnity if: ACT AS A PROFESSIONAL CASH-BAIL AGENT~~  
26 ~~OR CASH-BONDING AGENT IN ANY COURT WHILE THE NAME OF THE~~  
27 ~~REGISTRANT IS ON THE BOARD OR WHEN A REGISTRANT HAS FAILED TO PAY~~  
28 ~~A BAIL FORFEITURE JUDGMENT AFTER ALL APPLICABLE STAYS OF~~  
29 ~~EXECUTION HAVE EXPIRED AND THE BOND HAS NOT BEEN OTHERWISE~~  
30 ~~EXONERATED OR DISCHARGED;~~

31 ~~(f) No collateral or security in tangible property is taken by pledge~~  
32 ~~or debt instrument which allows retention, sale, or other disposition of~~  
33 ~~such property upon default except in accordance with the provisions of~~  
34 ~~article 9 of title 4, C.R.S.;~~

35 ~~(H) No collateral or security interest in real property is taken by~~  
36 ~~deed or any other instrument unless the bail bonding agent's interest in the~~  
37 ~~property is limited to the amount of the bond;~~

38 ~~(HH) The collateral or security taken by the bail bonding agent is~~  
39 ~~not pledged directly to any court as security for any appearance bond; and~~

40 ~~(IV) The person from whom the collateral or security is taken is~~  
41 ~~issued a receipt describing the condition of the collateral at the time it is~~  
42 ~~taken into the custody of the bail bonding agent;~~



1           ~~(f) Coerce, suggest, aid and abet, offer promise of favor, or~~  
2 ~~threaten any person on whose bond such licensee is surety or offers to~~  
3 ~~become surety to induce that person to commit any crime;~~  
4           ~~(g) Act as a bail bonding agent in any court of record in this state~~  
5 ~~while the name of such licensee is on the board pursuant to section~~  
6 ~~16-4-112 (5) (e), C.R.S., or under any circumstance where a licensee has~~  
7 ~~failed to pay a bail forfeiture judgment after all applicable stays of~~  
8 ~~execution have expired and the bond has not been otherwise exonerated~~  
9 ~~or discharged;~~  
10          ~~(h) to (j) Repealed.~~  
11          ~~(k) Accept anything of value from a person on whose bond such~~  
12 ~~licensee is indemnitor or from another on behalf of such principal except~~  
13 ~~the premium; except that the bail bonding agent licensed under this article~~  
14 ~~may accept collateral security or other indemnity from the person on~~  
15 ~~whose bond such bail bonding agent is indemnitor or from another on~~  
16 ~~behalf of such principal. All such collateral or other indemnity shall be~~  
17 ~~returned pursuant to the requirements contained in paragraph (d.5) of this~~  
18 ~~subsection (1). The bail bonding agent licensed under this article shall~~  
19 ~~preserve and separately retain such collateral and shall be responsible for~~  
20 ~~the return of all such collateral taken and shall be liable for failure thereof~~  
21 ~~as will also be the surety company. When a bail bonding agent accepts~~  
22 ~~collateral as security pursuant to this paragraph (k), such bail bonding~~  
23 ~~agent shall give a written receipt for such collateral to the person on~~  
24 ~~whose bond such bail bonding agent is indemnitor or to another on behalf~~  
25 ~~of such principal and the surety, which shall provide in detail a full~~  
26 ~~description of the collateral received. In the event of the failure of or~~  
27 ~~inability for any reason of a bail bonding agent or such bail bonding~~  
28 ~~agent's heirs or assignees to return collateral as required in this paragraph~~  
29 ~~(k), the commissioner or the commissioner's designee is authorized to~~  
30 ~~take immediate possession of the collateral and take whatever actions are~~  
31 ~~necessary and appropriate to assure compliance with the obligations of~~  
32 ~~this article relating to the return of collateral. The commissioner is~~  
33 ~~authorized to utilize any or all of the qualification bond required in~~  
34 ~~section 12-7-103 (3) for any costs incurred. Any such payment received~~  
35 ~~by the commissioner is hereby appropriated to the division of insurance~~  
36 ~~in addition to any other funds appropriated for its normal operation. The~~  
37 ~~commissioner shall forfeit a qualification bond in the amount necessary~~  
38 ~~to pay any final, nonappealable judgment award for failure to return~~  
39 ~~collateral, including costs and attorney's fees, if awarded.~~  
40          ~~(l) Sign or countersign blank bail bonds or execute a power of~~  
41 ~~attorney or otherwise authorize anyone to countersign such licensee's~~  
42 ~~name to bonds;~~

1           ~~(m) For any one licensee to have more than one bond posted at~~  
2 ~~any one time and, in any single case, on behalf of any one person;~~

3           ~~(n) Fail to issue to the person from whom collateral or security is~~  
4 ~~taken a receipt which includes a description of the collateral or security~~  
5 ~~at the time it is taken into the custody of the bail bonding agent;~~

6           ~~(o) Failure to post a bond within twenty-four hours of receipt of~~  
7 ~~full payment or a signed contract for payment, or if the bond is not posted~~  
8 ~~within twenty-four hours of receipt of full payment or a signed contract~~  
9 ~~for payment, failure to refund all moneys received, release all liens, and~~  
10 ~~return all collateral within forty-eight hours of receipt of such payment or~~  
11 ~~contract.~~

12           (2) ~~Any licensee~~ A REGISTRANT who violates ~~any provision of~~  
13 subsection (1) of this section is guilty of a misdemeanor and, upon  
14 conviction thereof, shall be punished by a fine of not more than one  
15 thousand dollars, or by imprisonment in the county jail for not more than  
16 one year, or by both such fine and imprisonment. Any criminal penalty  
17 prescribed in this section for a violation of this article ~~shall be~~ IS in  
18 addition to, and not exclusive of, any other applicable penalty prescribed  
19 by law.

20           (3) ~~Any~~ A person who acts or attempts to act as a ~~bail bonding~~  
21 PROFESSIONAL CASH-BAIL AGENT OR CASH-BONDING agent and who is not  
22 ~~licensed~~ REGISTERED as such under this article is guilty of a misdemeanor  
23 and, upon conviction thereof, shall be punished by a fine of not more than  
24 one thousand dollars, or by imprisonment in the county jail for not more  
25 than one year, or by both such fine and imprisonment. UPON CONVICTION,  
26 THE COURT SHALL REQUIRE THE PERSON TO DISGORGE ANY PROFITS FROM  
27 ACTING AS A PROFESSIONAL CASH-BAIL AGENT OR CASH-BONDING AGENT  
28 AND FORWARD THE PROFITS TO THE STATE TREASURER, WHO SHALL  
29 DEPOSIT THE MONEYS IN THE GENERAL FUND.

30           **10-23-108. [Formerly 12-7-112] Repeal - review of functions.**  
31 This article is repealed, effective ~~July 1, 2012~~ SEPTEMBER 1, 2017. Prior  
32 to ~~such~~ THE repeal, the licensing functions of the commissioner and the  
33 division shall be reviewed as provided for in section 24-34-104, C.R.S.

34           **SECTION 40.** In Colorado Revised Statutes, 16-1-104, **add** (3.5)  
35 as follows:

36           **16-1-104. Definitions.** (3.5) "BAIL BONDING AGENT" OR  
37 "BONDING AGENT" MEANS A INDIVIDUAL WHO IS IN THE BUSINESS OF  
38 WRITING APPEARENCE BONDS AND WHO IS SUBJECT TO REGULATION BY  
39 THE DIVISION OF INSURANCE IN THE DEPARTMENT OF REGULATORY  
40 AGENCIES, INCLUDING AN INSURANCE PRODUCER, CASH-BONDING AGENT,  
41 OR PROFESSIONAL CASH-BAIL AGENT.

1           **SECTION 41.** In Colorado Revised Statutes, 16-3-503, **amend**  
2 (1) (c) as follows:

3           **16-3-503. Bonds recovered for persons illegally in the country.**  
4 (1) (c) If it is determined that a defendant is illegally present in the  
5 country after a ~~bail~~ AN APPEARANCE bond is posted on a felony or a class  
6 1 or class 2 misdemeanor, the jail or court shall return all documents  
7 concerning the defendant that are signed by the bail bonding agent to the  
8 agent, and the agent shall return ~~the fees collected pursuant to section~~  
9 ~~12-7-108 (7), C.R.S.~~, ANY PREMIUM, COMMISSION, OR FEE, NOT  
10 INCLUDING PREMIUM FINANCING FEES, BOND FILING FEES CHARGED BY A  
11 COURT OR LAW ENFORCEMENT AGENCY, AND THE ACTUAL COST OF  
12 STORING COLLATERAL IN A SECURE, SELF-SERVICE PUBLIC STORAGE  
13 FACILITY, to the court for forfeiture ~~pursuant to~~ UNDER subsection (2) of  
14 this section.

15           **SECTION 42.** In Colorado Revised Statutes, 16-4-104, **amend**  
16 (1) (b) (III) as follows:

17           **16-4-104. Bail bond - alternatives.** (1) When the amount of bail  
18 is fixed by the judge of a court of record, the judge shall also determine  
19 which of the following kinds of bond shall be required for the pretrial  
20 release of the defendant:

21           (b) The defendant may be released from custody upon execution  
22 of bond in the full amount of the bail to be secured in any one or more, or  
23 any combination of, the following ways:

24           (III) By ~~sureties~~ CASH OR SECURITIES worth at least one and  
25 one-half the amount of bail set in the bond or by a bail bonding agent. ~~or~~  
26 ~~a cash bonding agent qualified to write bail bonds pursuant to article 7 of~~  
27 ~~title 12, C.R.S.~~

28           **SECTION 43.** In Colorado Revised Statutes, 16-4-112, **amend**  
29 (2) (a) and (2) (c); and **add** (6) as follows:

30           **16-4-112. Enforcement procedures for compensated sureties**  
31 **- definitions.** (2) As used in this section, unless the context otherwise  
32 requires:

33           (a) "Bail insurance company" means an insurer as defined in  
34 section 10-1-102 (13), C.R.S., engaged in the business of writing ~~bail~~  
35 appearance bonds through bonding agents, which company is subject to  
36 regulation by the division of insurance in the department of regulatory  
37 agencies.

38           (c) "Compensated surety" means any person WHO IS in the  
39 business of writing ~~bail~~ appearance bonds AND who is subject to  
40 regulation by the division of insurance in the department of regulatory  
41 agencies, including bonding agents and bail insurance companies.

1 Nothing in this paragraph (c) ~~shall be construed to authorize~~ AUTHORIZES  
2 bail insurance companies to write ~~bail~~ APPEARANCE bonds except through  
3 ~~licensed~~ bail bonding agents.

4 (6) A BAIL INSURANCE COMPANY SHALL NOT WRITE BAIL BONDS  
5 UNLESS THROUGH A LICENSED BAIL BONDING AGENT.

6 **SECTION 44.** In Colorado Revised Statutes, 24-34-104, **amend**  
7 (43) introductory portion and (48.5); and **repeal** (43) (f) as follows:

8 **24-34-104. General assembly review of regulatory agencies**  
9 **and functions for termination, continuation, or reestablishment.**  
10 (43) The following agencies, functions, or both, ~~shall~~ terminate on July  
11 1, 2012:

12 (f) ~~The licensing of bail bonding agents through the division of~~  
13 ~~insurance in accordance with article 7 of title 12, C.R.S.;~~

14 (48.5) The following agencies, functions, or both, ~~shall~~ terminate  
15 on September 1, 2017:

16 (a) The domestic violence offender management board created in  
17 section 16-11.8-103, C.R.S.

18 (b) THE LICENSING OF PROFESSIONAL CASH-BAIL AGENTS AND  
19 CASH-BONDING AGENTS UNDER ARTICLE 23 OF TITLE 10, C.R.S.

20 **SECTION 45.** In Colorado Revised Statutes, 2-3-1203, **repeal** (3)  
21 (z) (III) as follows:

22 **2-3-1203. Sunset review of advisory committees.** (3) The  
23 following dates are the dates for which the statutory authorization for the  
24 designated advisory committees is scheduled for repeal:

25 (z) July 1, 2013:

26 (III) ~~The advisory committee to the division of insurance~~  
27 ~~regarding bail bond issues, created in section 12-7-104.5, C.R.S.;~~

28 **SECTION 46.** In Colorado Revised Statutes, 24-31-303, **amend**  
29 (1) (h) as follows:

30 **24-31-303. Duties - powers of the P.O.S.T. board.** (1) The  
31 P.O.S.T. board has the following duties:

32 (h) To establish standards for training in bail recovery practices.  
33 ~~under sections 12-7-102.5 (1) (b) and 12-7-105.5 (1) (b), C.R.S. The~~  
34 ~~board shall establish such standards on or before October 1, 1998.~~

35 **SECTION 47.** In Colorado Revised Statutes, 24-33.5-412, **repeal**  
36 (1) (p) as follows:

37 **24-33.5-412. Functions of bureau - legislative review.** (1) The  
38 bureau has the following authority:

39 (p) ~~To conduct a criminal background check of an applicant who~~  
40 ~~wishes to provide bail recovery services for a bail bonding agent under~~  
41 ~~section 12-7-105.5 (1) (a), C.R.S.;~~

1           **SECTION 48. Effective date - applicability.** This act takes  
2 effect July 1, 2012, and applies to offenses committed and applications  
3 submitted on or after said date.

4           **SECTION 49. Safety clause.** The general assembly hereby finds,  
5 determines, and declares that this act is necessary for the immediate  
6 preservation of the public peace, health, and safety.".

\*\* \*\*\* \*\* \*\*\* \*\*