

Second Regular Session
Sixty-eighth General Assembly
STATE OF COLORADO

ENGROSSED

*This Version Includes All Amendments Adopted
on Second Reading in the House of Introduction*

LLS NO. 12-0307.02 Jery Payne x2157

HOUSE BILL 12-1266

HOUSE SPONSORSHIP

Sonnenberg, Gardner B.

SENATE SPONSORSHIP

Morse,

House Committees

Judiciary
Appropriations

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING THE CONTINUATION OF THE LICENSING OF PERSONS WHO**
102 **FURNISH BAIL FOR COMPENSATION, AND, IN CONNECTION**
103 **THEREWITH, REDUCING AN APPROPRIATION .**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://www.leg.state.co.us/billsummaries>.)

Sunset Process - House Judiciary Committee. The bill continues the regulation of bail bonding agents until September 1, 2017. The daily bond register requirement is replaced with a requirement that the information be kept in a case file and clarifies that the requirement

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

HOUSE
Amended 2nd Reading
April 23, 2012

applies to cash bonding agents and professional cash bail agents. A prohibition against licensing firms is repealed. Bail-related transactions are required to be made on forms approved by the division of insurance.

1 *Be it enacted by the General Assembly of the State of Colorado:*

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

4 **10-1-102. Definitions.** As used in this title, unless the context
5 otherwise requires:

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

12 (3.5) "BAIL INSURANCE COMPANY" MEANS AN INSURER ENGAGED
13 IN THE BUSINESS OF WRITING BAIL BONDS THROUGH BONDING AGENTS AND
14 SUBJECT TO REGULATION BY THE DIVISION.

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

17 **10-1-103. Division of insurance - subject to termination -**
18 **repeal of functions.** (3) All direct and indirect expenditures of the
19 division ~~shall be~~ ARE paid from the division of insurance cash fund,
20 which fund is hereby created in the state treasury. All fees collected
21 pursuant to UNDER sections 8-44-204 (7), C.R.S., 8-44-205 (6), C.R.S.,
22 10-2-413, 10-3-108, 10-3-207, 10-3.5-104, 10-3.5-107, 10-12-106,
23 10-15-103, 10-16-110 (1) and (2), 10-16-111 (1), 10-23-102, 10-23-104,
24 24-10-115.5 (5), C.R.S., and 29-13-102 (5), C.R.S., not including fees

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

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

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

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

27 **10-1-108. Duties of commissioner - reports - publications - fees**

1 - disposition of funds - adoption of rules - examinations and
2 investigations. (5) It is the duty of the commissioner to make such
3 investigations and examinations as are authorized by this title (except
4 article 15) ~~article 7 of title 12~~, and article 14 of title 24, C.R.S., and to
5 investigate such information as is presented to the commissioner by
6 authority that the commissioner believes to be reliable pertaining to
7 violation of the insurance laws of Colorado, and it is the commissioner's
8 duty to present the result of such investigations and examinations for
9 further investigation and prosecution to either the district attorney of the
10 proper judicial district or the attorney general when, in the commissioner's
11 opinion, such violations justify such action.

12 (8) It is the duty of the commissioner to examine all requests and
13 applications from insurers for certificates of authority to be issued
14 pursuant to section 10-3-105. The commissioner is authorized to refuse
15 to issue any such certificates of authority until the commissioner is
16 reasonably satisfied as to the qualifications and general fitness of the
17 insurer to comply with the requirements of the provisions of this title
18 (except article 15) ~~article 7 of title 12~~, and article 14 of title 24, C.R.S.

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

1 other funds appropriated for its normal operation.

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

4 **10-1-110. Grounds and procedure for suspension or**
5 **revocation of certificate or license of entities.** (1) The certificate of
6 authority of an insurance company to do business in this state may be
7 revoked or suspended by the commissioner for any reason specified in
8 this title ~~article 7 of title 12~~, and article 14 of title 24, C.R.S. Specifically,
9 the certificate may be suspended or revoked by the commissioner for
10 reasons that include, but are not limited to:

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

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

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

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

16 **10-1-112. Policy conditions required by other states.** The
17 policies of a domestic insurance company, when issued or delivered in
18 any other state, territory, district, or country, may contain any provision
19 required by the laws of the state, territory, district, or country in which the
20 same are issued, anything in this title (except article 15) ~~article 7 of title~~
21 ~~12~~, and article 14 of title 24, C.R.S., to the contrary notwithstanding.

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

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

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

3 **10-2-301. Continuing education requirement - advisory**
4 **committee.** (6) (a) The commissioner shall be responsible for
5 administering the continuing insurance education requirements under this
6 article and the continuing education requirements under article 7 of title
7 12, C.R.S., and approving courses of instruction ~~which~~ THAT qualify for
8 such purposes. The commissioner shall promulgate such rules and
9 regulations as the commissioner deems necessary to administer such THE
10 continuing education requirements, including the provisions and
11 requirements of this section. The commissioner shall also promulgate
12 regulations RULES requiring that producers and bail bonding agents
13 licensed under article 7 of title 12, C.R.S., be required to provide to a
14 continuing education administrator proof of compliance with the
15 continuing education requirements as a condition of license renewal. For
16 persons licensed pursuant to section 10-11-116 (1) (c), compliance with
17 the continuing legal education credits requirements of the Colorado
18 supreme court shall be deemed to meet the requirements of this section.

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

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

26 **10-2-407. License - definitions of lines of insurance - authority.**
27 (1) Unless A PERSON IS denied licensure pursuant to section 10-2-801, or

1 ~~12-7-106, C.R.S.~~, THE DIVISION SHALL ISSUE a person who has met the
2 requirements of sections 10-2-401 OR 10-2-404 ~~12-7-102, or 12-7-103,~~
3 ~~C.R.S., may be issued~~ an insurance producer license. An insurance
4 producer may receive qualification for a single license to include one or
5 more of the following lines of authority:

6 (f) ~~Bail bonding agent including a surety agent; as defined in~~
7 ~~section 12-7-101 (1), C.R.S., a cash bonding agent, as defined in section~~
8 ~~12-7-102 (1), C.R.S., and a professional cash bail agent, as defined in~~
9 ~~section 12-7-101 (7), C.R.S.;~~

10 **SECTION 10.** In Colorado Revised Statutes, 10-2-415.5, **amend**
11 (1), (2) (a), (2) (b) introductory portion, (2) (b) (I), and (3); and **add** (5)
12 as follows:

13 **10-2-415.5. Appointment of insurance producer - continuation**
14 **- renewal - exceptions.** (1) No insurance producer ~~with bail bonding~~
15 ~~agent authority as set forth in section 10-2-407 (1) (f)~~ shall claim to be a
16 representative or authorized or appointed agent of, or use any other term
17 implying a contractual relationship with, a particular ~~insurer~~ BAIL
18 INSURANCE COMPANY or accept applications on behalf of ~~such insurer~~ THE
19 BAIL INSURANCE COMPANY unless ~~such~~ THE insurance producer becomes
20 ~~pursuant to a~~ THROUGH A WRITTEN contract ~~in writing~~; a producer
21 appointee, appointed by that ~~insurer~~ BAIL INSURANCE COMPANY in
22 accordance with this section, to act in the capacity of an agent of the
23 ~~insurer~~ BAIL INSURANCE COMPANY.

24 (2) (a) ~~An insurer~~ A BAIL INSURANCE COMPANY shall notify the
25 commissioner of each INSURANCE producer ~~bail bonding agent~~
26 appointment. Each ~~insurer~~ BAIL INSURANCE COMPANY shall file with the
27 commissioner, monthly or at such other less frequent intervals as the

1 commissioner may prescribe, a current list of insurance producers that it
2 has appointed to solicit business on its behalf. The list shall contain all
3 relevant appointment information as prescribed by the commissioner,
4 including the effective date of appointment.

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

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

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

16 (5) AN INSURANCE PRODUCER LICENSEE WHO FUNDS OR WRITES
17 BAIL BONDS SHALL, WHEN RENEWING THEIR LICENSE, SUBMIT A SUMMARY
18 REPORT OF THE FOLLOWING DURING THE LAST TWO YEARS TO THE
19 DIVISION:

20 (a) THE NUMBER OF BAIL BONDS PROVIDED TO THE PUBLIC;

21 (b) THE NUMBER OF DEFENDANTS ADJUDICATED WITHOUT FAILURE
22 TO APPEAR OR BAIL FORFEITURE;

23 (c) THE NUMBER OF DEFENDANTS WHO FAILED TO APPEAR OR
24 CAUSED A BAIL FORFEITURE;

25 (d) THE NUMBER OF BAIL BONDS THAT WERE REINSTATED AFTER
26 FORFEITURE;

27 (e) THE NUMBER OF DEFENDANTS WHO WERE INCARCERATED

1 AFTER FAILING TO APPEAR OR FORFEITING BAIL BY ACTION OF THE
2 LICENSEE OR LICENSEE'S AGENT;

3 (f) THE NUMBER OF DEFENDANTS WHO WERE REINSTATED AFTER
4 THE FAILURE TO APPEAR OR BAIL FORFEITURE BY POLICE WITHOUT ACTION
5 BY THE LICENSEE OR LICENSEE'S AGENT;

6 (g) THE NUMBER OF DEFENDANTS WHO WERE JAILED AFTER THE
7 FAILURE TO APPEAR OR BAIL FORFEITURE BY THE COURT;

8 (h) THE NUMBER BAIL FORFEITURE JUDGMENTS THAT WERE PAID
9 TO THE COURT;

10 (i) THE NUMBER OF BAIL FORFEITURE JUDGMENTS THAT HAVE NOT
11 BEEN RESOLVED OR PAID TO THE COURT BECAUSE THE BAIL FORFEITURE
12 WAS NOT DUE DURING THE TWO-YEAR PERIOD;

13 (j) THE NUMBER OF FORFEITURE JUDGMENTS WHERE REMISSION
14 WAS GRANTED AFTER PAYMENT BECAUSE THE DEFENDANT WAS TAKEN
15 INTO CUSTODY;

16 (k) THE NUMBER OF BAIL BONDS PROVIDED TO THE DEFENDANTS
17 CHARGED WITH FELONIES; AND

18 (l) THE NUMBER OF BAIL BONDS PROVIDED TO THE DEFENDANTS
19 CHARGED WITH MISDEMEANORS.

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

22 **10-2-415.7. Termination of insurance producer bail bonding**
23 **agent - notice - penalty.** (2) If the termination of an agent's appointment
24 is for any of the causes listed in section 10-1-128 OR 10-2-801, ~~12-7-106,~~
25 ~~or 12-7-109, C.R.S.,~~ the insurer shall notify the commissioner of the
26 reason and, if the commissioner so requests, the insurer shall provide any
27 information, records, statements, or other data pertaining to the

1 termination that may be used by the division in any action taken pursuant
2 to sections UNDER SECTION 10-2-801. and 12-7-106, C.R.S.

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

5 **10-2-418. Bail bonding authority.** (1) THE DIVISION SHALL
6 ADVISE STATE COURT ADMINISTRATORS THAT A PERSON MAY FURNISH A
7 BAIL BOND IF THE PERSON IS A LICENSED INSURANCE PRODUCER WITH A
8 POWER OF ATTORNEY FROM AN INSURANCE COMPANY, APPEARS ON THE
9 DIVISION'S WEB SITE AS AN ACTIVE INSURANCE PRODUCER WITH CASUALTY
10 AUTHORITY, AND IS APPOINTED BY THAT INSURANCE COMPANY.

11 (2) THE DIVISION SHALL ISSUE CREDENTIALS TO EACH INSURANCE
12 PRODUCER WHO IS APPOINTED BY A BAIL INSURANCE COMPANY THAT
13 CLEARLY IDENTIFIES THE PERSON AS HOLDING AUTHORITY TO ACT AS A
14 BAIL BOND AGENT.

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

17 **10-2-502. Nonresident licensing - qualification.** (1) Except for
18 ~~individuals or entities writing bail~~, The commissioner may qualify an
19 applicant as a nonresident, unless the applicant is denied licensure
20 pursuant to section 10-2-801, and shall issue an insurance producer
21 license to any qualified nonresident person in accordance with the
22 following:

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

25 **10-2-702. Commissions.** (2) ~~Except for individuals or entities~~
26 ~~writing bail~~, An insurer or insurance producer may pay or assign
27 commissions, service fees, brokerages, or other valuable consideration to

1 an insurance agency, business entity, or persons who do not sell, solicit,
2 or negotiate insurance in this state, unless the payment would violate
3 section 10-3-1104 (1) (g).

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

6 **10-2-801. Licenses - denial, suspension, revocation,**
7 **termination - reporting of actions - definitions.** (1) The commissioner
8 may place an insurance producer on probation; suspend, revoke, or refuse
9 to issue, continue, or renew an insurance producer license; order
10 restitution to be paid from an insurance producer; or assess a civil penalty
11 pursuant to section 10-2-804 or 10-3-1108, if, after notice to the insurance
12 producer licensee and after a hearing held in accordance with sections
13 24-4-104 and 24-4-105, C.R.S., the commissioner finds that as to the
14 licensee or applicant any one or more of the following conditions exist:

15 (q) PROFITING EITHER DIRECTLY OR INDIRECTLY FROM THE
16 BUSINESS OF A CASH-BONDING AGENT OR PROFESSIONAL CASH-BAIL AGENT
17 UNLESS THE PERSON PROFITING IS REGISTERED AS A CASH-BONDING AGENT
18 OR PROFESSIONAL CASH-BAIL AGENT AND THE PROFIT IS DERIVED FROM
19 THEIR OWN BUSINESS.

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

22 **10-3-101. Formation of insurance companies.** (2) When not
23 less than the amount required by section 10-3-201 has been paid in by the
24 incorporators and deposited with the commissioner, as provided for in
25 this title (except article 15) ~~article 7 of title 12~~, and article 14 of title 24,
26 C.R.S., the commissioner shall cause an examination to be made either by
27 the commissioner or some disinterested person especially appointed by

1 the commissioner for the purpose, who shall certify that said provisions
2 have been complied with by said company, as far as applicable thereto.
3 Such certificate shall be filed in the office of the commissioner, who shall
4 thereupon deliver to such company a certified copy thereof, which,
5 together with a copy of the articles of incorporation, shall be filed in the
6 office of the recorder of deeds of the county wherein the company is to
7 be located, before the authority to commence business is granted. Any
8 filings required to be made with the commissioner pursuant to this
9 subsection (2) may be in an electronic format.

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

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

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

26 **10-3-104. Unauthorized companies - penalties.** Except for
27 reinsurance by an authorized insurer or insurance effected pursuant to the

1 provisions of article 5 or article 15 of this title, it is unlawful for any
2 person, company, or corporation in this state to procure, receive, or
3 forward applications for insurance in, or to issue or to deliver policies for,
4 any company not legally authorized to do business in this state, as
5 provided in this title ~~article 7 of title 12~~, and article 14 of title 24, C.R.S.
6 Any person violating the provisions of this section commits a class 1
7 misdemeanor and shall be punished as provided in section 18-1.3-501,
8 C.R.S.

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

11 **10-3-108. File duly certified copy of charter.** Except pursuant
12 to the provisions of article 5 of this title, no foreign insurance company
13 shall transact any business in this state unless it first files in the office of
14 the commissioner a duly certified copy of its charter, articles of
15 incorporation, or deed of settlement, together with a statement, under
16 oath, of the president and secretary, or other chief officers of such
17 company, showing the condition of affairs of such company on the
18 thirty-first day of December next preceding the date of such oath. The
19 statement shall be in the same form and shall set forth the same
20 particulars as the annual statement required by this title (except article 15)
21 ~~article 7 of title 12~~, and article 14 of title 24, C.R.S. After filing its
22 articles of incorporation or charter with the secretary of state, no
23 insurance company shall be required to file its annual report or any other
24 instrument, except amendments to said articles of incorporation or
25 charter, in the office of the secretary of state or to pay to the secretary of
26 state an annual corporation tax. The filings required pursuant to this
27 section may be made in an electronic format.

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

3 **10-3-111. Violations - penalty.** Except for violations of section
4 10-3-104 or article 15 of this title, any officer, director, stockholder,
5 attorney, or agent of any corporation or association who violates any of
6 the provisions of this title ~~article 7 of title 12~~, and article 14 of title 24,
7 C.R.S., who participates in or aids, abets, or advises or consents to any
8 such violation, and any person who solicits or knowingly receives any
9 money or property in violation of said references, is guilty of a
10 misdemeanor and, upon conviction thereof, shall be punished by
11 imprisonment in the county jail for not more than one year and by a fine
12 of not more than one thousand dollars, and any officer aiding or abetting
13 in any contribution made in violation of said references is liable to the
14 company or association for the amount so contributed. No person shall be
15 excused from attending and testifying or producing any books, papers, or
16 other documents, before any court, upon any investigation, proceeding,
17 or trial, for a violation of any of the provisions of said references upon the
18 ground or for the reason that the testimony or evidence, documentary or
19 otherwise, required of such person may tend to incriminate or degrade
20 him or her; but no person shall be prosecuted or subjected to any penalty
21 or forfeiture for or on account of any transaction, matter, or thing
22 concerning which he or she may so testify or produce evidence,
23 documentary or otherwise, and no testimony so given or produced shall
24 be used against him or her upon any criminal investigation or proceeding.

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

27 **10-3-113. Increase of capital.** (2) The provisions of this title

1 (except article 15) ~~article 7 of title 12~~, and article 14 of title 24, C.R.S.,
2 shall also apply in the formation and authorization of domestic insurance
3 companies formed upon the mutual plan, and to associations formed upon
4 the assessment plan, that are organized with a guaranty fund in lieu of
5 capital as provided in said references.

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

8 **10-3-123. Assessment accident associations.** (2) Twenty-five or
9 more persons who are citizens of this state may form a corporation to
10 carry on the business of casualty insurance on the assessment plan, but no
11 such corporation shall begin to do business until a guaranty fund of at
12 least ten thousand dollars is provided and deposited, in cash or in such
13 securities as are permitted by law in the case of stock companies, with the
14 commissioner under the conditions named in this title (except article 15)
15 ~~article 7 of title 12~~, and article 14 of title 24, C.R.S. When this is done
16 and at least two hundred persons have subscribed in writing to be insured,
17 and when each has paid in at least one monthly assessment or premium,
18 the commissioner, if the laws have been complied with, shall issue a
19 certificate of authority for such corporation, which authorizes it to
20 commence business. The word "association" shall be used in the title or
21 name of all corporations organized under this section instead of the word
22 "company".

23 (5) Any corporation organized under the authority of any other
24 state or government to issue policies or certificates of casualty insurance
25 on the assessment plan, as a condition precedent to transacting business
26 in this state, shall pay such fees and comply with the same requirements
27 as exacted of stock casualty insurance companies of other states or

1 countries, as provided by this title (except article 15) ~~article 7 of title 12,~~
2 and article 14 of title 24, C.R.S., and thereafter be subject to the same
3 general laws and penalties of this title, unless otherwise provided in this
4 section, and it shall deposit with the commissioner or with the proper
5 official of some other state, for the protection of all its policyholders, a
6 sum not less than that required to be deposited by domestic casualty
7 insurance companies organized upon the mutual assessment plan. Such
8 corporation shall also file with the commissioner a copy of its policies or
9 certificates and applications therefor, for approval by the commissioner,
10 and a sworn statement from the proper officers of such corporation that
11 they have received a copy of this section, and shall be governed thereby
12 in issuing policies or certificates in this state. The commissioner may
13 thereupon issue or renew the authority of such corporation to do business
14 in this state.

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

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

26 **10-3-201. Cash capital - guaranty fund - deposit.** (2) The cash
27 or securities representing the minimum capital or guaranty fund and

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

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

11 **10-3-206. Security deposits - certificates.** (1) The commissioner
12 shall receive and hold on deposit, in the manner provided in this law, the
13 securities of domestic companies that are deposited by any such company
14 under the provisions of this title (except article 15) ~~article 7 of title 12,~~
15 and article 14 of title 24, C.R.S., for the purpose of securing policyholders
16 or to comply with any similar law of another state to enable ~~such~~ THE
17 company to transact business in such state. All securities so offered for
18 deposit shall belong to and be the sole property of such company and
19 shall be free and clear of any claims whatsoever, and the commissioner
20 shall determine the same by proper inquiry.

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

23 **10-3-208. Financial statements.** (1) All insurance companies
24 doing business in this state, unless otherwise provided in this title (except
25 article 15) ~~article 7 of title 12,~~ and article 14 of title 24, C.R.S., shall
26 make and file with the commissioner annually, on or before the first day
27 of March in each year, a statement under oath, upon a form to be

1 prescribed by the commissioner, stating the amount of all premiums
2 collected or contracted for in this state or from residents thereof, in cash
3 or notes, by the company making such statement during the year ending
4 the last day of December next preceding; the amounts actually paid
5 policyholders on losses and the amounts paid policyholders as returned
6 premiums by property and casualty insurance companies; the amount of
7 insurance reinsured in other companies authorized to do business in this
8 state and the amount of premiums paid therefor; the amount of insurance
9 reinsured in companies, naming them, not authorized to do business in
10 this state and the amount of premiums paid therefor; and the amount of
11 reinsurance accepted from admitted companies and the premiums
12 received from such reinsurance on residents of this state or risks located
13 in this state, with the name of the companies so reinsured. The annual
14 statement made to the commissioner pursuant to this section or other
15 provisions of said references shall at least include the substance of that
16 which is required by what is known as the convention blank form adopted
17 from year to year by the national association of insurance commissioners,
18 including any instructions, procedures, and guidelines not in conflict with
19 any provision of this title for completing the convention blank form.

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

22 **10-3-209. Tax on premiums collected - exemptions - penalties.**

23 (1) (c) The taxes prescribed in paragraph (b) of this subsection (1) shall
24 constitute all taxes collectible under the laws of this state against any such
25 insurance companies, and no other occupation tax or other taxes shall be
26 levied or collected from any insurance company by any county, city, or
27 town within this state; but this title (except article 15) ~~article 7 of title 12,~~

1 and article 14 of title 24, C.R.S., shall not be construed to prohibit the
2 levy and collection of state, county, school, and municipal taxes upon the
3 real and personal property of such companies, nor shall it include or
4 prohibit the levy and collection of a tax to be paid on net workers'
5 compensation premiums, as provided under the "Colorado Medical
6 Disaster Insurance Fund Act", part 3 of article 46 of title 8, C.R.S.

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

9 **10-3-213. Investments eligible as admitted assets.** (1) Domestic
10 insurance companies may invest their funds in the categories of assets
11 described in sections 10-3-215 to 10-3-230 and 10-3-242. Every such
12 investment shall be an admitted asset of the company; except that, if the
13 section describing a category of asset contains a quantitative limitation,
14 an investment in that category of asset shall be an admitted asset under
15 that section to the extent that it does not exceed such limitation. Any such
16 limitation shall apply only with respect to the category of assets described
17 in that section and shall not constitute a general prohibition and shall not
18 be applicable to any other section. Except as provided in section
19 10-3-237, any investment, or part thereof, that does not qualify under any
20 of said sections shall not be an admitted asset under the provisions of this
21 part 2. Except as specifically provided in this title (except article 15)
22 ~~article 7 of title 12~~, and article 14 of title 24, C.R.S., a domestic insurance
23 company shall not be prohibited from acquiring or holding an asset that
24 is not an admitted asset, and such company may lend, pledge, sell,
25 transfer, assign, hypothecate, dispose of, or exchange any asset acquired
26 by it.

27 **SECTION 28.** In Colorado Revised Statutes, **amend** 10-3-214 as

1 follows:

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

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

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

27 **SECTION 30.** In Colorado Revised Statutes, 10-3-235, **amend**

1 (2) and (4) as follows:

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

12 (4) For purposes of all deposits required or permitted by this title
13 (except article 15) ~~article 7 of title 12~~, and article 14 of title 24, C.R.S.,
14 assets shall be valued at their fair market value; except that, for purposes
15 of optional reserve deposits permitted by section 10-7-101 (3), or other
16 deposits permitted but not required by said references, bonds and
17 mortgages shall be valued at their current book values under the methods
18 used in determining admitted asset values for annual statement purposes.

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

21 **10-3-236. Assets acquired through merger, consolidation, or**
22 **reinsurance.** Any investments acquired after May 31, 1969, through
23 merger, consolidation, or reinsurance that are not admitted assets under
24 this title (except article 15) ~~article 7 of title 12~~, and article 14 of title 24,
25 C.R.S., shall not be deemed admitted assets by reason of their acquisition
26 through merger, consolidation, or reinsurance.

27 **SECTION 32.** In Colorado Revised Statutes, 10-3-237, **amend**

1 (2) as follows:

2 **10-3-237. Assets acquired under prior law.**

3 (2) Notwithstanding any other provision of this title (except article 15)
4 ~~article 7 of title 12~~, and article 14 of title 24, C.R.S., any asset held by a
5 company on May 31, 1969, that is not an admitted asset under section
6 10-1-102 (2) or subsection (1) of this section and that did not meet the
7 requirements of the law in effect immediately prior to such date for an
8 investment of the company's reserves, paid-up capital stock, and other
9 liabilities but which, under such law, would have been taken into account
10 as an asset in determining the surplus of the company shall be taken into
11 account as an admitted asset at all times at which the company has
12 aggregate admitted assets under section 10-1-102 (2) and subsection (1)
13 of this section in an amount at least equal to the total of its reserves,
14 paid-up capital stock, and all other liabilities.

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

17 **10-3-238. Refunds.** Whenever it appears to the satisfaction of the
18 commissioner that, because of some mistake of fact, error in calculation,
19 or erroneous interpretation of a statute of this or any other state, any
20 insurer or other person engaged in the business of insurance in this state
21 has paid to the commissioner or to the state of Colorado, pursuant to any
22 provision of this title (except article 15) ~~article 7 of title 12~~, and article 14
23 of title 24, C.R.S., any taxes, fees, or other charges in excess of the
24 amount legally chargeable against said insurer or other person during the
25 one-year period immediately preceding the discovery of such
26 overpayment, the commissioner has the authority to refund to such insurer
27 or other person the amount of such excess by applying the amount thereof

1 toward the payment of taxes, fees, or other charges already due, or that
2 may thereafter become due, from such insurer or other person until such
3 excess has been fully refunded; or, at the commissioner's discretion, the
4 commissioner may make a cash refund thereof.

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

7 **10-3-903. Definition of transacting insurance business.** (1) Any
8 of the following acts in this state, effected by mail or otherwise, by an
9 unauthorized insurer constitute transacting insurance business in this state
10 as ~~such~~ THE term is used in section 10-3-105:

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

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

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

24 (l) A PERSON LICENSED AS A CASH-BONDING AGENT OR
25 PROFESSIONAL CASH-BAIL AGENT UNDER ARTICLE 7 OF TITLE 12, C.R.S.,
26 UNLESS THE PERSON ENGAGES IN CONDUCT DESCRIBED IN SUBSECTION (1)
27 OF THIS SECTION.

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

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

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

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

14 **10-12-105. Guaranty fund of mutual companies.** (1) Guaranty
15 fund certificates may be issued to provide a guaranty fund for domestic
16 life and fire insurance companies incorporated upon the mutual plan and
17 for domestic casualty insurance associations incorporated upon the
18 assessment plan, such fund to be held as security for the payment of all
19 losses and other policy liabilities of such companies. Guaranty fund
20 certificates may draw interest or dividends not exceeding in the aggregate
21 eight percent per annum, which shall only be paid from the profits of the
22 company. The certificates may only be retired or redeemed by using the
23 profits of the company for that purpose, but the full fund as required of
24 each kind of mutual and assessment company by this title (except article
25 15), ~~article 7 of title 12~~, and article 14 of title 24, C.R.S., shall at all times
26 be maintained. Such guaranty fund shall be a liability until redeemed or
27 retired. It shall only be used to pay policy claims or liabilities when the

1 contingent mutual liability of the policyholders has been drawn upon and
2 found insufficient to meet the losses of policy claims or when the
3 directors for any cause fail to provide for the payment of policy claims.

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

6 **10-12-106. Fees of mutual companies.** Mutual and assessment
7 companies, unless otherwise specified in this title (except article 15),
8 ~~article 7 of title 12,~~ and article 14 of title 24, C.R.S., are required to pay
9 the same fees and be under the same supervision and authority of the
10 commissioner as companies that are engaged in the same kind of
11 insurance business and that are organized upon the joint-stock plan, and
12 they shall comply with the general laws of this title, unless otherwise
13 specified, and be subject to the penalties provided therein.

14 **SECTION 38.** In Colorado Revised Statutes, **repeal** article 7 of
15 title 12.

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

18 **ARTICLE 23**

19 **Cash Bonding Agents**

20 **10-23-101. [Formerly 12-7-101] Definitions.** As used in this
21 article, unless the context otherwise requires:

22 (1) ~~"Bail bonding agent" or "bonding agent" means any person~~
23 ~~who furnishes bail for compensation in any court or courts in this state~~
24 ~~and who is appointed by an insurer by power of attorney to execute or~~
25 ~~countersign bail bonds in connection with judicial proceedings and who~~
26 ~~is other than a full-time salaried officer or employee of an insurer or a~~
27 ~~person who pledges United States currency, a United States postal money~~

1 order, a cashier's check, or other property as security for a bail bond in
2 connection with a judicial proceeding, whether for compensation or
3 otherwise.

4 (1.3) "Bail insurance company" means an insurer as defined in
5 section 10-1-102 (13), C.R.S., engaged in the business of writing bail
6 appearance bonds through bonding agents which company is subject to
7 regulation by the division of insurance in the department of regulatory
8 agencies.

9 (1.5) "Bail recovery" means actions taken by a person other than
10 a peace officer to apprehend an individual or take an individual into
11 custody because of the failure of such individual to comply with bail bond
12 requirements.

13 (2) (Deleted by amendment, L. 96, p. 1177, § 1, effective June 1,
14 1996.) (1) "CASH-BONDING AGENT" MEANS A PERSON WHO WAS LICENSED
15 BY THE DIVISION AS OF JANUARY 1, 1992, TO WRITE BAIL BONDS AS A
16 CASH-BONDING AGENT.

17 (2.5) "Compensated surety" means any person in the business of
18 writing bail appearance bonds who is subject to regulation by the
19 Colorado division of insurance, including bonding agents and bail
20 insurance companies. Nothing in this subsection (2.5) shall be construed
21 to authorize bail insurance companies to write bail bonds except through
22 licensed bail bonding agents.

23 (3) "Division" means the division of insurance.

24 (4) (Deleted by amendment, L. 96, p. 1177, § 1, effective June 1,
25 1996.)

26 (5) Repealed.

27 (6) (2) "On the board" means that the name of a compensated

1 ~~surety~~ THE PERSON has been publicly posted or disseminated by a court as
2 being ineligible to write bail bonds pursuant to UNDER section 16-4-112
3 (5) (e) or (5) (f), C.R.S.

4 ~~(7)~~ (3) "Professional cash-bail agent" means a person who is ~~an~~
5 ~~authorized~~ FURNISHES bail bond agent who furnishes bail for
6 compensation in any court or courts in this state in connection with
7 judicial proceedings and who is not a BY POSTING A BOND WITH THE
8 DIVISION. "PROFESSIONAL CASH-BAIL AGENT" DOES NOT MEAN A full-time
9 salaried officer or employee of an insurer nor a person who pledges
10 United States currency, a United States postal money order, a cashier's
11 check, or other property in connection with a judicial proceeding, whether
12 for compensation or otherwise.

13 **10-23-102. [Formerly 12-7-102] Registration required -**
14 **qualifications - enforcement.** (1) No person can qualify QUALIFIES to be
15 a bail bonding agent unless such person is a licensed insurance producer
16 appointed to represent an insurance company or is a licensed, professional
17 cash-bail agent under article 2 of title 10, C.R.S. UNLESS THE PERSON
18 REGISTERS WITH THE DIVISION. However, any bail bonding agent who was
19 licensed by the division as of January 1, 1992, to write bail bonds as a
20 cash-bonding agent shall be permitted to MAY continue such licensure TO
21 BE REGISTERED upon compliance with the other requirements of this
22 article.

23 (2) No firm, partnership, association, or corporation, as such, shall
24 be licensed REGISTERED. No person engaged as a law enforcement or
25 judicial officer shall be licensed REGISTERED as a bonding agent
26 CASH-BONDING AGENT OR PROFESSIONAL CASH-BAIL AGENT.

27 (a) and (b) (Deleted by amendment, L. 96, p. 1178, § 2, effective

1 ~~June 1, 1996.)~~

2 ~~(c) to (e) (Deleted by amendment, L. 95, p. 280, § 2, effective July~~
3 ~~1, 1995.)~~

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

16 ~~(b) THE COMMISSIONER SHALL GIVE A REGISTRANT A SIXTY-DAY~~
17 ~~GRACE PERIOD TO RENEW THE REGISTRATION WITHOUT DISCIPLINE OR~~
18 ~~SANCTIONS. THE COMMISSIONER MAY ESTABLISH RENEWAL FEES AND~~
19 ~~DELINQUENCY FEES FOR REINSTATEMENT BY RULE. IF A PERSON FAILS TO~~
20 ~~RENEW A REGISTRATION WHEN REQUIRED BY THE SCHEDULE ESTABLISHED~~
21 ~~BY THE COMMISSIONER, THE REGISTRATION EXPIRES.~~

22 ~~(4) Each licensee's license shall expire biennially on January 1~~
23 ~~unless revoked or suspended prior thereto by the division or upon notice~~
24 ~~served upon the commissioner by the insurer or the employer or user of~~
25 ~~any license that such insurer, employer, or user has cancelled the~~
26 ~~licensee's authority to act for or in behalf of such insurer, employer, or~~
27 ~~user. THE DIVISION SHALL TRANSMIT ALL FEES COLLECTED UNDER THIS~~

1 ARTICLE TO THE STATE TREASURER, WHO SHALL CREDIT THE FEES TO THE
2 DIVISION OF INSURANCE CASH FUND CREATED IN SECTION 10-1-103.

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

9 (6) ~~The division shall notify each bail bonding agent in writing on~~
10 ~~an annual basis regarding changes to the state laws regarding the~~
11 ~~regulation of bail bonding agents.~~ EACH CASH-BONDING AGENT OR
12 PROFESSIONAL CASH-BAIL AGENT SHALL, WHEN RENEWING A
13 REGISTRATION, SUBMIT A SUMMARY REPORT OF THE FOLLOWING DURING
14 THE LAST TWO YEARS TO THE DIVISION:

15 (a) THE NUMBER OF BAIL BONDS PROVIDED TO THE PUBLIC;

16 (b) THE NUMBER OF DEFENDANTS ADJUDICATED WITHOUT FAILURE
17 TO APPEAR OR BAIL FORFEITURE;

18 (c) THE NUMBER OF DEFENDANTS WHO FAILED TO APPEAR OR
19 CAUSED A BAIL FORFEITURE;

20 (d) THE NUMBER OF BAIL BONDS THAT WERE REINSTATED AFTER
21 FORFEITURE;

22 (e) THE NUMBER OF DEFENDANTS WHO WERE INCARCERATED
23 AFTER FAILING TO APPEAR OR FORFEITING BAIL BY ACTION OF THE
24 REGISTRANT OR REGISTRANT'S AGENT;

25 (f) THE NUMBER OF DEFENDANTS WHO WERE REINSTATED AFTER
26 THE FAILURE TO APPEAR OR BAIL FORFEITURE BY POLICE WITHOUT ACTION
27 BY THE REGISTRANT OR REGISTRANT'S AGENT;

1 (g) THE NUMBER OF DEFENDANTS WHO WERE JAILED AFTER THE
2 FAILURE TO APPEAR OR BAIL FORFEITURE BY THE COURT;

3 (h) THE NUMBER BAIL FORFEITURE JUDGMENTS THAT WERE PAID
4 TO THE COURT;

5 (i) THE NUMBER OF BAIL FORFEITURE JUDGMENTS THAT HAVE NOT
6 BEEN RESOLVED OR PAID TO THE COURT BECAUSE THE BAIL FORFEITURE
7 WAS NOT DUE DURING THE TWO-YEAR PERIOD;

8 (j) THE NUMBER OF FORFEITURE JUDGMENTS WHERE REMISSION
9 WAS GRANTED AFTER PAYMENT BECAUSE THE DEFENDANT WAS TAKEN
10 INTO CUSTODY;

11 (k) THE NUMBER OF BAIL BONDS PROVIDED TO THE DEFENDANTS
12 CHARGED WITH FELONIES; AND

13 (l) THE NUMBER OF BAIL BONDS PROVIDED TO THE DEFENDANTS
14 CHARGED WITH MISDEMEANORS.

15 **10-23-103. [Formerly 12-7-103] Registration requirements -**
16 **application - qualification bond - forfeiture.** (1) ~~Any person desiring~~
17 ~~to engage in the business of bail bonding agent in this state~~ AN APPLICANT
18 FOR REGISTRATION AS A PROFESSIONAL CASH-BAIL AGENT shall supply the
19 following information to the division:

20 (a) ~~(Deleted by amendment, L. 96, p. 1179, § 4, effective June 1,~~
21 ~~1996.)~~

22 (b) ~~Repealed.~~

23 (c) (a) Whether the applicant DURING THE LAST TEN YEARS has
24 been convicted of a felony, entered a guilty plea to a felony, accepted a
25 plea of nolo contendere to a felony, or engaged in or committed an act
26 described in section 12-7-106 (1) during the previous ten years THAT
27 VIOLATES THIS ARTICLE, A RULE PROMULGATED UNDER THIS ARTICLE, OR

1 ANY ACT THAT WOULD VIOLATE THIS ARTICLE OR A RULE PROMULGATED
2 UNDER THIS ARTICLE IF IT HAD BEEN COMMITTED IN COLORADO; AND

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

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

9 ~~(1.5) (a) (2) Prior to submission of an application UNDER THIS~~
10 ~~ARTICLE, each applicant shall have his or her fingerprints taken by a local~~
11 ~~law enforcement agency for the purpose of obtaining TO OBTAIN a~~
12 ~~fingerprint-based criminal history record check. The applicant is required~~
13 ~~to submit payment by certified check or money order for the fingerprints~~
14 ~~and for the actual costs of said THE record check at the time WHEN the~~
15 ~~fingerprints are submitted to the Colorado bureau of investigation. Upon~~
16 ~~receipt of fingerprints and receipt of the payment for costs, the Colorado~~
17 ~~bureau of investigation shall conduct a state and national~~
18 ~~fingerprint-based criminal history record check utilizing records of the~~
19 ~~Colorado bureau of investigation and the federal bureau of investigation.~~

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

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

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

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

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

1 1996.)

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

18 (b) If the name of a cash bonding agent is placed on the board
19 pursuant to section 16-4-112 (5) (e), C.R.S., and remains on the board for
20 the same forfeiture for more than thirty consecutive days, the court that
21 placed the name of the cash bonding agent on the board shall order the
22 division to declare the qualification bond of such cash bonding agent to
23 be forfeited after a hearing as provided in section 12-7-106 (2). The
24 division shall then order the cash bonding agent on the qualification bond
25 to deposit with the court an amount equal to the amount of the bond
26 issued by such cash bonding agent and declared forfeited by the court or
27 the amount of the qualification bond, whichever is the smaller amount.

1 ~~The division shall suspend the license of such cash bonding agent until~~
2 ~~such time as all forfeitures and judgments ordered and entered against the~~
3 ~~cash bonding agent have been certified as paid or vacated by order of a~~
4 ~~court of record and another qualification bond in the required amount is~~
5 ~~posted with the division.~~

6 (c) ~~If the name of a bail bonding agent, other than a cash bonding~~
7 ~~agent, is placed on the board pursuant to section 16-4-112 (5) (e), C.R.S.,~~
8 ~~and remains on the board for the same forfeiture for more than forty-five~~
9 ~~consecutive days, the court that placed the name of the bail bonding agent~~
10 ~~on the board shall order the division to suspend the license of said bail~~
11 ~~bonding agent, after hearing pursuant to section 10-2-801, C.R.S., until~~
12 ~~such time as all forfeitures and judgments ordered and entered against~~
13 ~~said bail bonding agent have been certified as paid or vacated by order of~~
14 ~~a court of record. If the bail forfeiture judgment is not paid within fifteen~~
15 ~~days after the name of a bail insurance company has been placed on the~~
16 ~~board pursuant to section 16-4-112 (5) (f), C.R.S., the division shall also~~
17 ~~order the bail insurance company on the bond to pay the judgment after~~
18 ~~notice and hearing pursuant to sections 24-4-104 and 24-4-105, C.R.S.~~

19 (4) to (7) ~~(Deleted by amendment, L. 96, p. 1179, § 4, effective~~
20 ~~June 1, 1996.)~~

21 (8) (a) ~~Each applicant who is to be authorized as a professional~~
22 ~~cash bail agent pursuant to section 12-7-102 (1) shall be required to post~~
23 ~~a qualification bond in the amount of no less than fifty thousand dollars~~
24 ~~with the division. The bond shall be to the people of the state of Colorado~~
25 ~~in favor of any court in this state, whether municipal, county, district, or~~
26 ~~other court. Any qualification bond for a professional cash bail agent shall~~
27 ~~also be to the commissioner and the division to fulfill the purposes of this~~

1 section. A professional cash bail agent shall not furnish a single bail
2 greater than twice the amount of the bond posted with the division. In the
3 event of a forfeiture of a professional cash bail agent's qualification bond,
4 the division shall have priority over all other claimants to such bond. Such
5 bond shall be conditioned upon full and prompt payment into the court
6 ordering such bond forfeited. Bail bonding agents authorized as
7 professional cash bail agents pursuant to section 12-7-102 (1) may only
8 issue bonds in accordance with the provisions of section 16-4-104 (1) (b)
9 (HH), C.R.S. In the event of a qualification bond forfeiture, a professional
10 cash bail agent shall be prohibited from writing new bail bonds until the
11 qualification bond is restored to at least fifty thousand dollars.

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

1 (3) [Formerly 12-7-102.5 (7)] The To QUALIFY AS A professional
2 cash bonding agent, shall be THE APPLICANT MUST HAVE BEEN licensed as
3 a bail bonding agent AN INSURANCE PRODUCER WHO FURNISHES BAIL in
4 Colorado for four years prior to BEFORE applying for licensure
5 REGISTRATION as a professional cash bail agent.

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

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

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

22 (d) THE PREMIUM FEE IS DUE AND PAYABLE ON THE FIFTEENTH DAY
23 OF JANUARY IN EACH YEAR. ANY PROFESSIONAL CASH-BAIL AGENT OR
24 CASH-BONDING AGENT FAILING OR REFUSING TO RENDER A STATEMENT
25 AND INFORMATION, OR TO PAY THE FEE UNDER THIS SECTION, FOR MORE
26 THAN THIRTY DAYS AFTER THE TIME SPECIFIED, IS LIABLE FOR A PENALTY
27 OF UP TO ONE HUNDRED DOLLARS FOR EACH ADDITIONAL DAY OF

1 DELINQUENCY. THE DIVISION MAY ASSESS THE PENALTY AND INTEREST AT
2 A RATE OF ONE PERCENT PER MONTH OR FRACTION THEREOF ON THE
3 UNPAID AMOUNT FROM THE DATE WHEN PAYMENT WAS DUE TO THE DATE
4 WHEN FULL PAYMENT IS MADE. THE DIVISION MAY SUSPEND THE
5 REGISTRATION OF A DELINQUENT AGENT UNTIL ANY FEES, PENALTIES, AND
6 INTEREST ARE FULLY PAID.

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

10 (3) FOR THE PURPOSE OF AUDITING A PROFESSIONAL CASH-BAIL
11 AGENT'S OR CASH-BONDING AGENT'S PREMIUM FEE STATEMENT, THE
12 DIVISION MAY EXAMINE ANY BOOKS, PAPERS, RECORDS, AGREEMENTS, OR
13 MEMORANDA BEARING UPON THE MATTERS REQUIRED TO BE INCLUDED IN
14 THE PREMIUM FEE STATEMENT. THE AGENT SHALL MAKE THE BOOKS,
15 PAPERS, RECORDS, AGREEMENTS, OR MEMORANDA AVAILABLE UPON
16 REQUEST TO THE DIVISION.

17 **10-23-105. [Formerly 12-7-103 (3) (a)] Qualification bond -**
18 **forfeiture.** (1) Each applicant who is to be authorized as a cash-bonding
19 agent pursuant to section 12-7-102 (1) shall be required to post a CASH
20 qualification bond in the amount of fifty thousand dollars with the
21 division. The bond shall MUST be to the people of the state of Colorado
22 in favor of any court in this state, whether municipal, county, district, or
23 other court, Any qualification bond for a cash bail bonding agent shall
24 also be to the commissioner and TO the division to fulfill FOR the
25 purposes of this section. In the event of a forfeiture of a cash-bonding
26 agent's qualification bond, the division shall have HAS priority over all
27 other claimants. To such bond. Such COMPLY WITH THIS SUBSECTION (1),

1 THE bond shall MUST be conditioned upon full and prompt payment into
2 the court ordering such THE bond forfeited. Bail bonding agents
3 authorized as Cash-bonding agents pursuant to section 12-7-102 (1) may
4 only SHALL NOT issue bonds EXCEPT in accordance with the provisions of
5 section 16-4-104 (1) (b) (III), C.R.S. In the event of a qualification bond
6 forfeiture, a cash-bonding agent shall be prohibited from writing SHALL
7 NOT WRITE new bail bonds until the qualification bond is restored to fifty
8 thousand dollars.

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

1 qualification bond is restored to at least fifty thousand dollars.

2 (3) TO COMPLY WITH THIS SECTION, THE DIVISION MUST BE
3 DESIGNATED AS AN AUTHORIZED SIGNATORY WITH RIGHT OF
4 SURVIVORSHIP ON ANY BANK ACCOUNT, CERTIFICATE OF DEPOSIT,
5 COMMERCIAL INSTRUMENT, OR SECURITY THAT FUNDS THE BOND
6 REQUIRED BY THIS SECTION. THE RIGHT OF SURVIVORSHIP TERMINATES ON
7 THE LATER OF THE DATE ON WHICH ANY LIABILITY COVERED BY THE BOND
8 IS SATISFIED OR RELEASED OR THE THIRD ANNIVERSARY OF THE DEATH OF
9 THE PROFESSIONAL CASH-BAIL AGENT OR CASH-BONDING AGENT. WHEN
10 THE RIGHT OF SURVIVORSHIP TERMINATES, THE DIVISION SHALL RELEASE
11 THE BOND TO THE AGENT'S ESTATE OR, IF THE ESTATE HAS BEEN SETTLED,
12 TO THE HEIRS OF THE AGENT.

13 (4) TO QUALIFY UNDER THIS SECTION:

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

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

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

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

1 INSTRUMENT;

2 (e) THE TERMS OF THE LOAN, PROMISSORY NOTE, AND FINANCIAL
3 ARRANGEMENT MUST BE SUBMITTED TO THE DIVISION IF THE
4 QUALIFICATION BOND IS FUNDED BY THE PROCEEDS FROM A LOAN,
5 PROMISSORY NOTE, OR OTHER FINANCIAL ARRANGEMENT; AND

6 (f) THE AGREEMENT MUST TERMINATE AT A FIXED TIME AND ANY
7 RATE OF RETURN IS AN ANNUAL PERCENTAGE RATE AND NOT TIED TO ANY
8 PREMIUM OR COLLATERAL OR ANY OTHER DIRECT FUNCTION FROM WHICH
9 AN AGENT MAKES A PROFIT IF THE QUALIFICATION BOND CONSISTS OF
10 MONEYS FROM A LOAN, PROMISSORY NOTE, OR OTHER FINANCIAL
11 ARRANGEMENT.

12 (5) UPON REQUEST BY THE PERSON WHO POSTED THE
13 QUALIFICATION BOND TO BE REGISTERED UNDER THIS ARTICLE, THE
14 COMMISSIONER SHALL RELEASE THE BOND IF THE PERSON HAS NOT BEEN
15 REGISTERED OR LICENSED TO WRITE A BOND AS A PROFESSIONAL
16 CASH-BAIL AGENT OR CASH-BONDING AGENT WITHIN THE LAST SEVEN
17 YEARS. NEITHER THE COMMISSIONER NOR THE DIVISION ARE LIABLE TO
18 ANY OTHER PARTY FOR RELEASING THE QUALIFICATION BOND IN
19 ACCORDANCE WITH THIS SECTION.

20 **10-23-106. [Formerly 12-7-106] Discipline - hearing - civil**
21 **penalty.** (1) The division shall MAY deny, suspend, revoke, or refuse to
22 renew as may be appropriate, the license of any person engaged in the
23 business of bail bonding agent for any of the following reasons A
24 REGISTRATION, OR ISSUE A CEASE-AND-DESIST ORDER IN ACCORDANCE
25 WITH THIS SECTION, UPON REASONABLE GROUNDS THAT THE REGISTRANT:

26 (a) Failure of a cash bonding agent or professional cash bail agent
27 FAILED to post a qualified bond in the required amount with the division

1 ~~during the period such person is~~ WHILE engaged in the business within
2 ~~this state or, if such~~ THE bond ~~has been~~ WAS posted, ~~the forfeiture~~ IT WAS
3 FORFEITED or ~~cancellation of such bond~~ CANCELLED;

4 (b) ~~Knowingly failing~~ FAILED to comply with or knowingly
5 ~~violating any provisions of~~ VIOLATED this article or of any proper order
6 or rule of the division or any court of this state where the licensee
7 REGISTRANT knew or reasonably should have known of the ~~provisions,~~
8 order or rule;

9 (c) ~~Any activity prohibited in~~ VIOLATED section ~~12-7-109 (1)~~
10 12-7-107 (1);

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

18 (e) ~~Conviction of a felony, a guilty plea to a felony, or a plea of~~
19 ~~nolo contendere to a felony within the last ten years, regardless of~~
20 ~~whether the conviction or plea resulted from conduct in or conduct related~~
21 ~~to the bail bond business~~ SERVED A SENTENCE UPON A CONVICTION OF A
22 FELONY IN A STATE CORRECTIONAL FACILITY, CITY OR COUNTY JAIL, OR
23 COMMUNITY CORRECTIONAL FACILITY OR UNDER THE SUPERVISION OF THE
24 STATE BOARD OF PAROLE OR ANY PROBATION DEPARTMENT WITHIN THE
25 LAST TEN YEARS;

26 (f) ~~Service of a sentence upon a conviction of a felony in a~~
27 ~~correctional facility, city or county jail, or community correctional facility~~

1 ~~or under the supervision of the state board of parole or any probation~~
2 ~~department within the last ten years~~ CONTINUED TO EXECUTE BAIL BONDS
3 IN ANY COURT IN THIS STATE WHILE ON THE BOARD IF THE BAIL
4 FORFEITURE JUDGMENT THAT RESULTED IN THE REGISTRANT'S BEING
5 PLACED ON THE BOARD HAS NOT BEEN PAID, STAYED, VACATED,
6 EXONERATED, OR OTHERWISE DISCHARGED;

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

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

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

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

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

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

27 (2) ~~If the division denies, suspends, revokes, or refuses to renew~~

1 any such license, the aggrieved person shall be given an opportunity for
2 a hearing subject to judicial review as provided in article 4 of title 24,
3 ~~C.R.S.~~ EXCEPT FOR THE REASONS LISTED IN PARAGRAPHS (d) AND (e) OF
4 SUBSECTION (1) OF THIS SECTION, THE DIVISION, IN LIEU OF REVOKING OR
5 SUSPENDING A REGISTRATION, MAY IN ANY ONE PROCEEDING, BY ORDER,
6 REQUIRE THE REGISTRANT TO PAY A CIVIL PENALTY IN THE SUM OF NO LESS
7 THAN THREE HUNDRED DOLLARS AND NO MORE THAN ONE THOUSAND
8 DOLLARS FOR EACH OFFENSE. IF THE REGISTRANT FAILS TO PAY THE
9 PENALTY WITHIN TWENTY DAYS AFTER THE MAILING OF THE ORDER,
10 POSTAGE PREPAID, REGISTERED AND ADDRESSED TO THE LAST-KNOWN
11 PLACE OF BUSINESS OF THE REGISTRANT, THE DIVISION MAY REVOKE THE
12 REGISTRATION OR MAY SUSPEND THE REGISTRATION FOR SUCH A PERIOD
13 AS THE COMMISSIONER MAY DETERMINE, UNLESS THE ORDER IS STAYED BY
14 A COURT OF COMPETENT JURISDICTION. THE DIVISION SHALL TRANSMIT
15 THE CIVIL PENALTY TO THE STATE TREASURER, WHO SHALL DEPOSIT IT IN
16 THE GENERAL FUND.

17 (3) ~~Except for the reasons listed in paragraphs (e) and (f) of~~
18 ~~subsection (1) of this section, the commissioner, in lieu of revoking or~~
19 ~~suspending a license, may in any one proceeding, by order, require the~~
20 ~~licensee to pay to the commissioner, to be deposited in the general fund~~
21 ~~of the state, a civil penalty in the sum of no less than three hundred~~
22 ~~dollars and no more than one thousand dollars for each offense. Upon~~
23 ~~failure of the licensee to pay the penalty within twenty days after the~~
24 ~~mailing of the order, postage prepaid, registered and addressed to the~~
25 ~~last-known place of business of the licensee, the commissioner may~~
26 ~~revoke the license of the licensee or may suspend the license for such~~
27 ~~period as the commissioner may determine, unless the commissioner's~~

1 order is stayed by an order of a court of competent jurisdiction. EXCEPT
2 AS OTHERWISE PROVIDED IN THIS SECTION, THE COMMISSIONER NEED NOT
3 FIND THAT THE ACTIONS THAT ARE GROUNDS FOR DISCIPLINE WERE
4 WILLFUL BUT MAY CONSIDER WHETHER THE ACTIONS WERE WILLFUL WHEN
5 DETERMINING THE NATURE OF DISCIPLINARY SANCTIONS TO BE IMPOSED.

6 (4) (a) THE COMMISSIONER MAY COMMENCE A PROCEEDING TO
7 DISCIPLINE A REGISTRANT WHEN THE COMMISSIONER HAS REASONABLE
8 GROUNDS TO BELIEVE THAT THE REGISTRANT HAS COMMITTED AN ACT
9 ENUMERATED IN THIS SECTION.

10 (b) IN ANY PROCEEDING HELD UNDER THIS SECTION, THE
11 COMMISSIONER MAY ACCEPT AS EVIDENCE OF GROUNDS FOR DISCIPLINARY
12 ACTION ANY DISCIPLINARY ACTION TAKEN AGAINST A REGISTRANT IN
13 ANOTHER JURISDICTION IF THE VIOLATION THAT PROMPTED THE
14 DISCIPLINARY ACTION IN THE OTHER JURISDICTION WOULD BE GROUNDS
15 FOR DISCIPLINARY ACTION UNDER THIS ARTICLE.

16 (5) DISCIPLINARY PROCEEDINGS, HEARINGS, AND OPPORTUNITY
17 FOR REVIEW MUST BE CONDUCTED IN ACCORDANCE WITH ARTICLE 4 OF
18 TITLE 24, C.R.S., BY THE COMMISSIONER OR BY AN ADMINISTRATIVE LAW
19 JUDGE, AT THE COMMISSIONER'S DISCRETION. THE COMMISSIONER MAY
20 EXERCISE ALL POWERS AND DUTIES CONFERRED BY THIS ARTICLE DURING
21 THE DISCIPLINARY PROCEEDINGS.

22 (6) (a) THE COMMISSIONER MAY REQUEST THE ATTORNEY
23 GENERAL TO SEEK AN INJUNCTION, IN ANY COURT OF COMPETENT
24 JURISDICTION, TO ENJOIN A PERSON FROM COMMITTING AN ACT
25 PROHIBITED BY THIS ARTICLE. WHEN SEEKING AN INJUNCTION UNDER THIS
26 PARAGRAPH (a), THE ATTORNEY GENERAL SHALL NOT BE REQUIRED TO
27 ALLEGE OR PROVE THE INADEQUACY OF ANY REMEDY AT LAW OR THAT

1 SUBSTANTIAL OR IRREPARABLE DAMAGE IS LIKELY TO RESULT FROM A
2 CONTINUED VIOLATION OF THIS ARTICLE.

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

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

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

27 (c) THE COMMISSIONER MAY APPOINT AN ADMINISTRATIVE LAW

1 JUDGE UNDER PART 10 OF ARTICLE 30 OF TITLE 24, C.R.S., TO CONDUCT
2 HEARINGS, TAKE EVIDENCE, MAKE FINDINGS, AND REPORT THE FINDINGS
3 TO THE COMMISSIONER.

4 (7) (a) THE COMMISSIONER, THE COMMISSIONER'S STAFF, ANY
5 PERSON ACTING AS A WITNESS OR CONSULTANT TO THE COMMISSIONER,
6 ANY WITNESS TESTIFYING IN A PROCEEDING AUTHORIZED UNDER THIS
7 ARTICLE, AND ANY PERSON WHO LODGES A COMPLAINT PURSUANT TO THIS
8 ARTICLE IS IMMUNE FROM LIABILITY IN ANY CIVIL ACTION BROUGHT
9 AGAINST HIM OR HER FOR ACTS OCCURRING WHILE ACTING IN HIS OR HER
10 CAPACITY AS COMMISSIONER, STAFF, CONSULTANT, OR WITNESS,
11 RESPECTIVELY, IF SUCH INDIVIDUAL WAS ACTING IN GOOD FAITH WITHIN
12 THE SCOPE OF HIS OR HER RESPECTIVE CAPACITY, MADE A REASONABLE
13 EFFORT TO OBTAIN THE FACTS OF THE MATTER AS TO WHICH HE OR SHE
14 ACTED, AND ACTED IN THE REASONABLE BELIEF THAT THE ACTION TAKEN
15 BY HIM OR HER WAS WARRANTED BY THE FACTS.

16 (b) A PERSON PARTICIPATING IN GOOD FAITH IN MAKING A
17 COMPLAINT OR REPORT OR IN AN INVESTIGATIVE OR ADMINISTRATIVE
18 PROCEEDING UNDER THIS SECTION IS IMMUNE FROM ANY CIVIL OR
19 CRIMINAL LIABILITY THAT OTHERWISE MIGHT RESULT BY REASON OF THE
20 PARTICIPATION.

21 (8) A FINAL ACTION OF THE COMMISSIONER IS SUBJECT TO JUDICIAL
22 REVIEW BY THE COURT OF APPEALS PURSUANT TO SECTION 24-4-106 (11),
23 C.R.S. A JUDICIAL PROCEEDING TO ENFORCE AN ORDER OF THE
24 COMMISSIONER MAY BE INSTITUTED IN ACCORDANCE WITH SECTION
25 24-4-106 (3), C.R.S.

26 (9) WHEN A COMPLAINT OR AN INVESTIGATION DISCLOSES AN
27 INSTANCE OF MISCONDUCT THAT, IN THE OPINION OF THE COMMISSIONER,

1 WARRANTS FORMAL ACTION, NO PERSON SHALL RESOLVE THE COMPLAINT
2 BY A DEFERRED SETTLEMENT, ACTION, JUDGMENT, OR PROSECUTION.

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

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

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

27 (b) THE COMMISSIONER SHALL NOTIFY A PERSON AGAINST WHOM

1 AN ORDER TO SHOW CAUSE HAS BEEN ISSUED OF THE ISSUANCE OF THE
2 ORDER, ALONG WITH A COPY OF THE ORDER, THE FACTUAL AND LEGAL
3 BASIS FOR THE ORDER, AND THE DATE SET BY THE COMMISSIONER FOR A
4 HEARING ON THE ORDER. THE NOTICE MAY BE SERVED ON THE PERSON
5 AGAINST WHOM THE ORDER HAS BEEN ISSUED BY PERSONAL SERVICE OR
6 BY CERTIFIED, POSTAGE-PREPAID, UNITED STATES MAIL. PERSONAL
7 SERVICE OR MAILING OF AN ORDER OR DOCUMENT CONSTITUTES NOTICE OF
8 THE ORDER TO THE PERSON.

9 (c) (I) THE COMMISSIONER SHALL HOLD THE HEARING ON AN
10 ORDER TO SHOW CAUSE NO SOONER THAN TEN AND NO LATER THAN
11 FORTY-FIVE CALENDAR DAYS AFTER THE DATE OF TRANSMISSION OR
12 SERVICE OF THE NOTIFICATION BY THE COMMISSIONER AS PROVIDED IN
13 THIS SUBSECTION (11). THE HEARING MAY BE CONTINUED BY AGREEMENT
14 OF ALL PARTIES BASED UPON THE COMPLEXITY OF THE MATTER, NUMBER
15 OF PARTIES TO THE MATTER, AND LEGAL ISSUES PRESENTED IN THE
16 MATTER.

17 (II) IF A PERSON AGAINST WHOM AN ORDER TO SHOW CAUSE HAS
18 BEEN ISSUED DOES NOT APPEAR AT THE HEARING, THE COMMISSIONER MAY
19 PRESENT EVIDENCE THAT NOTIFICATION WAS PROPERLY SENT OR SERVED
20 ON THE PERSON UNDER THIS SUBSECTION (11) AND SUCH OTHER EVIDENCE
21 RELATED TO THE MATTER AS THE COMMISSIONER DEEMS APPROPRIATE.
22 THE COMMISSIONER SHALL ISSUE THE ORDER WITHIN TEN DAYS AFTER THE
23 COMMISSIONER'S DETERMINATION RELATED TO REASONABLE ATTEMPTS TO
24 NOTIFY THE RESPONDENT, AND THE ORDER SHALL BECOME FINAL AS TO
25 THAT PERSON BY OPERATION OF LAW. THE COMMISSIONER SHALL
26 CONDUCT THE HEARING IN ACCORDANCE WITH SECTIONS 24-4-104 AND
27 24-4-105, C.R.S.

1 (III) IF THE COMMISSIONER REASONABLY FINDS THAT THE PERSON
2 AGAINST WHOM THE ORDER TO SHOW CAUSE WAS ISSUED IS ACTING OR
3 HAS ACTED WITHOUT THE REQUIRED LICENSURE, OR HAS OR IS ABOUT TO
4 ENGAGE IN ACTS OR PRACTICES CONSTITUTING VIOLATIONS OF THIS
5 ARTICLE, A FINAL CEASE-AND-DESIST ORDER MAY BE ISSUED, DIRECTING
6 THE PERSON TO CEASE AND DESIST FROM FURTHER UNLAWFUL ACTS OR
7 UNREGISTERED PRACTICES.

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

14 (12) IF IT APPEARS TO THE COMMISSIONER, BASED UPON CREDIBLE
15 EVIDENCE PRESENTED TO THE COMMISSIONER, THAT A PERSON HAS
16 ENGAGED OR IS ABOUT TO ENGAGE IN AN UNREGISTERED ACT OR
17 PRACTICE; AN ACT OR PRACTICE CONSTITUTING A VIOLATION OF THIS
18 ARTICLE, A RULE PROMULGATED UNDER THIS ARTICLE, OR AN ORDER
19 ISSUED UNDER THIS ARTICLE; OR AN ACT OR PRACTICE CONSTITUTING
20 GROUNDS FOR ADMINISTRATIVE SANCTION UNDER THIS ARTICLE, THE
21 COMMISSIONER MAY ENTER INTO A STIPULATION WITH THE PERSON.

22 (13) IF ANY PERSON FAILS TO COMPLY WITH A FINAL
23 CEASE-AND-DESIST ORDER OR A STIPULATION, THE COMMISSIONER MAY
24 REQUEST THE ATTORNEY GENERAL OR THE DISTRICT ATTORNEY FOR THE
25 JUDICIAL DISTRICT IN WHICH THE ALLEGED VIOLATION EXISTS TO BRING,
26 AND IF SO REQUESTED, THE ATTORNEY GENERAL SHALL BRING SUIT FOR A
27 TEMPORARY RESTRAINING ORDER AND FOR INJUNCTIVE RELIEF TO

1 PREVENT ANY FURTHER OR CONTINUED VIOLATION OF THE FINAL ORDER.

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

6 **10-23-107. [Formerly 12-7-109] Prohibited activities -**
7 **penalties.** (1) It is unlawful for any licensee REGISTRANT under this
8 article to engage in any of the following activities:

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

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

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

18 (B) THE REGISTRANT IS EXONERATED AND, AT THE REQUEST OF
19 THE PERSON WHO TENDERED THE COLLATERAL OR SECURITY, RETURNS THE
20 COLLATERAL TO THE PERSON WHO POSTED THE COLLATERAL WITHIN TEN
21 BUSINESS DAYS AFTER THE THREE-YEAR PERIOD.

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

27 (c) ~~Pay a fee or rebate or give anything of value to an attorney in~~

1 ~~bail bond matters, except in defense of any action on a bond or as counsel~~
2 ~~to represent such bail bonding agent or such bonding agent's~~
3 ~~representative or employees~~ FAIL TO ISSUE TO THE PERSON FROM WHOM
4 COLLATERAL OR SECURITY IS TAKEN A RECEIPT WHICH INCLUDES A
5 DESCRIPTION OF THE COLLATERAL OR SECURITY AT THE TIME IT IS TAKEN
6 INTO THE CUSTODY OF THE BAIL BONDING AGENT;

7 (d) ~~Pay a fee or rebate or give or promise to give anything of value~~
8 ~~to the person on whose bond such licensee is surety;~~ FAIL TO POST A BOND
9 WITHIN TWENTY-FOUR HOURS AFTER RECEIPT OF FULL PAYMENT OR A
10 SIGNED CONTRACT FOR PAYMENT, OR, IF THE BOND IS NOT POSTED WITHIN
11 TWENTY-FOUR HOURS AFTER RECEIPT OF FULL PAYMENT OR A SIGNED
12 CONTRACT FOR PAYMENT, FAIL TO REFUND ALL MONEYS RECEIVED,
13 RELEASE ALL LIENS, AND RETURN ALL COLLATERAL WITHIN FORTY-EIGHT
14 HOURS AFTER RECEIPT OF THE PAYMENT OR CONTRACT.

15 (d.5) ~~Except for the fee received for the bond, to fail to return any~~
16 ~~collateral or security within ten working days after receipt of a copy of the~~
17 ~~court order that results in a release of the bond by the court, unless the~~
18 ~~collateral also secures other obligations in compliance with section~~
19 ~~12-7-108 (10). A copy of the court order shall be provided to the bonding~~
20 ~~agent in Colorado or the company, if any, for whom the bonding agent~~
21 ~~works whether in Colorado or out-of-state, or both, by the person for~~
22 ~~whom the bond was written; except that, if three years have elapsed from~~
23 ~~the date of the posting of the bond, unless a judgment has been entered~~
24 ~~against the surety or the principal for the forfeiture of the bond, or unless~~
25 ~~the court grants an extension of the three-year time period for good cause~~
26 ~~shown, the bail bonding agent, as principal or as surety, shall be~~
27 ~~exonerated and, at the request of the person who tendered the collateral~~

1 or security, return the collateral or security to the person who posted the
2 collateral or security within ten business days after the three-year time
3 period. The commissioner may release a lien after the three-year time
4 period has expired if the lienholder cannot be contacted after an attempt
5 has been made by certified mail and the attempt has failed.

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

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

19 (g) No collateral or security interest in real property is taken by
20 deed or any other instrument unless the bail bonding agent's interest in the
21 property is limited to the amount of the bond;

22 (h) The collateral or security taken by the bail bonding agent is
23 not pledged directly to any court as security for any appearance bond; and

24 (i) The person from whom the collateral or security is taken is
25 issued a receipt describing the condition of the collateral at the time it is
26 taken into the custody of the bail bonding agent;

27 (j) Coerce, suggest, aid and abet, offer promise of favor, or

1 threaten any person on whose bond such licensee is surety or offers to
2 become surety to induce that person to commit any crime;

3 (g) Act as a bail bonding agent in any court of record in this state
4 while the name of such licensee is on the board pursuant to section
5 16-4-112 (5) (e), C.R.S., or under any circumstance where a licensee has
6 failed to pay a bail forfeiture judgment after all applicable stays of
7 execution have expired and the bond has not been otherwise exonerated
8 or discharged;

9 (h) to (j) Repealed.

10 (k) Accept anything of value from a person on whose bond such
11 licensee is indemnitor or from another on behalf of such principal except
12 the premium; except that the bail bonding agent licensed under this article
13 may accept collateral security or other indemnity from the person on
14 whose bond such bail bonding agent is indemnitor or from another on
15 behalf of such principal. All such collateral or other indemnity shall be
16 returned pursuant to the requirements contained in paragraph (d.5) of this
17 subsection (1). The bail bonding agent licensed under this article shall
18 preserve and separately retain such collateral and shall be responsible for
19 the return of all such collateral taken and shall be liable for failure thereof
20 as will also be the surety company. When a bail bonding agent accepts
21 collateral as security pursuant to this paragraph (k), such bail bonding
22 agent shall give a written receipt for such collateral to the person on
23 whose bond such bail bonding agent is indemnitor or to another on behalf
24 of such principal and the surety, which shall provide in detail a full
25 description of the collateral received. In the event of the failure of or
26 inability for any reason of a bail bonding agent or such bail bonding
27 agent's heirs or assignees to return collateral as required in this paragraph

1 ~~(k), the commissioner or the commissioner's designee is authorized to~~
2 ~~take immediate possession of the collateral and take whatever actions are~~
3 ~~necessary and appropriate to assure compliance with the obligations of~~
4 ~~this article relating to the return of collateral. The commissioner is~~
5 ~~authorized to utilize any or all of the qualification bond required in~~
6 ~~section 12-7-103 (3) for any costs incurred. Any such payment received~~
7 ~~by the commissioner is hereby appropriated to the division of insurance~~
8 ~~in addition to any other funds appropriated for its normal operation. The~~
9 ~~commissioner shall forfeit a qualification bond in the amount necessary~~
10 ~~to pay any final, nonappealable judgment award for failure to return~~
11 ~~collateral, including costs and attorney's fees, if awarded.~~

12 ~~(l) Sign or countersign blank bail bonds or execute a power of~~
13 ~~attorney or otherwise authorize anyone to countersign such licensee's~~
14 ~~name to bonds;~~

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

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

20 ~~(o) Failure to post a bond within twenty-four hours of receipt of~~
21 ~~full payment or a signed contract for payment, or if the bond is not posted~~
22 ~~within twenty-four hours of receipt of full payment or a signed contract~~
23 ~~for payment, failure to refund all moneys received, release all liens, and~~
24 ~~return all collateral within forty-eight hours of receipt of such payment or~~
25 ~~contract.~~

26 ~~(2) Any licensee A REGISTRANT who violates any provision of~~
27 ~~subsection (1) of this section is guilty of a misdemeanor and, upon~~

1 conviction thereof, shall be punished by a fine of not more than one
2 thousand dollars, or by imprisonment in the county jail for not more than
3 one year, or by both such fine and imprisonment. Any criminal penalty
4 prescribed in this section for a violation of this article shall be IS in
5 addition to, and not exclusive of, any other applicable penalty prescribed
6 by law.

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

17 **10-23-108. [Formerly 12-7-112] Repeal - review of functions.**
18 This article is repealed, effective ~~July 1, 2012~~ SEPTEMBER 1, 2017. Prior
19 to ~~such~~ THE repeal, the licensing functions of the commissioner and the
20 division shall be reviewed as provided for in section 24-34-104, C.R.S.

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

23 **16-1-104. Definitions.** (3.5) "BAIL BONDING AGENT" OR
24 "BONDING AGENT" MEANS A INDIVIDUAL WHO IS IN THE BUSINESS OF
25 WRITING APPEARANCE BONDS AND WHO IS SUBJECT TO REGULATION BY
26 THE DIVISION OF INSURANCE IN THE DEPARTMENT OF REGULATORY
27 AGENCIES, INCLUDING AN INSURANCE PRODUCER, CASH-BONDING AGENT,

1 OR PROFESSIONAL CASH-BAIL AGENT.

2 **SECTION 41.** In Colorado Revised Statutes, 16-3-503, **amend**

3 (1) (c) as follows:

4 **16-3-503. Bonds recovered for persons illegally in the country.**

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

16 **SECTION 42.** In Colorado Revised Statutes, 16-4-104, **amend**

17 (1) (b) (III) as follows:

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

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

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

1 ~~title 12, C.R.S.~~

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

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

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

12 (c) "Compensated surety" means any person WHO IS in the
13 business of writing ~~bail~~ appearance bonds AND who is subject to
14 regulation by the division of insurance in the department of regulatory
15 agencies, including bonding agents and bail insurance companies.
16 Nothing in this paragraph (c) ~~shall be construed to authorize~~ AUTHORIZES
17 bail insurance companies to write ~~bail~~ APPEARANCE bonds except through
18 ~~licensed~~ bail bonding agents.

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

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

23 **24-34-104. General assembly review of regulatory agencies**
24 **and functions for termination, continuation, or reestablishment.**

25 (43) The following agencies, functions, or both, ~~shall~~ terminate on July
26 1, 2012:

27 (f) ~~The licensing of bail bonding agents through the division of~~

1 ~~insurance in accordance with article 7 of title 12, C.R.S.;~~
2 (48.5) The following agencies, functions, or both, shall terminate
3 on September 1, 2017:
4 (a) The domestic violence offender management board created in
5 section 16-11.8-103, C.R.S.
6 (b) THE LICENSING OF PROFESSIONAL CASH-BAIL AGENTS AND
7 CASH-BONDING AGENTS UNDER ARTICLE 23 OF TITLE 10, C.R.S.
8 **SECTION 45.** In Colorado Revised Statutes, 2-3-1203, **repeal** (3)
9 (z) (III) as follows:
10 **2-3-1203. Sunset review of advisory committees.** (3) The
11 following dates are the dates for which the statutory authorization for the
12 designated advisory committees is scheduled for repeal:
13 (z) July 1, 2013:
14 (III) ~~The advisory committee to the division of insurance~~
15 ~~regarding bail bond issues, created in section 12-7-104.5, C.R.S.;~~
16 **SECTION 46.** In Colorado Revised Statutes, 24-31-303, **amend**
17 (1) (h) as follows:
18 **24-31-303. Duties - powers of the P.O.S.T. board.** (1) The
19 P.O.S.T. board has the following duties:
20 (h) To establish standards for training in bail recovery practices.
21 ~~under sections 12-7-102.5 (1) (b) and 12-7-105.5 (1) (b), C.R.S. The~~
22 ~~board shall establish such standards on or before October 1, 1998.~~
23 **SECTION 47.** In Colorado Revised Statutes, 24-33.5-412, **repeal**
24 (1) (p) as follows:
25 **24-33.5-412. Functions of bureau - legislative review.** (1) The
26 bureau has the following authority:
27 (p) ~~To conduct a criminal background check of an applicant who~~

1 ~~wishes to provide bail recovery services for a bail bonding agent under~~
2 ~~section 12-7-105.5 (1) (a), C.R.S.;~~

3 **SECTION 48. Appropriation - adjustments in 2012 long bill.**

4 For the implementation of this act, the cash funds appropriations made in
5 the annual general appropriation act to the department of regulatory
6 agencies for the fiscal year beginning July 1, 2012, for the division of
7 insurance, is decreased by \$3,930 and 0.1 FTE. Said sum is from the
8 division of insurance cash fund created in section 10-1-103 (3), Colorado
9 Revised Statutes.

10 **SECTION 49. Effective date - applicability.** This act takes
11 effect July 1, 2012, and applies to offenses committed and applications
12 submitted on or after said date.

13 **SECTION 50. Safety clause.** The general assembly hereby finds,
14 determines, and declares that this act is necessary for the immediate
15 preservation of the public peace, health, and safety.