

**REVISED PROPOSED REGULATION OF
THE COMMISSIONER OF INSURANCE**

LCB File No. R173-18

February 11, 2019

EXPLANATION – Matter in *italics* is new; matter in brackets ~~omitted material~~ is material to be omitted.

AUTHORITY: §§1-21, 25, 26 and 28-35, NRS 679B.130; §22-24 and 27, NRS 679B.130 and 679B.137.

A REGULATION relating to bail; prohibiting certain acts by a person who does not hold the appropriate license; establishing certain requirements for the completion of a course of instruction in bail bonds by certain applicants for licensure; revising provisions governing the duties of, and restrictions on, licensees; revising provisions governing partnerships of licensees who engage in business in the bail industry; revising provisions governing sureties; requiring licensees to maintain certain records and forms; revising provisions governing the content, terms and modification of bail agreements; revising provisions governing collateral which secures an obligation; revising provisions which prohibit the early surrender of a defendant without good cause; eliminating requirements for certain annual reporting by licensees; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law authorizes the Commissioner of Insurance to adopt regulations for the administration of the Nevada Insurance Code. (NRS 679B.130)

Section 2 of this regulation prohibits: (1) a person who is not licensed under chapter 697 of NRS from participating in certain activities which require such a license; and (2) the assignment or delegation of the duties and responsibilities of a licensee to a person who is not licensed to engage in those activities under chapter 697 of NRS.

Existing law requires an applicant for licensure as a bail agent or bail solicitor to have successfully completed a 6-hour course of instruction in bail bonds. (NRS 697.150, 697.170)

Section 3 of this regulation requires the course of instruction in bail bonds to have been successfully completed within the 2 years immediately preceding the date of the application to which it relates.

Section 4 of this regulation: (1) establishes that a person who is licensed under chapter 697 of NRS is not acting for or on behalf of this State or any of its political subdivisions; and (2) prohibits a licensee from wearing any uniform or badge or displaying any insignia or logo which

purports to identify the licensee as a peace officer or other member of a law enforcement agency or otherwise implies that the licensee represents a governmental agency.

Section 5 of this regulation requires a corporation which is licensed as a bail agent to: (1) designate a natural person to be responsible for the corporation's compliance with the laws and regulations of this State; (2) notify the Commissioner of each bail agent who is authorized to transact business on behalf of the corporation; and (3) notify the Commissioner of a bail agent whose authorization has been terminated and of additional information relating to certain other prohibited activities by the bail agent.

Existing regulations prohibit any person other than a licensee from performing certain acts. (NAC 697.130) **Section 9** of this regulation revises provisions prohibiting certain acts from being performed by any person who is not licensed as a bail agent.

Sections 10-13 of this regulation revise provisions governing the formation, operation, termination and sharing of profits and liability of partnerships which engage in business in the bail industry and limit the formation of such partnerships to bail agents.

Sections 14-18 of this regulation revise provisions governing the duties of licensees, including, without limitation, certain restrictions on advertising by licensees.

Sections 19-21 of this regulation revise provisions governing sureties, including requiring a surety or bail agent to satisfy a final judgment of default within 30 days of service by the clerk.

Sections 22-27 of this regulation revise provisions which govern certain records and forms which are required to be maintained by licensees.

Sections 28-30 of this regulation revise provisions which govern bail agreements, including, without limitation: (1) requiring collateral to be specifically itemized, described and authenticated; and (2) making unlawful certain acts relating to additions or amendments to the terms of a bail agreement.

Sections 31-33 of this regulation revise provisions relating to collateral which is posted to secure an obligation, including, without limitation, the duties of a bail agent who holds, or desires to transfer or dispose of, such collateral.

Existing regulations prohibit the early surrender of a defendant back into custody without good cause. (NAC 697.550) **Section 34** of this regulation revises: (1) the circumstances which constitute "good cause"; and (2) the information and documentation which a bail agent must provide to the Commissioner following an early surrender.

Section 35 of this regulation repeals the requirement of a licensee to annually report certain information relating to its employees to the Division of Insurance of the Department of Business and Industry.

Section 1. Chapter 697 of NAC is hereby amended by adding thereto the provisions set forth as sections 2 to 5, inclusive, of this regulation.

Sec. 2. 1. *A person shall not engage in activities that require a specific type of license under chapter 697 of NRS unless the person holds that type of license.*

2. The duties and responsibilities of a licensee may not be assigned or delegated to a person who is not authorized to engage in the activities which pertain to those duties and responsibilities pursuant to the relevant license issued to that person under chapter 697 of NRS.

3. Neither a surety nor a bail agent nor a bail enforcement agent shall permit a person who is not licensed as a bail enforcement agent under chapter 697 of NRS to participate in the location, apprehension or surrender of a defendant.

Sec. 3. *A course of instruction in bail bonds required by NRS 697.150 and 697.170 must have been successfully completed within the 2 years immediately preceding the date of an application for a license as a bail agent or a bail solicitor, as applicable.*

Sec. 4. *A licensee:*

1. Is not acting for or on behalf of this State or any of its political subdivisions.

2. May not at any time wear any uniform or badge or display any insignia or logo which:

(a) Purports to identify the licensee as a peace officer or other member of a law enforcement agency; or

(b) Otherwise implies that the licensee represents a governmental agency.

Sec. 5. *A corporation which is licensed as a bail agent shall:*

1. Designate a natural person who is:

(a) Licensed as a bail agent; and

(b) Authorized to transact business on behalf of the corporation,

↳ to be responsible for that corporation's compliance with the laws and regulations of this State and notify the Commissioner not later than 15 days after such designation.

2. On a form prescribed by and submitted to the Commissioner, identify each bail agent who is authorized to transact business on behalf of the corporation not later than 15 days after the effective date of the authorization.

3. Notify the Commissioner of a bail agent whose authority to transact business on behalf of the corporation has been terminated by the corporation not later than 30 days after the effective date of the termination. If the reason for the termination is an activity described in NRS 683A.451 as a cause for disciplinary action or the corporation knows that the bail agent has been found to have engaged in such an activity by a court, governmental agency or self-regulatory organization authorized by law, the corporation shall notify the Commissioner, in the manner prescribed by the Commissioner, if the corporation discovers additional information that would have been reportable originally to the Commissioner if the corporation had then known it.

Sec. 6. NAC 697.110 is hereby amended to read as follows:

697.110 The purpose of this chapter is to provide a comprehensive regulation of practices ~~[common among bail bondsmen and provide guidelines for the enforcement of current statutes regulating bail bondsmen, bail solicitors and bail surety companies.]~~ *in the bail industry.*

Sec. 7. NAC 697.120 is hereby amended to read as follows:

697.120 1. As used in this chapter, unless the context otherwise requires, the words and terms defined in NRS 697.030 to 697.070, inclusive, have the meanings ascribed to them in those sections.

2. *“Bail agreement” means a contract between:*

(a) A surety or a bail agent on behalf of a surety; and

(b) A defendant or indemnitor,

↳ for the undertaking of bail.

3. *“Bail bond” means a contract of surety insurance entered into between a court and a surety insurer or bail agent on behalf of a surety insurer to provide bail for a defendant.*

4. *“Bail transaction” means any undertaking, solicitation, inducement, negotiation or effectuation of a bail bond and any matters arising therefrom.*

5. *“Collateral” means property pledged as security for a bail bond by a defendant or indemnitor in a bail transaction.*

6. “Commissioner” means the Commissioner of Insurance.

~~13.1~~ 7. *“Defendant” means a person who was arrested and is in custody and who may be released subject to certain terms imposed by a court through bail posted with the court.*

8. *“Final judgment of default” means a judgment entered by a court against a bond as provided in NRS 178.514.*

9. *“Indemnitor” means a person who financially guarantees to a bail agent or surety a defendant’s compliance with the terms of release imposed by a court and appearance in court.*

10. “Licensee” means a ~~natural~~ person licensed under chapter 697 of NRS.

11. *“Surety” means an insurance company that is authorized to write surety in this State.*

Sec. 8. NAC 697.125 is hereby amended to read as follows:

697.125 1. An applicant for a license as a bail ~~bondsman,~~ *agent, bail enforcement agent* or bail solicitor ~~for property bondsman~~ must achieve a *passing* score of at least ~~67~~ *70* percent to pass the licensing examination.

2. The Commissioner will only accept the results of an examination successfully completed during the year immediately preceding the date of the application for a license.

Sec. 9. NAC 697.130 is hereby amended to read as follows:

697.130 No person other than a ~~{licensee}~~ *licensed bail agent* may:

1. Complete an application for a bail bond . ~~{, other than filling in the initial statistical information.}~~
2. Execute the ~~{surety contract,}~~ *bail agreement*, other than clerical preparation of a ~~{surety contract under the direct and immediate supervision of the licensee.}~~ *bail agreement*.
3. Execute a collateral receipt . ~~{, other than clerical preparation of the receipt under the direct and immediate supervision of the licensee.}~~
4. Post a *bail* bond with a court or with a jail in which a defendant is confined or have any communication with *the* defendant while he or she is confined, except to obtain statistical information sufficient to refer the matter to the ~~{licensee. Any natural person may post a bond on behalf of a defendant if the person is not regularly engaged in the business of providing bail bonds.}~~ *bail agent*.
5. Appear on behalf of the ~~{licensee}~~ *bail agent* at a court proceeding for the purpose of obtaining continuation ~~{,}~~ *or* exoneration ~~{or reduction}~~ of a posted *bail* bond, or obtaining other court action on it.
6. ~~{Solicit bail bond business on}~~ *On* behalf of a ~~{licensee}~~.
- ~~7. Perform any other function of a licensee.}~~ *surety or a bail agent for a surety:*
 - (a) Enter into a bail agreement with a defendant or indemnitor.*
 - (b) Cause a defendant to be apprehended or surrendered by a bail enforcement agent.*

Sec. 10. NAC 697.210 is hereby amended to read as follows:

697.210 1. Any ~~licensee~~ *bail agent* who desires to conduct business with one or more other ~~licensees~~ *bail agents* as a partnership must file *with the Division* a written statement setting forth:

(a) The nature of all business to be conducted by the partnership;

(b) The location of the principal place of the bail business of the partnership and of all other places for the conducting of partnership business; and

(c) The portion of ownership of each member of the partnership.

2. The written statement must be filed at least 10 days before the partnership transacts any business, and must be executed and verified by each partner.

Sec. 11. NAC 697.220 is hereby amended to read as follows:

697.220 Upon any change in the membership of a partnership, whether through death, dissolution, addition, deletion, *or expiration or* revocation of the license of any partner or otherwise, the *partnership is presumed to terminate as of the date of the change in membership. If the* survivors or *proposed* successors to the partnership business ~~if they~~ wish to continue to act as a partnership, *they* must ~~promptly file~~ :

1. Be properly licensed; and

2. File a new *written* statement pursuant to NAC 697.210 ~~if the change in membership arises through the death of a partner, the Commissioner may allow the partnership to continue to transact business as a partnership pursuant to NRS 683A.300.~~ *before the earlier of:*

(a) The deadline established pursuant to subsection 2 of NAC 697.210; or

(b) Twenty days after the date of the change in the membership of the partnership.

Sec. 12. NAC 697.230 is hereby amended to read as follows:

697.230 1. If the license of any partner is suspended, that partner may not engage ~~{directly}~~ in ~~{the}~~ *a bail* transaction ~~{of bail,}~~ nor may he or she directly receive any commission on, or profit derived from, any transactions entered into by other persons during the period of suspension.

2. This section applies to profits or commissions earned during the period of suspension, even if the profits, commissions or other money are not actually received until after the end of the suspension period.

Sec. 13. NAC 697.240 is hereby amended to read as follows:

697.240 The license of each member of a partnership is subject to suspension or revocation for the failure of the partnership or of any member of the partnership to comply with all laws and regulations governing the conduct of the bail business or acts incidental thereto, if the failure *to comply* occurred with the *member's* knowledge, consent, ratification, ~~{or}~~ collusion ~~{of the member.}~~ *or deliberate failure to make a reasonable inquiry.*

Sec. 14. NAC 697.250 is hereby amended to read as follows:

697.250 1. In addition to fulfilling the requirements of chapter 697 of NRS, a *bail* solicitor must:

(a) Pass a special *bail* solicitor's examination provided by the Commissioner; and

(b) Meet other qualifications established by the Commissioner.

2. ~~{A person who is licensed as a solicitor may perform the duties of bail agent, except that a solicitor may not execute a bond.}~~

~~—3.— All persons licensed as solicitors before November 22, 1978, are deemed to have complied with the terms of this chapter.}~~ *A bail solicitor who is employed by a licensed bail agent may not solicit business on behalf of the bail agent unless and until the bail agent files*

with the Commissioner an appointment and statement as described in subsection 2 of NRS 697.185.

Sec. 15. NAC 697.310 is hereby amended to read as follows:

697.310 1. No licensee, or employee *or agent* thereof, may receive, accept or otherwise collect or transmit money or other consideration for attorney's fees, services or costs, or for any other purpose, to an attorney on behalf of any defendant.

2. ~~A licensee who is lawfully holding money or other collateral may, upon release or assignment of the collateral, honor the release or assignment if the licensee took no part in the negotiation of the release or assignment.~~ *A licensee shall not require or prohibit the use of a particular attorney by a defendant to represent the defendant in a criminal proceeding.*

3. Any release or assignment of collateral held by a ~~licensee,~~ *bail agent*, including a release or assignment to pay a fine *imposed by the court* or for any reason other than to satisfy or secure the bond for which the collateral was originally received, must be executed ~~by the defendant~~ in writing ~~by the person who pledged the collateral upon the court's discharge of the obligation, the satisfaction of which was secured by the collateral.~~

Sec. 16. NAC 697.340 is hereby amended to read as follows:

697.340 ~~An employing bail agent~~ *A licensee* shall exercise supervision over his or her employees and make a diligent effort to keep informed of their acts as his or her employees. Failure of the employer to exercise sufficient supervision to prevent violations of the ~~insurance law~~ *Code* or this chapter by the employee while acting within the scope of his or her employment may result in disciplinary action against the ~~employer,~~ *employing licensee.*

Sec. 17. NAC 697.350 is hereby amended to read as follows:

697.350 All advertising ~~for telephone~~, *including, without limitation*, listings in ~~the classified sections of~~ telephone directories, *Internet websites and any other means which are used to solicit business*, must clearly indicate the true name of each licensee who owns the business, along with ~~its fictitious name.~~ *the license number of each person who is advertised or listed.*

Sec. 18. NAC 697.355 is hereby amended to read as follows:

697.355 1. Except as otherwise provided in subsection 2, a person shall not advertise or solicit a bail transaction, directly or indirectly, including, without limitation, by the use of any type of printed ~~matter.~~ *or electronic media*, a bail solicitor or an employee of a court, prison, county or city jail or detention facility:

- (a) Within the prison, county or city jail or detention facility;
- (b) Within a courthouse or courtroom; or
- (c) On the property upon which the prison, county or city jail, detention facility or courthouse is located.

2. The provisions of subsection 1 do not prohibit:

(a) An employee of the court, prison, county or city jail or detention facility from distributing or posting a list prepared by:

- (1) The Division of Insurance of the Department of Business and Industry; or
- (2) The court, prison, county or city jail or detention facility,

↳ that sets forth the names and telephone numbers of bail agents who are licensed pursuant to chapter 697 of NRS.

(b) A person from advertising in ~~for distributing a telephone directory prepared for and distributed to the general public that sets forth the names and telephone numbers of bail agents~~

~~who are licensed pursuant to chapter 697 of NRS.]~~ *a manner described and authorized in NAC 697.350.*

3. A person shall not make, publish, disseminate, circulate or place before the public, or cause, directly or indirectly, to be made, published, disseminated, circulated or placed before the public, in a newspaper, magazine or other publication, or in the form of a notice, circular, pamphlet, letter or poster, or over any radio station, television station, electronic media, or in any other way, any advertisement, announcement or statement containing any assertion, representation or statement with respect to the transaction of bail or with respect to any person in the conduct of his or her bail surety business, which is untrue, deceptive or misleading.

Sec. 19. NAC 697.360 is hereby amended to read as follows:

697.360 Deposits, reserves or build-up accounts posted by a bail ~~{bondsman or general}~~ agent, either with a surety ~~{company}~~ or a general agent representing a surety, ~~{company,}~~ must be maintained by the surety ~~{company}~~ or the general agent as trustee for the *bail* agent and deposited in a bank, savings and loan association, thrift company or similar institution in Nevada.

Sec. 20. NAC 697.370 is hereby amended to read as follows:

697.370 Each surety ~~{company}~~ engaged in the writing of bail bonds shall provide to the clerk of each court in which the surety ~~{company}~~ posts bonds, self-addressed envelopes for the use of the court in notifying the surety ~~{company}~~ that final judgment of default has been entered against a bond of the ~~{company,}~~ *surety.*

Sec. 21. NAC 697.380 is hereby amended to read as follows:

697.380 ~~1.—For purposes of NAC 697.370 and this section, “final judgment of default” means a judgment entered against a bond after the 180-day notice of forfeiture period as provided in NRS 178.508.~~

~~—2.—If the~~ *A bail agent shall satisfy a* final judgment of default ~~[has not been satisfied]~~ within 30 days after the clerk serves ~~[it by mail to]~~ *a copy of the judgment upon* the *bail agent* or surety . ~~[company, the Commissioner may require an officer of the company to appear before him or her.]~~

Sec. 22. NAC 697.410 is hereby amended to read as follows:

697.410 1. Each ~~[bail bondsman licensed under the provisions of chapter 697 of NRS]~~ *licensee* shall maintain complete , *legible* and accurate *business* records ~~[of]~~ .

2. For each bail transaction, a bail agent must maintain, without limitation, the following information ~~[for each bond:]~~ *and documents:*

(a) The date on which the *bail* bond was executed.

(b) The bond number.

(c) The names of ~~[all principals on whose behalf the bond was issued.]~~ *the defendant and every indemnitor involved in the bail transaction.*

(d) The amount of the bond.

(e) The court in which the bond was posted.

~~[2.—The requirements of this section may be met by completing a form similar to the Division of Insurance Form M-8A.]~~

(f) All expenses or fees charged, with receipts or verifiable proof of the expense incurred.

(g) Receipts for all of the collateral which corresponds to the bail transaction.

(h) Every notice of forfeiture and the effective date of forfeiture, if applicable.

(i) Every notice of exoneration and the date thereof, if applicable.

(j) Final judgment of default, if applicable.

(k) All forms signed by the defendant or indemnitor.

(l) Proof of payment to the court on a forfeited bond.

(m) All forms not otherwise described in this subsection that relate to the bail transaction.

3. The bail agent shall maintain a copy of each document filed with the court, including, without limitation, a copy of the bail bond and face sheet.

Sec. 23. NAC 697.420 is hereby amended to read as follows:

697.420 1. Information required by *subsection 2 of* NAC 697.410 must be compiled by the ~~licensee~~ *bail agent* and filed at the home office of the surety ~~company~~ unless the ~~company~~ *surety* designates another location in writing to the Commissioner and that location is approved *in advance* by the Commissioner.

2. The information required by this section must be updated on a quarterly basis and filed at the designated place of filing not later than 21 days after the close of each calendar quarter.

Sec. 24. NAC 697.430 is hereby amended to read as follows:

697.430 All forms forwarded to the surety ~~company~~ pursuant to this chapter must be maintained for ~~3~~ *not less than 7* years after the date ~~of receipt by~~ *on which the liability of* the surety ~~company~~ *was terminated*.

Sec. 25. NAC 697.440 is hereby amended to read as follows:

697.440 1. Each licensee shall file ~~with~~ *for approval by* the Commissioner ~~a sample copy of~~ each form ~~used~~ *which the licensee intends to use* in his or her business ~~it~~ *, including, without limitation, any agreement or document which:*

(a) Requires the signature of the defendant or indemnitor; or

(b) Is made part of a bail agreement by reference.

2. A licensee may only use a form in a bail transaction if the Commissioner has expressly approved the form.

Sec. 26. NAC 697.450 is hereby amended to read as follows:

697.450 Every ~~{bondsman's}~~ *bail* agent or employee of ~~{an}~~ *a bail* agent shall promptly provide ~~{, upon request}~~ to ~~{any person who posts or secures bail or otherwise becomes obligated,}~~ *a defendant or indemnitor complete* copies of ~~{any}~~ *every* form ~~{signed by that person,}~~ *, agreement or other document that is made by reference a part of a bail agreement to which the defendant or indemnitor, as applicable, is a party.*

Sec. 27. NAC 697.460 is hereby amended to read as follows:

697.460 1. *A bail agent must track all collateral received in a bail transaction in a master collateral receipt book. The book may be maintained in hard copy or electronic form.*

2. Each receipt for collateral must:

(a) Be issued at the time the collateral is offered; and

(b) Provide a detailed description of the property which forms the collateral.

3. Receipts for collateral must be issued and maintained in numerical order. ~~{A}~~

4. *The* master collateral receipt book must remain permanently at the principal place of business of the ~~{licensee}~~ *bail agent.*

5. A ~~{licensee}~~ *bail agent* may keep a duplicate book of collateral receipts . ~~{on his or her person away from the principal place of business.}~~ If a duplicate book is maintained, it must be clearly designated as such. *A duplicate book may be kept at a location other than the principal place of business of the bail agent if the duplicate book is securely maintained at that location.*

Sec. 28. NAC 697.470 is hereby amended to read as follows:

697.470 All **bail** agreements ~~{of persons to act as guarantor}~~ must be in writing or reduced to writing as soon as possible after consummation ~~{}~~ ***in a form which was previously approved by the Commissioner pursuant to NAC 697.440.*** If any person acts as ~~{a guarantor,}~~ ***an indemnitor,*** a copy of the agreement executed by the ~~{person}~~ ***indemnitor*** must be delivered to him or her promptly upon his or her completion of the execution. ~~{No}~~ ***Any collateral offered by a defendant or indemnitor and accepted by a bail agent must be specifically itemized, described and authenticated by signature of the person pledging the collateral at the time the bail agreement is executed. A bail licensee agent may not enforce any such a bail agreement without disclosing to the guarantor defendant or indemnitor all collateral held by the licensee bail agent indemnifying the bond. to which the agreement relates, and The bail agent must disclose to the indemnitor the identity of all other guarantors thereof, indemnitors, if any, to the same bond.***

Sec. 29. NAC 697.475 is hereby amended to read as follows:

697.475 It is unlawful for any licensee to:

1. Enter into any agreement of any kind which would directly or indirectly result in a restraint of trade or an unfair method of competition. ~~{or}~~
2. Have any direct or indirect understanding with any law enforcement agency, judicial officer, employee of any court, newspaper employee, private investigator, messenger service or similar business, trusty in a jail or anyone incarcerated, under which the person will notify or inform the licensee, directly or indirectly, of a criminal complaint, an arrest, that an arrest is pending or contemplated, or any other matters relating thereto.
3. ***Add or amend terms of a bail agreement or form in a bail transaction.***

4. Threaten to surrender a defendant, or take other action, to unduly or improperly influence a person's decision whether to agree to add or amend the terms of a bail agreement or form.

Sec. 30. NAC 697.480 is hereby amended to read as follows:

697.480 No bail ~~{licensee}~~ *agent* may enter into an agreement or arrangement with any person, guaranteeing or assuring in advance of the commission of any offense that bail will be furnished to the person if he or she is arrested.

Sec. 31. NAC 697.510 is hereby amended to read as follows:

697.510 Subject to any contract to the contrary with a surety, a ~~{licensee}~~ *bail agent* may maintain cash collateral in an interest-bearing account with a bank, savings and loan association, thrift company or similar institution in this state, and may retain the interest earned on that money if:

1. All such ~~{deposits are}~~ *cash collateral is* maintained separate from any other funds ~~{~~ *except cash collateral funds;} *or assets of the bail agent;**
2. ~~{All such deposits are}~~ *Cash collateral is* returned to the person who posted the money with the ~~{licensee}~~ *bail agent* promptly upon the termination of the liability for which the money was posted as security; and
3. Any penalty or loss of interest for early withdrawal of *cash* collateral ~~{deposits}~~ is the responsibility of the ~~{licensee.}~~ *bail agent.*

Sec. 32. NAC 697.520 is hereby amended to read as follows:

697.520 1. ~~{Upon return of collateral}~~ *Collateral must be returned* to the person who posted it ~~{, if any amount has been deducted by the licensee as expense, the licensee shall include with the money an itemized statement of all expenses, and maintain a copy of the statement in~~

~~his or her file. The statement must include notary fees, guard fees and any other expenses deducted from the collateral.} not later than 10 business days after the date when the obligation secured by the collateral is discharged.~~

2. If the *bail* bond secured by the collateral is forfeited , *and payment is made to the court upon a final judgment of default against the bond* and the ~~{licensee retains}~~ *bail agent seeks to retain* possession of the collateral ~~{in payment of the forfeiture}~~ or otherwise ~~{disposes}~~ *dispose* of the collateral ~~{}~~ *in payment of the forfeiture*, the ~~{licensee}~~ *bail agent* shall ~~{advise}~~ :

(a) *Advise* the surety ~~{company}~~ within 7 working days of ~~{the terms of disposition}~~ *his or her intent to transfer or dispose* of the collateral ~~{}~~.

~~—3.— Compliance with subsection 1 or 2 of this section may be accomplished by completion of a form similar to Form M-8B or M-8B-1, and including the items shown on those forms.} ; and~~

(b) *Comply with all applicable lawful procedures to transfer or dispose of the collateral.*

Sec. 33. NAC 697.530 is hereby amended to read as follows:

697.530 1. *A bail agent shall comply with all laws relating to the transfer and holding of real property in a security transaction.*

2. If a ~~{licensee}~~ *bail agent* receives any document which conveys title to real property as collateral in a bail transaction, whether on his or her own behalf or on behalf of a surety , ~~{company}~~ the document must state on its face that it is executed as part of a security transaction.

~~{2.}~~ 3. If the document is recorded, a reconveyance of the property executed in such a manner that it may be recorded must be delivered by the ~~{licensee}~~ *bail agent* or surety to the person executing the original conveyance, or to his or her heirs, legal representative or successor in interest, promptly upon satisfaction of the obligation secured.

~~{3. The licensee or surety company shall determine promptly whether the obligation has been discharged upon request for return of the collateral by the person entitled to it.}~~

Sec. 34. NAC 697.550 is hereby amended to read as follows:

697.550 1. No *surety or* bail ~~{bondsman}~~ *agent* may *cause the* surrender *of* a defendant back into custody without good cause before the time specified in the *bail* bond for the appearance of the defendant.

2. “Good cause” includes : ~~{, but is not limited to:}~~

(a) Information from a *credible* source ~~{credible under the circumstances}~~ that the defendant intends to fail to appear before the appropriate court at the date and time prescribed.

(b) Materially false information ~~{on the application of}~~ *provided in writing by* a defendant ~~{}~~ *with the intention to mislead the bail agent or surety and which materially affects the assessment for underwriting the bail bond.*

(c) An increase by the court in the amount of bail beyond ~~{sound}~~ *reasonable* underwriting criteria employed by the ~~{licensee.}~~ *bail agent.*

(d) ~~{A material change in the collateral posted by the defendant or one acting on his or her behalf.~~

~~—(e)}~~ A change of address or telephone number by the defendant made without giving reasonable notice to the ~~{licensee.~~

~~—(f)}~~ *bail agent or an employee of the bail agent.*

(e) Commission of another crime, other than a minor *infraction, such as a* traffic violation, by the defendant while on bail ~~{}~~

~~—(g)}~~ *if the crime reasonably changes the assessment for underwriting the bond.*

(f) Failure by the defendant to appear in court at the appointed time ~~{}~~

~~—(h) A finding of guilt against the defendant by a~~ *unless the defendant's failure to appear was justifiable or reasonable.*

(g) A violation of a term or condition set by the court . ~~{of competent jurisdiction.}~~

3. If a *surety or* bail ~~{bond}~~ agent ~~{surrenders}~~ *causes the surrender of* a defendant before the time specified in the *bail* bond, the *surety or bail* agent , *as applicable*, shall, within 10 days after the surrender, ~~{complete and mail to}~~ *file with* the Commissioner a *verified* statement concerning the surrender, including the information required on ~~{Form M-8C,}~~ *the Early Surrender of Defendant form*, available from the ~~{Commissioner of Insurance.}~~ *Internet website of the Division at <http://www.doi.nv.gov>. The statement must be accompanied by a copy of the written authorization of the surety or bail agent, as applicable, to surrender the defendant before the time specified in the bond, as well as any documents related to the surrender that were submitted to the court or jail. If the surety or bail agent, as applicable, fails to timely submit the statement and other information and documents as required by this subsection, the Commissioner will deem the surrender to be without good cause.*

4. *If a bail agent causes a defendant to be surrendered pursuant to this section and subsequently posts a bail bond on the defendant for the same case, the bail agent is prohibited from collecting the premium for that subsequent bond.*

Sec. 35. NAC 697.330 is hereby repealed.

TEXT OF REPEALED SECTION

697.330 Information concerning employees. (NRS 679B.130, 697.130, 697.360) Each bail bond agent shall furnish the following information concerning every person in his or her employ, including independent contractors, clerical workers, skip tracers and special agents for the purpose of surrender, as long as the persons are employed for an aggregate period of 30 days or more during any 1-year period:

1. Name;
2. Address, length of time at that address, and previous addresses for 2 years preceding the date of application;
3. Business and residence telephone numbers;
4. Age, date of birth, place of birth and social security number; and
5. Current and previous occupations for 2 years preceding the date of the application.

↪ The requirements of this section may be met by completing Form ID6-BE, Bail Employee Notification Form, which will be provided by the Commissioner. The provisions of this section apply only to those persons employed within the State of Nevada.