

SF3358 - 0 - Bail Bond Regulations and Licensure

Chief Author: **Ron Latz**
 Committee: **Commerce And Consumer Protection**
 Date Completed: **3/13/2024 8:59:58 PM**
 Agency: **Commerce Dept**

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology	X	
Local Fiscal Impact		X

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative.
 Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium	
	FY2023	FY2024	FY2025	FY2026	FY2027
Dollars in Thousands					
General Fund	-	-	150	125	125
Total	-	-	150	125	125
Biennial Total			150		250

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2023	FY2024	FY2025	FY2026	FY2027
General Fund	-	-	1	1	1
Total	-	-	1	1	1

LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

LBO Signature: Karl Palm **Date:** 3/13/2024 8:59:58 PM
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State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

*Transfers In/Out and Absorbed Costs are only displayed when reported.

State Cost (Savings) = 1-2		Biennium			Biennium
Dollars in Thousands		FY2023	FY2024	FY2025	FY2026
					FY2027
General Fund	-	-	150	125	125
Total	-	-	150	125	125
Biennial Total			150		250
1 - Expenditures, Absorbed Costs*, Transfers Out*					
General Fund	-	-	170	145	145
Total	-	-	170	145	145
Biennial Total			170		290
2 - Revenues, Transfers In*					
General Fund	-	-	20	20	20
Total	-	-	20	20	20
Biennial Total			20		40

Bill Description

SF3358 codifies licensing requirements for Bail Bond Agents. It also requires bail bond sureties to audit their appointed producers for compliance with various provisions of Minnesota law. The bill also sets out requirements for premium financing arrangements, trust funds, records, and collateral security. It also lays out prohibitions and enforcement authority for the Department of Commerce. It also seems to create a new licensing requirement for fugitive recovery agents (a/k/a "bail bond enforcement agents") under Chapter 629.

Assumptions

Insurance producers who would operate under this chapter generally already hold an insurance producer license under Chapter 60K. This statute creates a new chapter, so these producers would now have to be licensed under Chapter 60M. This statute also seemingly requires a license for fugitive recovery agents under Chapter 629. However, there is no licensing requirement under Chapter 629. Chapter 629 only refers to licensure of peace officers under Minn. Stat. 626.84. Assuming the author intends to require a license under this new Chapter 60M, not Chapter 629, we assume they are requiring the Department of Commerce to license fugitive recovery agents. To carry out the requirements of this proposed legislation, we would also have new enforcement powers to pursue unlicensed individuals.

Expenditure and/or Revenue Formula

.5 FTE (SPA Intermediate) for Licensing

\$25,000 for IT requirements to add license and enforcement actions to Sircon

.5 FTE (CA3) for Enforcement

			FY25	FY26	FY27	FY28
Salary			84,073	84,073	84,073	84,073
Fringe			25,222	25,222	25,222	25,222
Other Personnel Related Costs			35,480	35,480	35,480	35,480
			144,774	144,774	144,774	144,774

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100 new licenses (bail bond enforcement agents) x \$200/license = \$20,000

Long-Term Fiscal Considerations

The Long-Term Fiscal Considerations for the FTEs would remain consistent. The \$25,000 would be a one-time fee for technical modifications necessary to create this license type.

Local Fiscal Impact

References/Sources

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