

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1096-01  
Bill No.: SB 213  
Subject: Insurance Dept.; Bonds - Bail  
Type: Original  
Date: February 4, 2005

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Insurance Dedicated	(\$8,900)	\$0	\$0
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>(\$8,900)</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 4 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2006</b>	<b>FY 2007</b>	<b>FY 2008</b>
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2006</b>	<b>FY 2007</b>	<b>FY 2008</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**FISCAL ANALYSIS**

**ASSUMPTION**

Officials from the **Department of Insurance (INS)** state this proposal would require the INS to establish rules for professional associations and verify association membership during the licensing process. Additional staff and expenses are not being requested with this single proposal, but if multiple proposals pass during the legislative session which require additional changes to the licensing process, the INS will need to request additional staff to handle the increase in workload.

One-time computer contracting of \$8,900 (95 hours X \$93.68/hour) would be required to modify the licensing database to allow for entry, tracking and reporting of association memberships of agents. These costs would be charged to the Insurance Dedicated Fund.

<u>FISCAL IMPACT - State Government</u>	FY 2006 (10 Mo.)	FY 2007	FY 2008
<b>INSURANCE DEDICATED FUND</b>			
<u>Costs - Department of Insurance</u>			
Contract programming costs	<u>(\$8,900)</u>	<u>\$0</u>	<u>\$0</u>
<b>ESTIMATED NET EFFECT ON INSURANCE DEDICATED FUND</b>	<b><u>(\$8,900)</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

<u>FISCAL IMPACT - Local Government</u>	FY 2006 (10 Mo.)	FY 2007	FY 2008
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

Bail bond and surety recovery small businesses could be impacted by the proposal as membership fees in professional organizations may be incurred.

DESCRIPTION

This proposal requires individuals to be a member of a statewide professional association before being licensed by the Department of Insurance as a bail bond agent, general bail bond agent, or surety recovery agent.

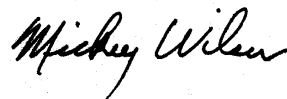
The Director will establish the requirements that an association must meet in order for it be a recognized statewide professional association of which an applicant may be a member in order to be licensed.

Upon renewal of the license, a person must show continuing membership in one of the statewide professional association.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Insurance



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Director  
February 4, 2005