

**PROPOSED REGULATION OF  
THE COMMISSIONER OF INSURANCE**

**LCB File No. R185-22**

January 5, 2023

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

AUTHORITY: §§ 1-29, 33, 34 and 36-43, NRS 679B.130; §§ 30-32 and 35, NRS 679B.130 and 679B.137.

A REGULATION relating to bail; prohibiting certain acts by a person who does not hold an appropriate license; establishing certain requirements for the completion of certain courses of instruction and training by certain applicants for licensure; setting forth certain requirements regarding courses of instruction, training and continuing education courses; 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 related to bail 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, bail solicitor or general agent to successfully complete a 6-hour course of instruction in bail bonds that: (1) is offered by certain specified organizations; and (2) has been approved by the Commissioner. (NRS 697.150, 697.170, 697.183, 697.184, 697.185) **Section 3** of this regulation requires such a course to have been completed within the 2 years immediately preceding the date of an application for licensure.

Existing law requires an applicant for licensure as a bail enforcement agent to complete a basic course of training for bail enforcement agents that is approved by the Commissioner within 9 months after the date the applicant is employed by a bail agent as a bail enforcement agent. (NRS 697.177) **Section 3** requires such a course of training to be completed within that period of time

or within the 2 years immediately preceding the date of an application for a license as a bail enforcement agent.

**Section 4** of this regulation requires an organization that wishes to obtain the approval of the Commissioner to offer a course of instruction in the business of bail which is required for licensure as a bail agent, bail solicitor, general agent or bail enforcement agent to submit an application to the Commissioner. **Section 6** of this regulation sets forth certain requirements for such a course. **Section 5** of this regulation prohibits a person from teaching such a course unless the person has been approved by the Commissioner as an instructor. **Section 5:** (1) requires a person who wishes to obtain approval as an instructor to submit an application to the Commissioner; and (2) sets forth various requirements to obtain such approval.

Existing law requires that each person who wishes to renew his or her license as a bail agent, bail solicitor, general agent or bail enforcement agent to submit to the Commissioner proof that the person has completed a 3-hour program of continuing education that: (1) is offered by the authorized surety insurer from whom the licensee received written appointment or certain other organizations; and (2) is approved by the Commissioner. (NRS 697.230) **Section 7** of this regulation requires an organization that wishes to obtain approval for a continuing education course to submit an application to the Commissioner and pay a fee. **Section 8** of this regulation sets forth certain requirements for organizations that offer courses of instruction, courses of training and continuing education courses.

**Section 9** 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; (2) prohibits a licensee from wearing any uniform or badge or displaying any insignia or logo which identifies, suggests or implies that the licensee is a peace officer or other member of a law enforcement or governmental agency; and (3) prohibits a licensee, with certain exceptions, from using a weapon.

**Section 10** of this regulation requires a corporation which is licensed as a bail agent to: (1) designate at least one 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 cause of the termination.

**Sections 11 and 35-37** 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 13 and 39-41** 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 such collateral and a surety or bail agent who desires to transfer or dispose of such collateral.

Existing regulations prohibit any person other than a licensee from performing certain acts. (NAC 697.130) **Section 16** of this regulation revises those provisions by prohibiting certain acts from being performed by any person who is not licensed as a bail agent.

**Sections 17-20** 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 21-25** of this regulation revise provisions governing the duties of licensees, including, without limitation, certain restrictions on advertising by licensees.

**Sections 26-28** of this regulation revises provisions governing sureties, including requiring a surety to satisfy a final judgment of default within 30 days after service by the clerk.

**Sections 29-34** of this regulation revise provisions which govern certain records and forms which are required to be maintained by licensees.

Existing regulations prohibit the early surrender of a defendant back into custody without good cause. (NAC 697.550) **Section 41** of this regulation revises the circumstances which constitute “good cause.” **Section 41** also requires a surety or bail agent to cause an early surrender within a reasonable time after making a determination that good cause exists. Finally, **section 41** requires a surety or bail agent to submit certain documentation to the Commissioner within 10 days after causing the early surrender of a defendant or after the occurrence of certain other events.

**Section 42** 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 42** also repeals a requirement relating to the approval of certain courses of instruction to account for the addition of the provisions of **sections 4-6 and 8**.

**Section 1.** Chapter 697 of NAC is hereby amended by adding thereto the provisions set forth as sections 2 to 13, inclusive, of this regulation.

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

*2. A licensee may not delegate to a person who does not hold a relevant license issued pursuant to chapter 697 of NRS any of the duties or responsibilities of the licensee which pertain to activities for which a license is required pursuant to chapter 697 of NRS.*

*3. A surety, bail agent or a bail enforcement agent shall not permit a person who is not licensed as a bail enforcement agent pursuant to chapter 697 of NRS to participate in physical locating, apprehending, or surrendering a defendant.*

**Sec. 3. 1.** *A course of instruction in bail bonds required by NRS 697.150, 697.170, 697.183, 697.184 or 697.185 must have been successfully completed within the 2 years immediately preceding the date of an application for a license as a bail agent, bail solicitor or general agent, as applicable.*

*2. A course of training for bail enforcement agents required by NRS 697.177 must have been successfully completed not earlier than 2 years immediately preceding the date of an application for a license as a bail enforcement agent and not later than 9 months after the date the applicant for a license as a bail enforcement agent is employed by a bail agent as a bail enforcement agent.*

*Sec. 4. 1. A course of instruction in the business of bail must be approved by the Commissioner before the course is offered to a prospective applicant for a license issued pursuant to chapter 697 of NRS.*

*2. An organization that wishes to obtain the approval of the Commissioner to offer a course of instruction in the business of bail must submit to the Commissioner an application on a form approved by the Commissioner. The application must:*

*(a) Contain sufficient information to demonstrate that:*

*(1) The organization is a state or national organization of bail agents or an organization that administers training programs for bail agents, bail solicitors, general agents or bail enforcement agents that meet the criteria for courses of instruction in the business of bail set forth in section 6 of this regulation. Such an organization may include, without limitation, a surety that administers such training programs.*

*(2) The proposed course of instruction in the business of bail:*

*(I) Is offered at least twice each calendar year;*

*(II) Will be taught by an instructor who has been approved to teach a course of instruction in the business of bail pursuant to section 5 of this regulation; and*

*(III) Meets the criteria set forth in section 6 of this regulation.*

*(b) Be accompanied by:*

*(1) A detailed outline of the course of instruction in the business of bail that will be used by the instructor of the course in teaching the course;*

*(2) A description of the scale that will be used in grading the persons taking the course of instruction in the business of bail; and*

*(3) Any other supplemental documentation that the Commissioner determines is necessary.*

*3. If the Commissioner approves a course of instruction in the business of bail, the Commissioner will notify the organization that submitted the application pursuant to subsection 2 of that approval in writing. Approval of a course of instruction in the business of bail expires 2 years after the date on which the approval was granted.*

*4. A course of instruction in the business of bail that has been approved pursuant to this section may be offered at a location outside of this State.*

*5. The Commissioner may delegate the approval of a course of instruction in the business of bail to a third party that the Commissioner determines is qualified to review such courses.*

*6. The Commissioner may, at any time, audit or request information related to a course of instruction in the business of bail to ensure that the course meets the educational needs of persons in the bail industry.*

**Sec. 5. 1.** *A person shall not teach a course of instruction in the business of bail or a continuing education course in bail unless the person has been approved by the Commissioner as an instructor.*

*2. A person who wishes to obtain approval as an instructor must submit to the Commissioner an application on a form approved by the Commissioner. The application must:*

*(a) Contain sufficient information to demonstrate that the person satisfies the requirements for approval set forth in subsection 3; and*

*(b) Be accompanied by any supplemental documentation and information that the Commissioner determines is necessary.*

*3. A person may be approved as an instructor if the person:*

*(a) Has been approved by the Nevada System of Higher Education to teach insurance within that System;*

*(b) Establishes his or her competence to be an instructor to the satisfaction of the Commissioner; or*

*(c) Meets the following criteria:*

*(1) Is not currently licensed under chapter 697 of NRS or affiliated with any person currently licensed under chapter 697 of NRS;*

*(2) Has not been subject to administrative action for violating a law regulating insurance;*

*(3) Has not been convicted of any criminal offense;*

*(4) Has adequate experience and qualifications to teach a course of instruction in bail;*

*(5) Has passed the written examination required by NRS 697.200 with a minimum score of 95 percent; and*

*(6) Has shown that he or she is competent, trustworthy and financially responsible such that he or she would provide interested persons with proper instruction in bail.*

*4. The Commissioner may waive some or all of the requirements for approval set forth in subsection 3 for an applicant for approval as an instructor if the applicant demonstrates to the satisfaction of the Commissioner that the person is qualified to teach a course in the business of bail or a continuing education course in bail.*

**Sec. 6. 1. A course of instruction in the business of bail:**

*(a) Which is a course of instruction in bail bonds required by NRS 697.150, 697.170, 697.183, 697.184 or 697.185 must:*

*(1) Provide 6 hours of instruction;*

*(2) Have instruction appropriate for the type of license for which the course is offered;*

*and*

*(3) Include, without limitation, instruction in the following topics:*

*(I) Principles and concepts of insurance in general;*

*(II) Basic principles and concepts of suretyship;*

*(III) Nevada laws regarding the business of bail pursuant to the Code;*

*(IV) Applicable provisions of the Nevada Rules of Criminal Practice for bail;*

*(V) The bail agreement;*

*(VI) Ethics in bail;*

*(VII) Licenses and roles associated with the different types of bail licenses; and*

*(VIII) Compliance and regulation by the government.*

*(b) Which is a course of training for a bail enforcement agent required by NRS 697.177 must:*

*(1) Provide 80 hours of instruction; and*

*(2) In addition to the topics set forth in subsection 2 of NRS 697.177, include, without limitation, instruction in the topics specified in subparagraph (3) of paragraph (a).*

*2. The Commissioner will not approve a course of instruction in the business of bail which:*

*(a) Contains topics that violate or contradict Nevada law;*

*(b) Focuses on teaching sales, marketing, motivation, advocacy or lobbying;*

- (c) Covers techniques related to clerical skills for more than 10 minutes;*
- (d) Covers techniques for taking the licensing examination for more than 10 minutes;*
- (e) Does not dedicate the full amount of time in the course to teaching the business of bail;*
- (f) Requires persons to attend the course for more than 8 hours in a single day;*
- (g) Contains more than 30 minutes of pre-recorded content or other mechanical teaching aids; or*
- (h) Contains any element not conducive to the proper instruction of the business of bail.*

*Sec. 7. 1. A continuing education course in bail must be approved by the Commissioner before it is offered to a licensee.*

*2. An organization that wishes to obtain approval for a continuing education course in bail must submit to the Commissioner an application on a form approved by the Commissioner. The application must:*

- (a) Contain sufficient information to demonstrate that:*
  - (1) The organization is an authorized surety insurer, a state or national organization of bail agents or an organization that administers training programs for bail agents, bail solicitors, general agents or bail enforcement agents;*
  - (2) The proposed continuing education course in bail:*
    - (I) Is offered at least twice each calendar year;*
    - (II) Will be taught by an instructor who has been approved to teach a continuing education course in bail pursuant to section 5 of this regulation; and*
    - (III) Covers a topic specified in subparagraph (3) of paragraph (a) of subsection 1 of section 6 of this regulation;*



- (b) Be accompanied by any supplemental documentation that the Commissioner determines to be necessary; and*
- (c) Be accompanied by a fee to process the application.*
- 3. If the Commissioner approves a continuing education course in bail, the Commissioner will notify the organization that submitted the application for approval pursuant to subsection 2 of that approval in writing.*
- 4. A continuing education course in bail which has been approved by the Commissioner pursuant to this section may be offered at a location outside of this State.*
- 5. The Commissioner may, at any time, audit a continuing education course in bail or request from the organization that offers the course any information that the Commissioner determines is necessary to determine whether to continue to approve the course.*

**Sec. 8. 1.** *Each organization that offers a course shall maintain a complete record of each person attending the course. The record must:*

- (a) Indicate each person's attendance;*
- (b) Indicate his or her final grade in the course; and*
- (c) Be available for review by the Division upon request during normal business hours.*
- 2. For each course offered, each organization shall submit quarterly to the Division the name of the organization, the date the course was completed and the name and grade of each*

*person attending the course. If the course is a self-study course, the organization shall also submit the name and description of the course.*

*3. Each organization must give to each person who successfully completes a course an original certificate of completion. The certificate must list the organization offering the course, the instructor of the course, the grade obtained by the student in the course and the location at which and times during which the course was offered. An applicant for a license, other than a temporary license as a bail enforcement agent issued pursuant to NRS 697.177, must submit with his or her application for a license an original certificate of completion for an applicable course of instruction in the business of bail.*

*4. If the organization, instructor or outline of a course changes after the approval of the Commissioner has been granted, the new organization, instructor or outline of the course must be reapproved by the Commissioner.*

*5. A person designated by the Division may audit any approved course to ensure that the course and instructor continue to meet the applicable requirements of this chapter.*

*6. If the organization, instructor or outline of the course has changed and has not been reapproved, or if the organization or instructor is not following the approved outline of the course, the Commissioner may suspend his or her approval of that course or instructor, as applicable.*

*7. If the organization or instructor has not taken appropriate action to correct the conditions that were the basis of the suspension pursuant to subsection 6 within 30 days, the Commissioner may revoke his or her approval of the course or instructor, as applicable.*

*8. If the organization or instructor of an approved course solicits from any person information on the content of the questions of the examination required by NRS 697.200, the*

*Commissioner may revoke his or her approval of that instructor or organization, as applicable, for at least 1 year.*

*9. As used in this section, “course” means:*

*(a) A course of instruction in the business of bail; or*

*(b) A continuing education course in bail.*

**Sec. 9. 1. A licensee:**

*(a) Is not acting for or on behalf of this State or any of its political subdivisions.*

*(b) May not at any time wear any uniform or badge or display any insignia or logo which identifies, suggests or implies that the licensee is a peace officer or other member of a law enforcement or governmental agency.*

*(c) May not at any time use a weapon, unless such use is reasonably necessary to defend the licensee or another person from serious injury or death.*

*2. As used in this section, “weapon” means a device, instrument, material or substance which, under the circumstances in which it is used, attempted to be used or threatened to be used, is readily capable of causing bodily injury.*

**Sec. 10. A corporation which is licensed as a bail agent shall:**

*1. Designate at least one natural person who:*

*(a) Is licensed as a bail agent; and*

*(b) Is authorized to transact business on behalf of the corporation,*

*7 to be responsible for that corporation’s compliance with the laws and regulations of this State.*

*2. Notify the Commissioner not later than 3 business days after:*

*(a) Designating a person pursuant to subsection 1; or*

*(b) Any change in the designation of a person pursuant to subsection 1.*

*3. On a form prescribed by and submitted to the Commissioner, identify each person who is designated pursuant to subsection 1 not later than 3 business days after the effective date of the designation.*

*4. Notify the Commissioner of any person designated pursuant to subsection 1 whose authority to transact business on behalf of the corporation has been terminated by the corporation not later than 3 business 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 is relevant to the cause for termination, the corporation shall notify the Commissioner, in the manner prescribed by the Commissioner, of the information not later than 10 days after the discovery of such information.*

**Sec. 11.** *1. A bail agreement may be executed by a bail agent on behalf of a surety by power of attorney.*

*2. The name of the surety which is a party to a bail agreement must be identified in the bail agreement.*

**Sec. 12.** *1. A person who deposits property as collateral pursuant to NRS 697.320 must have full ownership of the property.*

*2. Collateral may not be used to secure premium.*

*3. A person who deposits cash as collateral with a bail agent pursuant to NRS 697.320 is presumed to have full ownership of the cash.*

**Sec. 13.** 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. 14.** 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 *this section and* NRS 697.030 to 697.070, inclusive, have the meanings ascribed to them in those sections.

*2. “Bail agreement” means a contract between a surety and a defendant or indemnitor for the undertaking of bail.*

*3. “Bail bond” means a contract of surety insurance in which the surety guarantees to a court the appearance of a defendant in court and compliance with any additional conditions imposed upon the defendant by the court.*

*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.*

*6. “Commissioner” means the Commissioner of Insurance.*

~~13.1~~ *7. “Continuing education course in bail” means a program of continuing education required by NRS 697.230.*

*8. “Course of instruction in the business of bail” means a:*

*(a) Course of instruction in bail bonds required by NRS 697.150, 697.170, 697.183, 697.184 or 697.185; or*

*(b) Course of training for bail enforcement agents required by NRS 697.177.*

9. *“Defendant” means the principal of a bail bond who is required to comply with the terms of bail imposed by a court.*

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

11. *“Indemnitor” means a person who agrees to pay for an actual loss incurred by a surety as a result of a defendant’s failure to comply with the terms of bail imposed by a court.*

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

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

Sec. 15. 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 results of a licensing examination expire 1 year from the date on which the licensing examination was completed. The Commissioner will not accept the results of an expired examination with an application for the issuance of a license.*

Sec. 16. 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}~~ *Effectuate or execute* the *bail agreement on behalf of a* surety.  
~~{contract, other than clerical preparation of a surety contract under the direct and immediate supervision of the licensee.}~~
3. ~~{Execute a}~~ *Accept* collateral ~~{receipt, other than clerical preparation of the receipt under the direct and immediate supervision of the licensee.}~~ *on behalf of a surety.*
4. *Issue a collateral receipt.*
5. 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 *that a bail solicitor may communicate with a defendant* 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.~~  
~~—5.}~~ *agent.*
6. Appear ~~{on behalf of the licensee}~~ 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}~~
- ~~7. On~~ behalf of a ~~{licensee.~~
- ~~—7.—Perform any other function of a licensee.}~~ *surety, cause a defendant to be apprehended or surrendered by a bail enforcement agent.*

Sec. 17. 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. 18.** 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. 19.** 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. 20.** 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~~ *a member's* knowledge, consent, ratification, ~~or~~ collusion ~~of the member.~~ *or deliberate failure to make a reasonable inquiry when the member knew or reasonably should have known of the failure.*

**Sec. 21.** 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~~ *A bail* solicitor ~~must:~~

- ~~—(a) Pass a special 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~~ *employed by a licensed bail agent* may ~~perform the duties of~~ *not solicit business on behalf of the* 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.~~ *unless and until the bail agent files with the Commissioner the appointment and statement described in subsection 2 of NRS 697.185.*

**Sec. 22.** 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.}~~ *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,}~~ *surety or 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 owner of the collateral upon the court's discharge of the obligation, the satisfaction of which was secured by the collateral.*

**Sec. 23.** 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. 24.** NAC 697.350 is hereby amended to read as follows:

697.350 All advertising ~~{or telephone}~~ *by a licensee, including, without limitation,* listings in ~~{the classified sections of}~~ telephone directories , *Internet websites and any other means which are used or intended 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, the true name of:*

*1. The licensee; or*

*2. Each licensee with ownership and control of the corporation or partnership.*

**Sec. 25.** 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. 26.** 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. 27.** 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 *bail* 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 *bail* bond of the ~~{company,}~~ *surety*.

**Sec. 28.** 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 surety 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. 29.** 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 records ~~[of]~~ *relating to bail transactions.*  
*For a bail agent, such records must include* the following information ~~[for each bond:]~~ *and documents for each bail transaction:*

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

(b) The *bail* 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]~~ *each bail* bond.

(e) The *name of the* court in which ~~[the]~~ *each bail* 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) The amount of premium and court costs charged.*

*(g) All expenses or fees charged, along with:*

*(1) Receipts or other verifiable proof of the expense incurred;*

- (2) The service or product for which the expense was incurred; and*
- (3) The name of the person the bail agent paid for the service or product for which the expense was incurred.*
- (h) Receipts for all of the collateral which corresponds to the bail transaction.*
- (i) Every notice of forfeiture and the effective date of forfeiture, if applicable.*
- (j) Every notice of exoneration and the date thereof, if applicable.*
- (k) Final judgment of default, if applicable.*
- (l) All forms signed by the defendant or indemnitor.*
- (m) Proof of payment to the court on a forfeited bond.*
- (n) Communications with and minutes from the court and any other information the bail agent used to monitor the case of the defendant.*
- (o) All forms not otherwise described in this subsection that related to the bail transaction.*
- 2. The bail agent shall maintain a copy of each document filed with or received from the court, including, without limitation, a copy of the bail bond, filed motions and court notices or orders.*
- 3. Each record maintained by a bail agent must be dated at the time of execution or issuance. A bail agent shall not predate or postdate any record he or she maintains.*

**Sec. 30.** NAC 697.420 is hereby amended to read as follows:

697.420 1. Information required by *subsection 1 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. 31.** NAC 697.430 is hereby amended to read as follows:

697.430 All forms ~~forwarded to~~ *and records required to be filed with* the surety ~~company~~ *or maintained in the records of a licensee* 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. 32.** NAC 697.440 is hereby amended to read as follows:

697.440 1. Each ~~licensee~~ *surety* shall file ~~with~~ *for approval by* the Commissioner ~~a sample copy of~~ each form ~~used in his or her business~~ *which the surety supplies to licensees acting in bail transactions on behalf of the surety, 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 that has been supplied by a surety if the Commissioner has expressly approved the form.*

**Sec. 33.** 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 and indemnitor complete* copies of ~~any~~ *every* form ~~signed by that person~~ *, agreement or other document that is made a part of a bail transaction.*

**Sec. 34.** 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 bail agent may maintain the book in hard copy or electronic form.*

2. *Each receipt for collateral must:*

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

(b) *Provide a detailed description of the property which forms the collateral and how the property will be stored; and*

(c) *If cash is deposited as collateral, include the name of the financial institution and the account number where the money is being held.*

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

4. *The master collateral receipt book must remain :*

(a) *Remain* permanently at the principal place of business of the ~~{licensee}~~.  
~~—2.} bail agent;~~

(b) *Be securely maintained; and*

(c) *Be promptly updated to reflect exonerations or forfeitures.*

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. 35. 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 on behalf of a surety must be specifically itemized, described and authenticated by signature of the person who owns and is pledging the collateral at the time the bail agreement is executed. A bail* ~~{licensee may enforce any such agreement without disclosing}~~ *agent must disclose* to the ~~{guarantor}~~ *defendant and any indemnitor* all collateral held by the ~~{licensee}~~ *surety or the bail agent on behalf of the surety* indemnifying the *bail* 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 bail bond.*

**Sec. 36.** 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 *a conflict of interest.*
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 the terms of a bail agreement or form in a bail transaction without the agreement of the defendant or indemnitor, as applicable.*
4. *Unduly or improperly influence the decision of a defendant or indemnitor, as applicable, whether to agree to add or amend the terms of a bail agreement or form.*

***5. Take or threaten to take any action that misrepresents or exceeds the authority of the licensee in a bail transaction.***

**Sec. 37.** 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. 38.** 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. 39.** 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~~ owns the collateral ~~{}~~ *not later than 10 business days after the date upon which the obligation secured by the collateral is discharged. If the obligation secured by the collateral is discharged, the person who owns the collateral is not required to make a request for the return of the collateral. A bail agent shall monitor the case of a defendant to determine if the obligation secured by the collateral has been discharged.*

2. If the ~~{bond}~~ obligation secured by the collateral is forfeited and *payment is made to* the ~~{licensee retains}~~ court upon a final judgment of default against the bail bond, the surety may *seek to retain* possession of the collateral ~~{in payment of the forfeiture}~~ or otherwise ~~{disposes of}~~ *liquidate* the collateral ~~{}~~ *to satisfy the surety's loss as a result of payment of* the ~~{licensee shall advise the surety company within 7 working days of the terms of disposition of the}~~ forfeiture. *A surety or bail agent shall comply with all applicable lawful procedures to retain or liquidate* 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.}~~

Sec. 40. NAC 697.530 is hereby amended to read as follows:

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

2. If a ~~{licensee}~~ *surety or bail agent acting on behalf of a surety* receives any document which conveys title *related* 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 or}~~ *surety, or bail agent on*

*behalf of the 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. 41. NAC 697.550 is hereby amended to read as follows:

697.550 1. ~~{No}~~ *A 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 ~~{}~~ *only if good cause exists.*

2. *A bail enforcement agent shall not surrender a defendant back into custody before the time specified in the bail bond, unless the bail enforcement agent has been provided, by a surety or bail agent, a written authorization or written authority that complies with NRS 178.526.*

3. *A surety or bail agent who determines that good cause exists and wishes to cause the surrender of a defendant back into custody before the time specified in the bail bond must cause such a surrender within a reasonable time after making such a determination. A surety or bail agent who fails to cause the surrender of a defendant within a reasonable time after making a determination that good cause exists forfeits the right to cause the surrender of the defendant back into custody before the time specified in the bail bond at a later time.*

4. *The Division will determine whether good cause existed for a surety or bail agent to have caused the surrender of a defendant before the time specified in the bail bond based on the evidence presented by the surety or bail agent in the Early Surrender of Defendant Form filed with the Commissioner pursuant to subsection 7.*

5. “Good cause” ~~{includes, but is not limited to:}~~ *may consist of:*

(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.}~~

(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)}~~ *surety, bail agent or employee of the bail agent and the bail agent is unable to locate the defendant with reasonable effort.*

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

~~{(g)}~~ *if the crime reasonably changes the assessment for underwriting the bail 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.}~~ 6. *A surety or bail agent who wishes to cause the surrender of a defendant back into custody before the time specified in the bail bond for good cause as specified in paragraph (f)*

*of subsection 5 must, before causing the surrender, reasonably attempt to ascertain the justification or excuse, if any, for the defendant's failure to appear.*

7. If, ~~{a bail bond agent surrenders a defendant}~~ before the time specified in the *bail* bond ~~{~~  
~~the}~~ :

(a) *A surety or bail agent* ~~{shall, within 10 days after}~~ *causes* the surrender ~~{, complete and~~  
~~mail to}~~ *of a defendant;*

(b) *A surety seeks to be released from the bail bond; or*

(c) *A defendant is taken into custody by law enforcement,*

*the surety or bail agent shall, within 10 days after the occurrence of an event described in paragraph (a), (b) or (c), file with the Commissioner* ~~{a 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://doi.nv.gov>.*

8. *The Early Surrender of Defendant Form required pursuant to subsection 7 must be accompanied by:*

(a) *Any documents related to the event that were submitted to the court or jail; and*

(b) *If the Form is being submitted because the surety or bail agent has caused the surrender of a defendant before the time specified in the bail bond, a copy of the written authorization or written authority of the surety to surrender the defendant before the time specified in the bail bond.*

9. *If the surety or bail agent, as applicable, causes the surrender of a defendant before the time specified in the bail bond and fails to timely submit the Early Surrender of Defendant Form required by subsection 7, accompanied by the documents required by subsection 8, or*

*provides materially false information intended to mislead the Division, the Commissioner will deem the surrender to be without good cause.*

*10. If a bail agent causes a defendant to be surrendered before the time specified in the bail bond and the bail agent subsequently posts a bail bond on the defendant for the same case, the surety and bail agent shall not collect a premium for the subsequent bail bond.*

**Sec. 42.** NAC 683A.225 and 697.330 are hereby repealed.

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### TEXT OF REPEALED SECTIONS

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**683A.225 Course of instruction for bail bonds.** A person who requests approval of the course of instruction for bail bonds required by NRS 697.150, 697.170 or 697.184 must comply with the provisions of NAC 683A.190, 683A.201, 683A.211 and 683A.231 to 683A.261, inclusive.

**697.330 Information concerning employees.** 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.

7 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.