



## Legislation Details (With Text)

|                        |  |                     |          |                    |   |
|------------------------|--|---------------------|----------|--------------------|---|
| <b>File #:</b>         | Int 0724-2018  | <b>Version:</b>     | A        | <b>Name:</b>       | Requiring that bail bond agents make certain disclosures. |
| <b>Type:</b>           | Introduction   | <b>Status:</b>      | Enacted  | <b>In control:</b> | Committee on Consumer Affairs and Business Licensing      |
| <b>On agenda:</b>      | 3/22/2018  |                     |          |                    |   |
| <b>Enactment date:</b> | 8/6/2018   | <b>Enactment #:</b> | 2018/143 |                    |   |
| <b>Title:</b>          | A Local Law to amend the administrative code of the city of New York, in relation to requiring that bail bond agents make certain disclosures  |                     |          |                    |   |
| <b>Sponsors:</b>       | Corey D. Johnson, Jumaane D. Williams, Rory I. Lancman, James G. Van Bramer, Daniel Dromm, Keith Powers, Mark Levine, Rafael L. Espinal, Jr., Andrew Cohen, Carlina Rivera, Brad S. Lander   |                     |          |                    |   |
| <b>Indexes:</b>        |  |                     |          |                    |   |
| <b>Attachments:</b>    | 1. Summary of Int. No. 724, 2. Int. No. 724, 3. March 22, 2018 - Stated Meeting Agenda, 4. Hearing Transcript - Stated Meeting 03-22-2018, 5. Minutes of the Stated Meeting - March 22, 2018, 6. Committee Report 5/2/18, 7. Hearing Testimony 5/2/18, 8. Hearing Transcript 5/2/18, 9. Proposed Int. No. 724-A - 7/17/18, 10. Committee Report 7/17/18, 11. Hearing Transcript 7/17/18, 12. July 18, 2018 - Stated Meeting Agenda with Links to Files, 13. Hearing Transcript - Stated Meeting 7-18-18, 14. Minutes of the Stated Meeting - July 18, 2018, 15. Int. No. 724-A (FINAL), 16. Fiscal Impact Statement, 17. Mayor's Letter, 18. Local Law 143 |                     |          |                    |   |

| Date      | Ver. | Action By  | Action                       | Result |
|-----------|------|--|------------------------------|--------|
| 3/22/2018 | *    | City Council   | Introduced by Council        |        |
| 3/22/2018 | *    | City Council   | Referred to Comm by Council  |        |
| 5/2/2018  | *    | Committee on Consumer Affairs and Business Licensing | Hearing Held by Committee    |        |
| 5/2/2018  | *    | Committee on Consumer Affairs and Business Licensing | Laid Over by Committee       |        |
| 5/2/2018  | *    | Committee on Justice System                          | Hearing Held by Committee    |        |
| 5/2/2018  | *    | Committee on Justice System                          | Laid Over by Committee       |        |
| 7/17/2018 | *    | Committee on Consumer Affairs and Business Licensing | Hearing Held by Committee    |        |
| 7/17/2018 | *    | Committee on Consumer Affairs and Business Licensing | Amendment Proposed by Comm   |        |
| 7/17/2018 | *    | Committee on Consumer Affairs and Business Licensing | Amended by Committee         |        |
| 7/17/2018 | A    | Committee on Consumer Affairs and Business Licensing | Approved by Committee        | Pass   |
| 7/18/2018 | A    | City Council   | Approved by Council          | Pass   |
| 7/18/2018 | A    | City Council   | Sent to Mayor by Council     |        |
| 8/6/2018  | A    | Mayor  | Hearing Held by Mayor        |        |
| 8/6/2018  | A    | Mayor  | Signed Into Law by Mayor     |        |
| 8/7/2018  | A    | City Council   | Recved from Mayor by Council |        |

Int. No. 724-A

By The Speaker (Council Member Johnson) and Council Members Williams, Lancman, Van Bramer, Dromm, Powers, Levine, Espinal, Cohen, Rivera and Lander

A Local Law to amend the administrative code of the city of New York, in relation to requiring that bail bond agents make certain disclosures

Be it enacted by the Council as follows:

Section 1. Chapter 5 of Title 20 of the administrative code of the city of New York is amended by adding a new subchapter 20 to read as follows:

## SUBCHAPTER 20

### REQUIRED DISCLOSURES BY BAIL BOND AGENTS

§ 20-830 Definitions. For purposes of this subchapter, the following terms have the following meanings:

Bail bond business. The term “bail bond business” means any bail or insurance business, as described in subsection a of section 6801 of the insurance law.

Bail bond agent. The term “bail bond agent” means any individual, corporation, or other entity that acts as an agent or solicitor of a bail bond business in soliciting, negotiating, or effectuating any deposit or bail bond by such bail bond business as referenced in subsection a of section 6802 of the insurance law.

Designated citywide languages. The term “designated citywide languages” means the top six limited English proficiency languages spoken by the population of the city as determined, by the department of city planning and the office of the language services coordinator.

Premium or compensation. The term “premium or compensation” means “premium or compensation” as this term is used in section 6804 of the insurance law.

§ 20-831 Disclosures related to bail bonds. a. The department shall produce a consumer bill of rights regarding bail bond agents. The department shall provide the consumer bill of rights in a downloadable format on the department’s website in English and in the designated citywide languages. The consumer bill of rights shall include, but need not be limited to, the following information:

1. What bail bond businesses and agents are and how the process of obtaining a bail bond works;

2. What a bail bond agent is, and is not, required by law to do for a consumer;
  3. How to make a complaint regarding a bail bond business or bail bond agent, including the contact information for the city and state agencies to which a complaint may be directed;
  4. Explanations of the commonly offered services and commonly used industry terms, such as “premium or compensation” and “collateral,” including, but not limited to, the difference between nonrefundable premium or compensation and refundable collateral;
  5. A list of the maximum premium or compensation that can be charged for giving bail bond or depositing money or property as bail under section 6804 of the insurance law, including examples of the maximum premium or compensation for common bail amounts;
  6. A statement that a premium or compensation that exceeds the premium or compensation amounts permitted pursuant to section 6804 of the insurance law is illegal;
  7. That a consumer may negotiate the terms of the bail bond contract and take the contract off the premises where a transaction occurs for review prior to signing; and that the contract shall disclose when collateral is to be returned and under which conditions such collateral may be kept by the bail bond agent;
  8. That the consumer bill of rights is available upon request in the designated citywide languages; and
  9. A statement that a consumer may be eligible for refundable cash bail.
- b. A bail bond agent shall post in a conspicuous manner at its business and where transactions are executed, in a size and style to be determined by the commissioner, a sign stating the following:
    1. The license number of the bail bond agent;
    2. The registered name of the bail bond agent;
    3. All addresses and phone numbers registered under the license; and
    4. The name of any sublicensee registered under the license.
  - c. Before entering into a contract with a consumer, a bail bond agent shall produce and distribute to every consumer the consumer bill of rights, a copy of which shall be signed and dated by the consumer, and a

flier containing the information described in subdivision b of this section. Such agent shall distribute such consumer bill of rights in English and, if the consumer is a limited English proficient individual who speaks a designated citywide language and such agent knows or reasonably should know that the consumer is such an individual, such agent shall distribute the consumer bill of rights in such language as well.

d. All receipts and contracts provided to consumers by a bail bond agent shall include:

1. The name, license number, address, and phone number of the bail bond agent;

2. The amount of the bond, when it will be paid, and the name of the bail bond business that issued the bond;

3. A description of the collateral, when such collateral will be returned and under which conditions such collateral may be kept;

4. The amount of the premium or compensation; and

5. A statement of any money paid to a third party by the consumer and the purpose of such payment.

e. Each bail bond agent shall provide to each consumer a copy of any document that the consumer signed, including but not limited to, any contract and the consumer bill of rights.

f. A bail bond agent shall maintain physical or electronic copies of all receipts, contracts and signed copies of the consumer bill of rights for a period of five years and, upon request by the department, make such copies available for inspection in accordance with applicable law.

g. A bail bond agent shall maintain records of the names of any persons employed or subcontracted to interact with consumers for a period of three years and, upon request by the department, make such records available for inspection in accordance with applicable law.

§ 2. Chapter 5 of title 20 of the administrative code of the city of New York is amended by adding a new section 20-835 to read as follows:

§ 20-835 Civil penalties. a. Any person that violates any provision of this subchapter or any rule promulgated pursuant to this subchapter is liable for a civil penalty of not less than \$500 nor more than \$5,000

for each violation. A proceeding to recover any civil penalty authorized pursuant to this subchapter is returnable to any tribunal established within the office of administrative trials and hearings or within any agency of the city designated to conduct such proceedings.

b. A bail bond business that is party to a transaction in which a violation occurred shall be liable for any civil penalty imposed on a bail bond agent.

§ 3. This local law takes effect 180 days after it becomes law, except that the commissioner of consumer affairs may take such measures as are necessary for the implementation of this local law, including the promulgation of rules, before such date.

ADW/JJD/BAM  
LS 4561, 5182  
6/28/2018