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ENGROSSED SENATE BILL 6544

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State of Washington

54th Legislature

1996 Regular Session

By Senators Smith and McCaslin

Read first time 01/17/96. Referred to Committee on Labor, Commerce & Trade.

1 AN ACT Relating to bail bond agency branch offices; amending RCW  
2 18.185.010 and 18.185.100; and adding new sections to chapter 18.185  
3 RCW.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 **Sec. 1.** RCW 18.185.010 and 1993 c 260 s 2 are each amended to read  
6 as follows:

7 Unless the context clearly requires otherwise, the definitions in  
8 this section apply throughout this chapter.

9 (1) "Department" means the department of licensing.

10 (2) "Director" means the director of licensing.

11 (3) "Collateral or security" means property of any kind given as  
12 security to obtain a bail bond.

13 (4) "Bail bond agency" means a business that sells and issues  
14 corporate surety bail bonds or that provides security in the form of  
15 personal or real property to insure the appearance of a criminal  
16 defendant before the courts of this state or the United States.

17 (5) "Qualified agent" means an owner, sole proprietor, partner,  
18 manager, officer, or chief operating officer of a corporation who meets

1 the requirements set forth in this chapter for obtaining a bail bond  
2 agency license.

3 (6) "Bail bond agent" means a person who is employed by a bail bond  
4 agency and engages in the sale or issuance of bail bonds, but does not  
5 mean a clerical, secretarial, or other support person who does not  
6 participate in the sale or issuance of bail bonds.

7 (7) "Licensee" means a bail bond agency or a bail bond agent or  
8 both.

9 (8) "Branch office" means any location physically separated from  
10 the principal place of business of the licensee from which the licensee  
11 or an employee or agents conduct any activity meeting the criteria of  
12 bail bond agency.

13 NEW SECTION. **Sec. 2.** A new section is added to chapter 18.185 RCW  
14 to read as follows:

15 A branch office may not operate under a business name other than  
16 the name of the principal bail bond agency and must have a qualified  
17 bail bond agent as manager of the office. The qualified agent shall  
18 comply with the provisions of RCW 18.185.100.

19 **Sec. 3.** RCW 18.185.100 and 1993 c 260 s 11 are each amended to  
20 read as follows:

21 (1) Every qualified agent shall keep adequate records for three  
22 years of all collateral and security received, all trust accounts  
23 required by this section, and all bail bond transactions handled by the  
24 bail bond agency, as specified by rule. The records shall be open to  
25 inspection without notice by the director or authorized representatives  
26 of the director.

27 (2) Every qualified agent who receives collateral or security is a  
28 fiduciary of the property and shall keep adequate records for three  
29 years of the receipt, safekeeping, and disposition of the collateral or  
30 security. Every qualified agent shall maintain a trust account in a  
31 federally insured financial institution located in this state. All  
32 moneys, including cash, checks, money orders, wire transfers, and  
33 credit card sales drafts, received as collateral or security or  
34 otherwise held for a bail bond agency's client shall be deposited in  
35 the trust account not later than the third banking day following  
36 receipt of the funds or money. A qualified agent shall not in any way  
37 encumber the corpus of the trust account or commingle any other moneys

1 with moneys properly maintained in the trust account. Each qualified  
2 agent required to maintain a trust account shall report annually under  
3 oath to the director the account number and balance of the trust  
4 account, and the name and address of the institution that holds the  
5 trust account, and shall report to the director within ten business  
6 days whenever the trust account is changed or relocated or a new trust  
7 account is opened.

8 (3) Whenever a bail bond is exonerated by the court, the ((bail  
9 bond agency)) qualified agent shall, within five business days after  
10 written notification of exoneration and upon written demand, return all  
11 collateral or security to the person entitled thereto.

12 NEW SECTION. Sec. 4. A new section is added to chapter 18.185 RCW  
13 to read as follows:

14 If a licensee maintains a branch office, the licensee shall not  
15 operate that branch office until a branch office license has been  
16 received from the director. A bail bond agency may apply to the  
17 director for authority to establish one or more branch offices under  
18 the same name as the main office upon the payment of a fee as  
19 prescribed by the director by rule. The director shall issue a  
20 duplicate license for each branch office showing the location of each  
21 branch which shall be prominently displayed in the office for which it  
22 is issued. A corporation, partnership, or sole proprietorship shall  
23 not establish more than one principal office within this state.

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