

STATE OF NEW YORK

220

2019-2020 Regular Sessions

IN SENATE

(Prefiled)

January 9, 2019

Introduced by Sens. BENJAMIN, HOYLMAN -- read twice and ordered printed,
and when printed to be committed to the Committee on Codes

AN ACT to amend the criminal procedure law, the insurance law and the
general business law, in relation to prohibiting the bail bond busi-
ness; and to repeal certain provisions of such laws, relating thereto

The People of the State of New York, represented in Senate and Assem-
bly, do enact as follows:

1 Section 1. Subdivision 1 of section 520.10 of the criminal procedure
2 law, paragraph (i) as amended by chapter 457 of the laws of 2005, is
3 amended to read as follows:

4 1. The only authorized forms of bail are the following:

5 (a) Cash bail.

6 (b) [~~An insurance company bail bond.~~

7 ~~(e)~~] A secured surety bond.

8 [~~(d)~~] (c) A secured appearance bond.

9 [~~(e)~~] (d) A partially secured surety bond.

10 [~~(f)~~] (e) A partially secured appearance bond.

11 [~~(g)~~] (f) An unsecured surety bond.

12 [~~(h)~~] (g) An unsecured appearance bond.

13 [~~(i)~~] (h) Credit card or similar device; provided, however, that
14 notwithstanding any other provision of law, any person posting bail by
15 credit card or similar device also may be required to pay a reasonable
16 administrative fee. The amount of such administrative fee and the time
17 and manner of its payment shall be in accordance with the system estab-
18 lished pursuant to subdivision four of section 150.30 of this chapter or
19 paragraph (j) of subdivision two of section two hundred twelve of the
20 judiciary law, as appropriate.

21 § 2. Subdivision 16 of section 500.10 of the criminal procedure law is
22 REPEALED and subdivisions 17, 18, 19 and 20 are renumbered subdivisions
23 16, 17, 18 and 19.

EXPLANATION--Matter in italics (underscored) is new; matter in brackets
[-] is old law to be omitted.

LBD01754-01-9

1 § 3. Paragraph (a) of subdivision 1 of section 520.30 of the criminal
2 procedure law, as amended by chapter 384 of the laws of 1984, is amended
3 to read as follows:

4 (a) The background, character and reputation of any obligor [~~and, in~~
5 ~~the case of an insurance company bail bond, the qualifications of the~~
6 ~~surety obligor and its executing agent~~]; and

7 § 4. The article heading of article 68 of the insurance law is amended
8 to read as follows:

9 ~~[BAIL BONDS]~~ CHARITABLE BAIL ORGANIZATIONS

10 § 5. Sections 6801, 6802, 6803 and 6804 of the insurance law are
11 REPEALED and section 6805 is renumbered section 6801.

12 § 6. The general business law is amended by adding a new section 391-u
13 to read as follows:

14 § 391-u. Prohibit the bail bond business. 1. For purposes of this
15 section "bail bond business" shall mean any person, partnership, or
16 corporation engaged for profit in the business of furnishing bail, or to
17 otherwise for compensation or other consideration furnish bail or funds
18 or property to serve as bail or make bonds or enter into undertakings as
19 surety for the appearance of persons charged with any criminal offense
20 or violation of law or ordinance punishable by fine or imprisonment
21 before any court of this state, or securing the payment of fines imposed
22 and of costs assessed by such courts upon final disposition thereof. The
23 business of bail bondsman shall be limited to the acts, transactions,
24 and undertakings described in this subdivision.

25 2. It shall be unlawful for any person, partnership, or corporation to
26 engage in the bail bond business as defined in subdivision one of this
27 section.

28 3. Any person, partnership, or corporation who violates this section
29 shall be guilty of a class A misdemeanor punishable by a fine not to
30 exceed five hundred dollars, or by imprisonment of not more than one
31 year, or by both such fine and imprisonment.

32 § 7. The article heading of article 7 of the general business law, as
33 amended by chapter 562 of the laws of 2000, is amended to read as
34 follows:

35 PRIVATE INVESTIGATORS [~~BAIL ENFORCEMENT~~
36 ~~AGENTS~~] AND WATCH, GUARD AND PATROL AGENCIES

37 § 8. Section 70-a of the general business law, as added by chapter 115
38 of the laws of 2015, is amended to read as follows:

39 § 70-a. [~~Bail enforcement agents and watch~~] Watch, guard or patrol
40 agencies. 1. The department of state shall have the power to issue
41 separate licenses to [~~bail enforcement agents and to~~] watch, guard or
42 patrol agencies. Nothing in this article shall prevent a private inves-
43 tigator licensed hereunder from performing the services of a watch,
44 guard or patrol agency [~~or bail enforcement agent~~] as defined in this
45 article; however, a watch, guard or patrol agency [~~or bail enforcement~~
46 ~~agent~~] may not perform the services of a private investigator as defined
47 in this article.

48 2. No person, firm, company, partnership, limited liability company or
49 corporation shall engage in the business of [~~bail enforcement agents or~~
50 ~~the business of~~] watch, guard or patrol agency, or advertise his, their
51 or its business to be that of [~~bail enforcement agent or~~] watch, guard
52 or patrol agency, notwithstanding the name or title used in describing
53 such agency or notwithstanding the fact that other functions and
54 services may also be performed for fee, hire or reward, without having
55 first obtained from the department of state a license so to do, as here-
56 inafter provided, for each bureau, agency, sub-agency, office and branch

1 office to be owned, conducted, managed or maintained by such person,
2 firm, company, partnership, limited liability company or corporation for
3 the conduct of such business.

4 3. Any person, firm, company, partnership or corporation who violates
5 any provision of this section shall be guilty of a class B misdemeanor.

6 § 9. Subdivisions 1-a and 4 of section 71 of the general business law
7 are REPEALED.

8 § 10. The opening paragraph of section 72 of the general business law,
9 as amended by chapter 562 of the laws of 2000, is amended to read as
10 follows:

11 Application for licenses. Any person, firm, partnership, limited
12 liability company or corporation intending to conduct the business of
13 private investigator[, ~~business of bail enforcement agent~~] or the busi-
14 ness of watch, guard or patrol agency, and any person, firm, partner-
15 ship, limited liability company or corporation intending to conduct the
16 business of furnishing or supplying information as to the personal char-
17 acter of any person or firm, or as to the character or kind of the busi-
18 ness and occupation of any person, firm or corporation, society or asso-
19 ciation or any person or group of persons, or intending to own, conduct,
20 manage or maintain a bureau or agency for the above mentioned purposes,
21 or while engaged in other lawful business activities also intending to
22 engage in any one or more of the activities set forth in section seven-
23 ty-one of this article except exclusively as to the financial rating,
24 standing, and credit responsibility of persons, firms, companies or
25 corporations or as to personal habits and financial responsibility of
26 applicants for [~~insurance indemnity bonds or~~] commercial credit or of
27 claimants under insurance policies shall, for each such bureau or agency
28 and for each and every sub-agency, office and branch office to be owned,
29 conducted, managed or maintained by such person, firm, partnership,
30 limited liability company or corporation for the conduct of such busi-
31 ness, file in the office of the department of state a written applica-
32 tion, on forms provided by the department containing such information
33 and documentation, including fingerprints, as the secretary of state may
34 require by rule and regulation.

35 § 11. Subdivision 1 of section 73 of the general business law, as
36 amended by chapter 562 of the laws of 2000, is amended to read as
37 follows:

38 1. The secretary of state shall have the power to enforce the
39 provisions of this article and article seven-A of this chapter and upon
40 complaint of any person, or on his own initiative, to investigate any
41 violation thereof or to investigate the business, business practices and
42 business methods of any person, firm, limited liability company, part-
43 nership or corporation applying for or holding a license as a private
44 investigator[, ~~bail enforcement agent~~] or watch, guard or patrol agency,
45 if in the opinion of the secretary of state such investigation is
46 warranted. Each such applicant or licensee shall be obliged, on request
47 of the secretary of state, to supply such information, books, papers or
48 records as may be required concerning his, their or its business, busi-
49 ness practices or business methods, or proposed business practices or
50 methods. Failure to comply with a lawful request of secretary shall be a
51 ground for denying an application for a license, or for revoking,
52 suspending, or failing to renew a license issued under this article.

53 § 12. Paragraphs (a) and (b) of subdivision 1 of section 74 of the
54 general business law, as amended by chapter 562 of the laws of 2000,
55 paragraph (b) as further amended by section 104 of part A of chapter 62
56 of the laws of 2011, are amended to read as follows:

1 (a) The application shall be accompanied by a non-refundable fee,
2 payable to the department of state for the use of the state, for each
3 certificate of license, as hereinbelow enumerated, issued to the appli-
4 cant, if the applicant be an individual, of four hundred dollars for a
5 license as private investigator [~~or bail enforcement agent~~] or a fee of
6 three hundred dollars for a license as watch, guard or patrol agency, or
7 if the applicant be a firm, partnership, limited liability company or
8 corporation, a fee of five hundred dollars for a license as private
9 investigator [~~or bail enforcement agent~~] or a fee of four hundred
10 dollars for a license as watch, guard or patrol agency.

11 (b) When the application shall have been examined and such further
12 inquiry and investigation made as the secretary of state shall deem
13 proper, and when the secretary of state shall be satisfied therefrom of
14 the good character, competency and integrity of such applicant, or, if
15 the applicant be a firm or partnership, the individual members thereof,
16 or if the applicant be a limited liability company, the individual
17 members thereof, or if the applicant be a corporation, the president,
18 secretary, treasurer and all other officers and all directors thereof,
19 and each stockholder owning ten per centum or more of the stock and a
20 period to ten days from the date of the filing of the application shall
21 have passed, the department of state shall issue and deliver to such
22 applicant a certificate of license to conduct such business and to own,
23 conduct or maintain a bureau, agency, sub-agency, office or branch
24 office for the conduct of such business on the premises stated in such
25 application upon the applicant's executing, delivering and filing in the
26 office of such department a surety company bond in the sum of ten thou-
27 sand dollars; provided however, that [~~an applicant for a license as a~~
28 ~~bail enforcement agent shall execute, deliver and file with the office~~
29 ~~of such department a surety company bond in the sum of five hundred~~
30 ~~thousand dollars, conditioned for the faithful and honest conduct of~~
31 ~~such business by such applicant, which surety bond must be written by a~~
32 ~~company recognized and approved by the superintendent of financial~~
33 ~~services of the state, and approved by the department of state with~~
34 ~~respect to its form, manner of execution and sufficiency provided,~~
35 ~~further, however,~~] before a license is issued to a non-resident the
36 applicant must file with the secretary of state a written consent to the
37 jurisdiction of the courts of New York (i) in any case or cases arising
38 from any contract for the performance of private investigative services
39 as private investigator[, ~~bail enforcement agent~~] or watch, guard or
40 patrol agency, made within the state or to be performed, wholly or in
41 part, within the state or in any way connected with the conduct of busi-
42 ness within the state, and (ii) in any case or cases arising from any
43 tort occurring within the state or occurring in connection with the
44 business of the licensee within the state. The license as private inves-
45 tigator[, ~~bail enforcement agent~~] or watch, guard or patrol agency
46 granted pursuant to this article shall last for a period of two years,
47 but shall be revocable at all times by the department of state for cause
48 shown. Such bond shall be taken in the name of the people of the state
49 of New York, and any person injured by the violation of any of the
50 provisions of this article or by the wilful, malicious and wrongful act
51 of the principal or employee may bring an action against such principal,
52 employee or both on said bond in his own name to recover damages
53 suffered by reason of such wilful, malicious and wrongful act. In each
54 and every suit, or prosecution arising out of this article, the agency
55 of any employee as to the employment and as to acting in the course of
56 his employment, shall be presumed. The license certificate shall be in a

1 form to be prescribed by the secretary of state and shall specify the
2 full name of the applicant, the location of the principal office or
3 place of business and the location of the bureau, agency, sub-agency,
4 office or branch office for which the license is issued, the date on
5 which it is issued, the date on which it will expire and the names and
6 residences of the applicant or applicants filing the statement required
7 by section seventy-two of this article upon which the license is issued
8 and in the event of a change of any such address or residence the
9 department of state shall be duly notified in writing of such change
10 within twenty-four hours thereafter, and failure to give such notifica-
11 tion shall be sufficient cause for revocation of such license. No such
12 license as private investigator[~~, bail enforcement agent~~] or watch,
13 guard or patrol agency shall be issued to a person under the age of
14 twenty-five years.

15 § 13. Section 74-a of the general business law is REPEALED.

16 § 14. Section 80 of the general business law, as amended by chapter
17 562 of the laws of 2000, is amended to read as follows:

18 § 80. License certificates, pocket cards or badges. Upon the issuing
19 of a license as hereinbefore provided the department of state shall
20 issue to each person, partner, member of a limited liability company or
21 officer of a corporation making and filing a statement required by
22 section seventy-two of this article a pocket card of such size and
23 design as the department of state may prescribe, which card shall
24 contain a photograph of the licensee, the name and business address of
25 the licensee and the imprint or impress of the seal of the department of
26 state which pocket card shall be evidence of due authorization pursuant
27 to the terms of this article. All persons to whom such license certif-
28 icates or pocket cards shall have been issued shall be responsible for
29 the safe keeping of the same, and shall not lend, enable, let or allow
30 any other person to have, hold, use or display such certificate or pock-
31 et card; and any person so parting with such a license certificate or
32 pocket card or displaying the same without authority, or who shall
33 display any license certificate or pocket card purporting to authorize
34 the holder thereof to act as a private investigator[~~, bail enforcement~~
35 ~~agent or~~] watch, guard or patrol agency, unless the same shall have been
36 duly issued pursuant to the provisions of this article, shall be guilty
37 of a misdemeanor. Failure to comply with the provisions of this section
38 shall be sufficient cause for revocation of such license, and all such
39 certificates or pocket cards shall be returned to the department of
40 state within seventy-two hours after the holder thereof has received
41 notice in writing of the expiration or revocation of such license. It
42 shall be unlawful for a holder of a license or anyone else to distrib-
43 ute, possess, use or display any license certificate, pocket card,
44 badge, shield or any other indicia of a license status pursuant to this
45 article except as set forth in this article. Any person who is a licen-
46 see hereunder or an officer or authorized employee of any other person,
47 firm, limited liability company or corporation, whether or not licensed
48 hereunder, while performing the services of a watchman, guard or private
49 patrolman, may wear on his outer clothing a rectangular metal or woven
50 insignia approved by the department of state, which insignia shall not
51 be larger than three inches high nor four inches wide with an
52 inscription thereon containing the word "watchman", "guard", "patrol" or
53 "special service" and the name of such licensee or employer. It shall be
54 unlawful for any employer, whether or not licensed hereunder, to wear or
55 distribute to his, their or its employees any employment identification
56 except as authorized in this article and approved by the secretary of

1 state. Any person violating any provision of this section shall be guilty of a misdemeanor.

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3 § 15. Subdivision 1 of section 81 of the general business law, as amended by section 14 of part LL of chapter 56 of the laws of 2010, is amended to read as follows:

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6 1. The holder of any license certificate issued pursuant to this article may employ to assist him in his work of private detective or investigator ~~[or bail enforcement agent]~~ as described in section seventy-one of this article and in the conduct of such business as many persons as he may deem necessary, and shall at all times during such employment be legally responsible for the good conduct in the business of each and every person so employed. No holder of any unexpired license certificate issued pursuant to this article shall knowingly employ in connection with his or its business in any capacity whatsoever, any person who has been convicted of a felony or any of the offenses specified in subdivision two of section seventy-four of this article, and who has not subsequent to such conviction received executive pardon therefor removing this disability, or received a certificate of relief from disabilities or a certificate of good conduct pursuant to article twenty-three of the correction law to remove the disability under this section because of such a conviction, or any person whose private detective or investigator's license ~~[or bail enforcement agent's license]~~ was revoked or application for such license was denied by the department of state or by the authorities of any other state or territory because of conviction of any of such offenses. Should the holder of an unexpired license certificate falsely state or represent that a person is or has been in his employ, such false statement or misrepresentation shall be sufficient cause for the revocation of such license. Any person falsely stating or representing that he is or has been a detective or employed by a detective agency ~~[or that he is or has been a bail enforcement agent or employed by a bail enforcement agency]~~ shall be guilty of a misdemeanor.

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32 § 16. The opening paragraph of section 83 of the general business law, as amended by chapter 127 of the laws of 2015, is amended to read as follows:

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35 Nothing in this article shall apply to any detective or officer belonging to the police force of the state, or any county, city, town or village thereof, appointed or elected by due authority of law, or to any person in the employ of any police force or police department of the state, or of any county, city, town or village thereof while engaged in the performance of their official duties; nor to any person, firm, limited liability company, partnership, corporation, or any bureau or agency, whose business is exclusively the furnishing of information as to the business and financial standing, and credit responsibility of persons, firms, or corporations, or as to the personal habits and financial responsibility of applicants for insurance, indemnity bonds or commercial credit or of claimants under insurance policies, nor to any person licensed as a certified public accountant while engaged in the practice of public accountancy as defined in article one hundred forty-nine of the education law or any firm, limited liability company, partnership or corporation registered as a certified public accounting firm by the commissioner of education while performing services regulated under article one hundred forty-nine of the education law or Part 70 of the regulations of the commissioner of education; and whose business does not embrace other activities described in section seventy-one of this article; or whose business is licensed by the commissioner of labor under the provisions of section twenty-four-a or subdivision three-b of

1 section fifty of the workers' compensation law or whose business is
2 representing employers or groups of employers insured under the workers'
3 compensation law in the state insurance fund; nor to any corporation
4 duly authorized by the state to operate a central burglar or fire alarm
5 protection business; nor to any person while engaged in the business of
6 adjuster for an insurance company nor to any public adjuster licensed by
7 the superintendent of financial services under the insurance law nor to
8 any person regularly employed as special agent, detective or investi-
9 gator exclusively by one employer in connection with the affairs of that
10 employer only nor to any charitable or philanthropic society or associ-
11 ation duly incorporated under the laws of the state and which is organ-
12 ized and maintained for the public good and not for private profit, nor
13 shall anything in this article contained be construed to affect in any
14 way attorneys or counselors at law in the regular practice of their
15 profession, but such exemption shall not enure to the benefit of any
16 employee or representative of such attorney or counselor at law who is
17 not employed solely, exclusively and regularly by such attorney or coun-
18 selor at law. No person, firm, limited liability company, partnership,
19 corporation or any bureau or agency exempted hereunder from the applica-
20 tion of this article shall perform any manner of private investigator[
21 ~~bail enforcement agent~~] or watch, guard or patrol agency service as
22 described in section seventy-one of this article, for any other person,
23 firm, limited liability company, partnership, corporation, bureau or
24 agency whether for fee, hire, reward, other compensation, remuneration,
25 or consideration or as an accommodation without fee, reward or remunera-
26 tion or by a reciprocal arrangement whereby such services are exchanged
27 on request of parties thereto. The commission of a single act prohibit-
28 ed by this article shall constitute a violation thereof.

29 § 17. Subdivision 1 of section 84 of the general business law, as
30 amended by chapter 84 of the laws of 2001, is amended to read as
31 follows:

32 1. It is unlawful for the holder of a license, issued under this arti-
33 cle, or for any employee of such licensee, knowingly to commit any of
34 the following acts within or without the state of New York: to incite,
35 encourage, or aid in the incitement or encouragement of any person or
36 persons who have become a party to any strike, to do unlawful acts
37 against the person or property of any one, or to incite, stir up, create
38 or aid in the inciting of discontent or dissatisfaction among the
39 employees of any person, firm, limited liability company or corporation
40 with the intention of having them strike; to interfere or prevent lawful
41 and peaceful picketing during strikes; to interfere with, restrain, or
42 coerce employees in the exercise of their right to form, join or assist
43 any labor organization of their own choosing; to interfere or hinder the
44 lawful or peaceful collective bargaining between employees and employ-
45 ers; to pay, offer, or give any money, gratuity, favor, consideration,
46 or other thing of value, directly or indirectly, to any person for any
47 verbal or written report of the lawful activities of employees in the
48 exercise of their right of self-organization, to form, join, or assist
49 labor organizations and to bargain collectively through representatives
50 of their own choosing; to advertise for, recruit, furnish or replace or
51 offer to furnish or replace for hire or reward, within or without the
52 state of New York, any help or labor, skilled or unskilled, or to
53 furnish or offer to furnish armed guards, other than armed guards there-
54 tofore regularly employed for the protection of payrolls, property or
55 premises, for service upon property which is being operated in antic-
56 ipation of or during the course or existence of a strike, or furnish

1 armed guards upon the highways, for persons involved in labor disputes
2 or to furnish or offer to furnish to employers or their agents, any
3 arms, munitions, tear gas implements, or any other weapons; or to send
4 letters or literature to employers offering to eliminate labor unions or
5 distribute or circulate any list of members of a labor organization, or
6 to advise any person of the membership of an individual in a labor
7 organization for the express purpose of preventing those so listed or
8 named from obtaining or retaining employment. The violation of any of
9 the provisions of this section shall constitute a misdemeanor and shall
10 be punishable by a fine of not less than five hundred dollars, or one
11 year's imprisonment or both. It is unlawful for the holder of a license
12 to collect or offer or attempt to collect or directly or indirectly
13 engage in the business of collecting of debts or claims of any kind,
14 excepting that the taking possession, on behalf of a secured party
15 having the right to do so under section 9--609 of the uniform commercial
16 code, of property in the possession of a debtor who has defaulted in the
17 performance of a security agreement secured by such property, shall not
18 be considered a violation of this section and excepting further that the
19 secretary of state may grant exemption from this prohibition in the
20 collection of debts to licensees who are principally engaged in the
21 business of credit investigation and credit reporting. It is unlawful
22 for the holder of a license to furnish or perform any services described
23 in subdivisions one and two of section seventy-one of this article on a
24 contingent or percentage basis or to make or enter into any agreement
25 for furnishing services of any kind or character, by the terms or condi-
26 tions of which agreement the compensation to be paid for such services
27 to the holder of a license is partially or wholly contingent or based
28 upon a percentage of the amount of money or property recovered or
29 dependent in any way upon the result achieved. It shall be unlawful for
30 a holder of a license to use, display, cause to be printed or distrib-
31 uted, cards, letter-heads, circulars, brochures or any other advertising
32 material or advertisement in which any name or indicia of the license
33 status of the licensee is set forth in any manner other than the name
34 under which the licensee is duly licensed. It is unlawful for a licensed
35 private investigator [~~or bail enforcement agent~~] to own, have or possess
36 or in any manner to wear, exhibit or display, a shield or badge of any
37 material, kind, nature or description, in the performance of any of the
38 activities as private investigator [~~or bail enforcement agent~~], as
39 distinguished from watch, guard or patrol agency, under this article.
40 It is unlawful for a licensed private investigator [~~or bail enforcement~~
41 ~~agent~~] to issue to any person employed by such licensee, a badge or
42 shield of any material, kind, nature or description, and it is unlawful
43 for any person employed by such licensee to possess, carry or display a
44 badge or shield of any description provided that any licensed private
45 investigator [~~or bail enforcement agent~~] who also engages in the busi-
46 ness of watch, guard or patrol agency may possess, use or display or
47 issue to employees in the conduct of such business, a rectangular metal
48 or woven insignia to be worn on the outer clothing and approved by the
49 department of state, which insignia shall not be larger than three inch-
50 es high or four inches wide with an inscription thereon containing the
51 word "watchman", "guard", "patrol" or "special service" and the name of
52 the licensee. It shall be unlawful for any licensee to publish or cause
53 to be published any advertisement, letter-head, circular, statement or
54 phrase of any sort which suggests that the licensee is an official
55 police or investigative agency or any other agency instrumentality of
56 the state of New York or any of its political subdivisions. It shall be

1 unlawful for any licensee to make any statement which would reasonably
2 cause another person to believe that the licensee is a police officer or
3 official investigator of the state of New York or any of its political
4 subdivisions. It shall be unlawful for a licensee to offer, by radio,
5 television, newspaper advertisement or any other means of communication,
6 to perform services at any location which is merely the location of a
7 telephone answer service unless full disclosure of that fact is made in
8 the advertisement.

9 § 18. This act shall take effect on the one hundred eightieth day
10 after it shall have become a law.