

HB 576 - SB 1245

FISCAL MEMORANDUM



Fiscal Review Committee
 Tennessee General Assembly
 March 24, 2025

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SUMMARY OF BILL AS AMENDED (006251): Creates the Board of Professional Bondsmen (Board) upon becoming law. Declares for all other purposes this act is effective January 1, 2026. Attaches the Board to the Department of Commerce and Insurance (DCI) as a regulatory board. Transfers all regulation of bondsmen from the courts to DCI. Requires bondsmen to be licensed and regulated under the Board. Requires DCI to promulgate rules for the regulation, implementation, and administration of the licensure program. Requires DCI to establish procedures for handling disciplinary matters, establish the standards of practice and qualifications for the issuance of a license, and to establish continuing education programs to be administered by approved third-party contractors. Declares a licensee to be valid for two years. Requires the Board to create and keep an up-to-date registry and to post and maintain the registry on DCI’s website. Prohibits a professional bondsman from owning or working for a qualified defendant monitoring service provider. Removes the authorization for a bail bondsman or surety, or a defendant, to surrender the defendant in their exoneration under good cause for the reason that the defendant violated the contractual provisions between the defendant and the bondsman. Prohibits any person from operating as a professional bondsman on or after September 1, 2025, unless licensed under the Board.

FISCAL IMPACT:

STATE GOVERNMENT	
REVENUE	Department of Commerce and Insurance
FY25-26 & Every Two Years Thereafter	\$900,000
EXPENDITURES	Department of Commerce and Insurance
FY25-26	\$487,600
FY26-27 & Subsequent Years	\$440,500
Total Positions Required: 4	

Assumptions:

Board of Professional Bondsmen:

- The Board is to consist of seven non-legislative members. The Board is assumed to meet at least quarterly in Nashville. Such members are assumed to receive no compensation for services, but will be reimbursed for travel expenses, including mileage, lodging, and meals and incidentals, for a total cost per member per meeting of \$552 (\$293 lodging + \$86 meals and incidentals + \$173 mileage).

- Per the language of the proposed legislation, a professional bondsman is required to be licensed by the Board by September 1, 2025. Therefore, it is assumed the Board will meet monthly between July 1, 2025 and September 1, 2025 in order to have all operations in place and ready, and then quarterly thereafter.
- The total number of Board meetings is assumed to be seven times in FY25-26 and four times in FY26-27 and subsequent years.
- The increase in state expenditures for the Committee to meet is estimated to be:

Non-Legislative Member Reimbursement				
Fiscal Year	Members	Reimbursement	Meetings Per Year	Total
FY25-26	7	\$552	7	\$27,048
FY26-27 & Subsequent Years	7	\$552	4	\$15,456

Licensing Program Cost:

- The legislation requires DCI to create, regulate, investigate, and enforce all rules relative to a Professional Bondsmen license.
- Based on previous information provided by DCI in 2022, for DCI to establish a licensing program for all such individuals and companies, the Department will require four additional positions beginning in FY25-26.
- The total recurring increase in state expenditures for the positions is as follows:

Title	Salary	Benefits	Positions	Total
Board Administrative Assistant 2	\$60,336	\$18,038	2	\$156,748
Regulatory Board Investigator	\$67,656	\$19,252	1	\$86,908
Associate Counsel	\$132,912	\$30,078	1	\$162,990
			Total:	\$406,646

- The additional recurring increase in state expenditures associated with the positions is estimated to be \$18,354 for annual system access and communications.
- There will be a one-time increase in state expenditures of \$22,700 for computers, software and one vehicle.
- There will be a one-time rulemaking hearing and an update to DCI's licensing software at an estimated \$12,900 (\$1,500 hearing + \$11,400 software).
- Per the language of the proposed legislation, a professional bondsman is required to be licensed by the Board by September 1, 2025. All personnel and operations will need to be in place and ready to perform their functions by that date. The precise timing of the expenditures related to the personnel and operations costs is not known. For the purposes of this analysis, it is assumed the year-one costs will begin on July 1, 2025.
- A total increase in state expenditures of \$487,648 in FY25-26 (\$406,646 positions + \$18,354 recurring costs + \$22,700 one-time computer and vehicles + \$12,900 one-time software update and rulemaking hearing + \$27,048 Board meetings).
- A total recurring increase in state expenditures of \$440,456 in FY26-27 and subsequent years (\$406,646 salary and benefits + \$18,354 recurring costs + \$15,456 Board meetings).

Licensing Fee Revenue:

- This legislation requires DCI to set adequate licensing and annual renewal fees but does not specify the amount. It is assumed that DCI will set a fee amount in order to offset the new licensing program expenditures; this fee is assumed to be set during the initial rulemaking hearing.
- Pursuant to Tenn. Code Ann. § 4-29-121, all regulatory boards are required to be self-sufficient over any two-year period.
- Based on information previously provided by DCI there are an estimated 1,500 bondsmen that will now be required to be licensed under this legislation.
- The legislation requires the license to expire every two years and all bondsmen to be licensed by September 2025.
- It is assumed that all bondsmen will register within FY25-26 in order to maintain business revenue and operations.
- Therefore, it is estimated that the DCI will assess a license and renewal fee of at least \$600 (\$440,456 approximate annual regulatory expenditures / 1,500 estimated licensees) x 2 years] in FY25-26 and every two years thereafter.
- The annual increase in state revenue to DCI is estimated to be \$900,000 (\$600 application/renewal fee x 1,500 licensees) beginning in FY25-26 and every two years thereafter.

Additional Requirements:

- The board will be able to post and maintain the registry on DCI's website as part of the Board's duties without an increased appropriation.
- Continuing education is obtained through a third-party association; therefore, establishing the requirement as part of licensing will not increase revenue to the DCI.
- Any fiscal impact to the courts related to the requirements of this legislation, or a decrease in burden related to the transferal of bondsmen regulation to the Board is estimated to be not significant.
- None of the provisions contained in the proposed legislation are estimated to significantly impact the number of defendants who are admitted to bail each year, the conditions for their release, or violations of the conditions of their release; any fiscal impact to local governments related to pretrial incarceration is estimated to be not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Bojan Savic, Executive Director