

To: Judiciary Committee, Kansas State Senate

From: Brad Geist, Geist Bonding Co., LLC (Proponent)

Date: 02/29/2024

RE: Testimony **IN SUPPORT** to HB 2755

### TESTIMONY

Madam Chair Warren, Members of the Senate Judiciary Committee, my name is Brad Geist and I am a member of the Kansas Bail Agents Association and I am a licensed & practicing Bail Agent in the State of Kansas serving the 15<sup>th</sup>, 17<sup>th</sup>, 20<sup>th</sup>, 23<sup>rd</sup>, and 24<sup>th</sup> Judicial Districts consisting of 28 counties located in Northwestern Kansas. The inception of my company was in the year of 2012 and my place of residence and business is in Hays, KS.

I write in support of HB 2755 for several reasons:

*As it pertains to Section 1:* This Section attempts to align the Municipal Courts with current Kansas Statutes that the District Courts already have in place. As such, I believe this is necessary for uniformity and clarity and I support it for these reasons.

*As it pertains to Section 2:* This Section is much more complex and elaborate and I will provide supporting reasons as brief as possible...

*As it pertains to the qualifications of a compensated surety:* Since the KBAA came into inception, it has worked to promote and maintain professional and ethical standards for the profession. This Bill would require licensed Bail Agents to submit to criminal background checks and disqualify felons from working within the industry. This would assist in upholding the professionalism of the industry. The industry must have a higher threshold for entering into the business of bonding criminal defendants because of the nature of work we do in supervising these clients and serving our communities. Just as Parole Officers, Law Enforcement Officers, and several other criminal justice-related positions disqualify convicted felons, then so too should the Bail Agent profession.

*As it pertains to terminating and/or suspending a compensated surety:* The Bill establishes reasons why a compensated surety may be suspended or terminated. This Bill would further expand on the enhancement of the ethics and professionalism of the bail bond industry by punishing misconduct and unethical practices.

*As it pertains to being physically present when the bond is posted and requirement to sign the bond at the jail:* I believe the Bail Agents and their businesses needs to be accessible and known to the Courts to which they operate in. Obscurity is dangerous in this industry, especially with the trade being conducted. Being physically present and signing the bond at the jail assures the transaction is secure and proper, once again further enhancing the ethical standards of the industry.

*As it pertains to "appearance bond premiums" and the collection of said premium:* The Bill defines that an appearance bond premium is a fee that the compensated surety charges for posting an appearance bond. The industry standard appearance bond premium is 10% of the face value of the bond. In some states this may be a larger percentage, but rarely have I seen the minimum depart below the 10% requirement...until recently. I am aware that other states have seen more of this and recently passed legislation for various reasons to uphold the minimum threshold (see the "Protect Arkansas Act" requiring bond companies to collect 10% of any bond up front). In addition, the Bill outlines acceptable forms of payment for the appearance bond premium. The three main reasons I support the premium collection requirements in this Bill are the following:

- **Prevent excessive bail bond amounts:** It is important to know that when a judge sets a bail bond amount that they should do so based not on whether the bail bond amount is affordable, but rather it is reasonable as it pertains to the defendant and the alleged crimes committed. The further below the 10% industry standard premium that bond companies accept, the higher the judges will react to setting the bail bond amounts, potentially creating excessive bail bond amounts, which does more harm than good. This issue has already taken hold in counties across Kansas.
- **Prevent public safety issues:** The support of this Bill from Law Enforcement indicates that parts of Kansas are experiencing public safety issues and/or concerns from "discount bonding." If an informed judge sets a reasonable bail bond amount with public safety a concern, then it is likely that it will be a high bail bond amount. As it currently stands, compensated sureties can, should they choose, charge 0% (nothing) to release this defendant despite the bail bond amount. This is not the intention of the Courts, nor the super majority of bonding companies, and most would agree it is reckless, however, there are a few *bad actors* within our industry whom will release a criminal defendant despite the judges bail bond amount for nothing, or next to nothing, and thus rendering the judges bail bond amount insufficient and/or insignificant as it pertains to public safety and further exacerbating the issue described previously.

- **Prevent monopoly formations within the industry:** Antitrust laws are regulations that encourage competition by limiting the market power of any particular company and help protect consumers. This is one of the many reasons the government regulates the Utility, Technology, and several other Sectors. Opponents of this Bill will claim that it restricts trade, but they are unaware that the compromised restrictions of the trade requested for, on behalf of the overwhelming super majority of the Bail Agents who conduct this trade, is necessary to prevent the formation of monopolies within the industry, which would lead to consumer harm by means of an industry monopoly "stranglehold" on the state. Should the practice of "discount bonding" continue to be allowed within the State of Kansas, then it is possible that the small percentage of companies practicing "discount bonding" will become monopolies, which would push out several other companies, agencies, and agents and these monopolies will be able to prevent new entrants into the industry and this would do harm. The type of harm these monopolies may inflict are uncertain at this point, but potential examples of the harm could be price gouging, anti-competition, public harm, excessive bail, unethical practices, etc.

**Thank you Madam Chair Warren and Members of the Senate Judiciary Committee for taking the time to read my written testimony. I hope my testimony has been helpful and I urge you to support HB 2755. Please refer to the below contact information should you wish to discuss anything further with me.**

**Regards,**

**Brad Geist**

**Geist Bonding Co., LLC**

**Phone: 785-656-0605**

**Email: [brad6760@yahoo.com](mailto:brad6760@yahoo.com)**