

Department of Fiscal Services
 Maryland General Assembly

FISCAL NOTE
Revised

House Bill 291 (Delegate Busch, et al.)
 Economic Matters

Referred to Finance

Title Insurance

This amended bill repeals the requirement that title insurance companies comply with the licensing and bonding requirements applicable to title insurance agents and brokers and clarifies the definition of a title insurance agent and broker. The bill also clarifies the restrictions applicable to the certificate of qualification issued by the Insurance Commissioner to an attorney at law by providing that the certificate permits the attorney to act as a title insurance agent or broker.

In addition, the bill changes the certificate of qualification requirements for a corporate applicant by repealing the requirement that each director of the corporation must hold a certificate of qualification. The Insurance Commissioner may deny or refuse to issue a certificate of qualification to a corporation or partnership under specified circumstances.

Fiscal Summary

State Effect: General fund revenues would decrease by about \$34,000 in FY 1997 due to a reduction in the appointment and licensing fees collected by the Maryland Insurance Administration. Out-year revenues reflect the biennial renewal cycle and growth. Expenditures would not be affected.

(in dollars)	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001
GF Revenues	(\$34,000)	(\$3,000)	(\$38,300)	(\$3,300)	(\$41,800)
GF Expenditures	0	0	0	0	0
Net Effect	(\$34,000)	(\$3,000)	(\$38,300)	(\$3,300)	(\$41,800)

Note: () - decrease; GF - general funds; FF - federal funds; SF - special funds

Local Effect: None.

Fiscal Analysis

State Revenues: There are approximately 625 employees of title insurance companies who are licensed with the Maryland Insurance Administration (MIA) under the State's title insurance laws. These licenses expire on July 1, 1997 and may be renewed for \$50. In addition, approximately 36 new employees are licensed annually by MIA and pay the \$50 licensing fee and \$25 appointment fee. Since the bill eliminates these licensing requirements, general fund revenues would decrease by an estimated \$33,950 in fiscal 1997. Out-year revenues reflect the biennial renewal cycle and growth at 6%.

The bill also eliminates the certificate of qualification requirements for directors of certain corporations. However, since very few, if any, directors hold a certificate of qualification, this provision would not impact State revenues.

Information Source(s): Maryland Insurance Administration, Department of Fiscal Services

Fiscal Note History: First Reader - February 13, 1996

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