

# SB 587

Dear Chair, Vice Chair, and Members of the Committee,

I am the President and Chief Operating Officer of Integrity Title & Escrow Company, LLC. Integrity Title is a full-serviced MBE/WBE commercial title insurance company that conducts real estate closings throughout the State of Maryland. I am writing to request your favorable vote on Senate Bill 587. This will be a new piece of legislation that requires expanded reporting on minority businesses' participation in State procurement, specifically in commercial real estate transactions that require the use of a title insurance company. The bill also prohibits the waiver of a reporting requirement for real property title insurance services by the Special Secretary for the Governor's Office of Small, Minority, and Women Business Affairs. The bill addresses and enhances reporting practices related to minority business involvement in State commercial real estate projects. The purpose of SB587 is to increase transparency in state reporting requirements for minority business participation, specifically with respect to title insurance and closing services that are needed for commercial real estate transactions. The bill will help provide a more detailed understanding of how minority-owned businesses engage in state-funded commercial real estate transactions. By preventing the Special Secretary for the Governor's Office of Small, Minority, and Women Business Affairs from waiving a reporting requirement related to real property title insurance services, this bill ensures full comprehensive reporting. The legislation promotes fairness and cohesion in documenting minority businesses' involvement in commercial real estate transactions. This year, 2024, marks Integrity Title's 25th year in business. Although we have established an impeccable reputation in the commercial real estate sector, we currently participate in less than .001% of all commercial real estate transactions in the State of Maryland. This low participation rate is largely due to the fact that real estate developers, lending institutions, colleges and universities can meet their MBE/WBE goals by focusing their hiring practices on "brick and mortar" contractors with no particular focus on professional service companies, like title insurance companies. When commercial real estate builders and developers are being considered for State-funded real estate development projects, they create a team of professional partners that consist of their network of colleagues and friends. Since they are not required to disclose the identity of the title insurance companies that they use for their real estate closings, they can continue to exclude well-qualified MBE/WBE commercial title insurance firms like Integrity Title. Significance and Impact: The significance of SB587 is that by mandating expanded reporting on the participation of minority title

insurance firms, this legislation aims to shed light on the extent of diversity and inclusion within state-funded commercial real estate projects. The bill prohibiting the waiver of reporting requirements for real property title insurance services by the Special Secretary for the Governor's Office of Small, Minority, and Women Business Affairs, ensures a comprehensive and accurate representation of minority business involvement in commercial real estate. This bill prioritizes Maryland business owners and focuses on keeping our government agencies accountable, which is why I urge a favorable report for SB 587.