



House of Representatives *State of Utah*

UTAH STATE CAPITOL COMPLEX • 350 STATE CAPITOL
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February 22, 2008

Mr. Speaker:

The Business and Labor Committee reports a favorable recommendation on **H.B. 466**, TITLE INSURANCE RECOVERY, EDUCATION, AND RESEARCH FUND ACT, by Representative M. Morley, with the following amendments:

1. *Page 7, Lines 195 through 212:*

195 (2) Beginning January 1, 2009, an individual who applies for a license or renewal of
196 a
197 license as a title insurance producer, shall pay in addition to any other fee required by this
198 title,
199 an assessment {no} not to exceed \$20, as determined by the commission by rule
200 made in accordance
201 with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, except that if the
202 individual
203 holds more than one license, the total of all assessments under this Subsection (2) may not
204 exceed \$20 in a fiscal year.
205 {(3)(a) Subject to Subsection (3)(b), a title insurance licensee licensed on July
206 1, 2008
207 shall pay to the department an assessment equal to the greater of:
208 —(i) \$1,000; or
209 —(ii) 2% of the balance as of July 1, 2008 in the title insurance licensee's reserve
210 account
211 required under Subsection 31A-23a-204(3).
212 —(b) If the aggregate amount collected from title insurance licensees under
213 Subsection
214 (3)(a) exceeds \$250,000, the commission may reduce the assessment by an equal
215 percentage
216 for all title insurance licensees required to pay the assessment under Subsection
217 (3)(a):
218 —(c) A title insurance licensee required to pay an assessment under Subsection

Bill Number



HB0466

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- ~~(3)(a)~~
210 ~~shall pay the assessment to the department by no later than August 1, 2008.~~ }
(3)(a) To be licensed as a title insurance agency on or after July 1, 2008, a person shall pay to the department an assessment of \$1,000 before the day on which the person is licensed as a title insurance agency.
(b)(i) By no later than July 15, 2008, the department shall assess on a title insurance agency licensed as of June 30, 2008, an amount equal to the greater of:
(A) \$1,000; or
(B) subject to Subsection (3)(b)(ii), 2% of the balance as of December 31, 2007, in the title insurance agency's reserve account required under Subsection 31A-23a-204(3).
(ii) The department may assess on a title insurance agency an amount less than 2% of the balance described in Subsection (3)(b)(i)(B) if:
(A) before issuing the assessments under this Subsection (3)(b) the department determines that the total of all assessments under Subsection (3)(b)(i) will exceed \$250,000;
(B) the amount assessed on the title insurance agency is not less than \$1,000; and
(C) the department reduces the assessment in a proportionate amount for title insurance agencies assessed on the basis of the 2% of the balance described in Subsection (3)(b)(i)(B).
(iii) A title insurance agency assessed under this Subsection (3)(b) shall pay the assessment by no later than August 1, 2008.
211 (4) The department may not assess a title insurance licensee an assessment for
212 purposes of the fund if that assessment is not expressly provided for in this section.

2. Page 8, Lines 216 through 228:

- 216 (2) (a) Except as limited by Subsection (2)(b), monies in the fund in excess of
217 \$250,000 may be used by the commissioner, with the consent of the commission, to:
218 (i) investigate violations of this chapter related to fraud by a title insurance licensee;
219 (ii) conduct education and research in the field of title insurance; or
220 (iii) ~~{audit or review}~~ examine a title insurance licensee's:
221 (A) escrow and trust account;
222 ~~{(B) financial condition;}~~
223 ~~{(C)}~~ (B) search and examine procedures; or
224 ~~{(D)}~~ (C) compliance with applicable statutes and rules.



225 (b) The commissioner may not use more than 75% of monies collected under this
226 chapter in a fiscal year from assessments and interest for the purposes outlined in this
227 Subsection (2).
228 (3) ~~{An audit}~~ The disclosure of an examination conducted under this
section is ~~{confidential}~~ governed by Section 31A-2-204 .

Respectfully,

Stephen D. Clark
Committee Chair

Voting: 8-0-5

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