

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0258-06
Bill No.: HCS for SCS for SB 57
Subject: Insurance - Property; Insurance Dept.; Insurance - General
Type: Original
Date: May 4, 2005

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Insurance Dedicated	(\$7,500)	(\$7,500)	(\$7,500)
Total Estimated Net Effect on <u>Other</u> State Funds	(\$7,500)	(\$7,500)	(\$7,500)

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 3 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Insurance (INS)** state the numbers of individuals licensed as title insurance producers has remained relatively constant. Licenses are renewed biennially. Currently there are 4,450 individuals licenses. The INS estimates 150 licenses may not be renewed due to the new licensing exemptions. Revenue to the Insurance Dedicated Fund would decrease by \$7,500 per year (150 licenses/2 year licensing cycle = 75 licenses/year X \$100 licensing fee = \$7,500).

<u>FISCAL IMPACT - State Government</u>	FY 2006 (10 Mo.)	FY 2007	FY 2008
INSURANCE DEDICATED FUND			
<u>Loss - Department of Insurance</u>			
Reduction in license fee revenue	<u>(\$7,500)</u>	<u>(\$7,500)</u>	<u>(\$7,500)</u>
ESTIMATED NET EFFECT ON INSURANCE DEDICATED FUND	<u>(\$7,500)</u>	<u>(\$7,500)</u>	<u>(\$7,500)</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2006 (10 Mo.)	FY 2007	FY 2008
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

This proposal may impact small business title agencies or title insurers who pay title insurance license fees for employees.

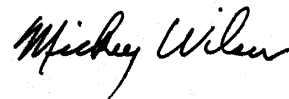
DESCRIPTION

This proposal exempts escrow processors, clerical staff, and technical support employees who work for a title agency or title insurer from title insurance licensing requirements as long as they do not quote or negotiate rates or coverage.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Insurance



Mickey Wilson, CPA
Director
May 4, 2005