

An Act

ENROLLED HOUSE
BILL NO. 2303

By: McCall of the House

and

Newberry of the Senate

An Act relating to abstracts; amending 1 O.S. 2011, Section 43, which relates to retention of abstract; requiring release of abstract upon written request; providing penalties; amending 36 O.S. 2011, Section 5001, as amended by Section 1, Chapter 64, O.S.L. 2013 (36 O.S. Supp. 2016, Section 5001), which relates to title insurance; requiring a copy of the schedules in a previously issued title insurance policy be provided if requested; and providing an effective date.

SUBJECT: Real property documentation

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. AMENDATORY 1 O.S. 2011, Section 43, is amended to read as follows:

Section 43. A purchaser of real property shall have the opportunity to retain possession of the abstract for the property being purchased. The purchaser shall be notified about the option to retain possession at the scheduled closing; however, if a contractual obligation to a mortgage company requires retention of the abstract by that mortgage company, then the purchaser shall have an opportunity to take possession of the abstract upon complete performance of the contractual obligations. If a duly licensed abstract company is holding or storing the abstract, upon written request from the owner or another party to a current transaction, the licensed abstractor shall release the abstract without delay. All licensed abstractors and certificate of authority holders who refuse to do so shall be subject to the following:

1. A civil penalty to the requesting party of not less than One Hundred Dollars (\$100.00) and not more than One Thousand Dollars (\$1,000.00) for each occurrence;

2. Liability in any action for damages, loss or injury suffered or incurred by any person by reason of failure to deliver the abstract pursuant to the provisions of this section. Any civil judgment rendered pursuant to this paragraph may be enforced in the same manner in which other civil judgments may be enforced; and

3. Any administrative penalties and fines enforced by the Oklahoma Abstractors Board.

SECTION 2. AMENDATORY 36 O.S. 2011, Section 5001, as amended by Section 1, Chapter 64, O.S.L. 2013 (36 O.S. Supp. 2016, Section 5001), is amended to read as follows:

Section 5001. A. Any foreign or domestic stock insurer authorized by its corporate charter to engage in business as a title insurer shall be entitled to the issuance of a certificate of authority as a title insurer in this state upon meeting the applicable requirements of Article 6, Authorization of Insurers and General Requirements, of the Oklahoma Insurance Code, except that existing title insurers may have their certificate of authority renewed by maintaining surplus in regard to policyholders of not less than Five Hundred Thousand Dollars (\$500,000.00).

B. A person engaged in the business of preparing or issuing abstracts of, but not guaranteeing or insuring, title to property, or a person acting only as agent for a title insurer, shall not be deemed to be a title insurer.

C. Every policy of title insurance issued by any insurance company authorized to do business in this state shall be countersigned by some person, partnership, corporation or agency actively engaged in the real estate title business and maintaining an office in the state, who is a duly appointed agent of a title insurance company holding a valid license and authorized to do business in the state; provided, that no policy of title insurance shall be issued in the State of Oklahoma except:

1. After examination by an attorney licensed to practice in this state of a duly certified abstract extension or supplemental abstract prepared by an abstractor licensed in the county where the property is located, from a certified abstract plant in the county

where the property is located or per a temporary certificate of authority as provided in Section 33 of Title 1 of the Oklahoma Statutes, from the effective date of a prior owner's policy of title insurance issued by a title insurer licensed in this state provided by the insured pursuant to the policy at the time a valid order is placed pursuant to the provisions of the Oklahoma Abstractors Law brought forward to the effective date of the abstract plant. Subject to the conditions and stipulations, the exclusions from coverage, exceptions from coverage and endorsements to the policy, any policy issued based on a prior owner's policy and a supplemental abstract shall insure the insured against loss or damage sustained or incurred by reason of unmarketability of title from sovereignty to the effective date of the policy, not to exceed the amount of insurance stated in the policy; or

2. If the previously insured owner does not provide a copy of the owner's policy of title insurance, then a title insurance policy may be issued after examination by an attorney licensed to practice in this state of a duly certified abstract of title prepared by a bonded and licensed abstractor as defined in the Oklahoma Abstractors Law.

D. If the current owner or the owner's authorized agent requests, in writing, a copy of any previously issued owner's policy, the licensed title producer or the underwriting title insurance company that issued the policy shall provide the requesting party with a copy of the schedules in the previously issued policy without delay.

E. As used in subsections B and C of this section, the term "agent" shall mean a person authorized to act on behalf of or in place of another.

SECTION 3. This act shall become effective November 1, 2017.

Passed the House of Representatives the 22nd day of March, 2017.

Presiding Officer of the House
of Representatives

Passed the Senate the 24th day of April, 2017.

Presiding Officer of the Senate

OFFICE OF THE GOVERNOR

Received by the Office of the Governor this _____

day of _____, 20_____, at _____ o'clock _____ M.

By: _____

Approved by the Governor of the State of Oklahoma this _____

day of _____, 20_____, at _____ o'clock _____ M.

Governor of the State of Oklahoma

OFFICE OF THE SECRETARY OF STATE

Received by the Office of the Secretary of State this _____

day of _____, 20_____, at _____ o'clock _____ M.

By: _____