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## FISCAL IMPACT REPORT

SPONSOR Stefanics ORIGINAL DATE 2/28/17  
LAST UPDATED \_\_\_\_\_ HB \_\_\_\_\_

SHORT TITLE High-Risk Title Insurance Zones SM 57

ANALYST Martinez

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY17	FY18		
NFI	NFI	NFI	NFI

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Office of the Superintendent of Insurance (OSI)

### SUMMARY

#### Synopsis of Memorial

Senate Memorial 57 requests that the Office of Superintendent of Insurance study and propose solutions to the problem of the affordability and availability of title insurance for property owners whose properties lie in geographic zones designated as “high risk” by title insurers due to the fact that such properties require access through Indian lands. “High-risk title insurance” allows private property owners bordering Indian lands to acquire title insurance for selling, purchasing, refinancing or obtaining construction loans on properties that require access through Indian lands.

### FISCAL IMPLICATIONS

SM 57 carries no appropriation. The Office of Superintendent of Insurance will not incur any additional costs to the operating budget to fulfill this memorial. Current employees within the agency can perform the necessary duties.

### SIGNIFICANT ISSUES

Geographic areas viewed as “high risk” by title insurers have led to high title insurance premiums, or the inability to obtain title insurance at any cost, for property owners in those

geographic areas. The Office of the Superintendent of Insurance states that this issue does not appear to be resolvable without cooperation from the federal Secretary of the Interior.

**WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

The Office of Superintendent of Insurance will not be tasked with studying and attempting to resolve a problem that cannot be solved without the cooperation of the federal Secretary of the Interior.

JM/sb/al