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MEMORANDUM

To: Chair Dietrich and the Senate Committee on Financial Institutions and Insurance

From: Office of Revisor of Statutes

Date: February 26, 2025

Subject: **HB 2042: Requiring title agents to make their audit reports available for inspection instead of submitting such reports annually, requiring the amount of surety bonds filed with the commissioner of insurance to be \$100,000, eliminating the controlled business exemption in certain counties.**

HB 2042 is the House version of SB 22.

HB 2042 would no longer require that the audit report be submitted to the commissioner but would only require that the report be available for inspection upon request. The bill would standardize the amount of the surety bonds or irrevocable letters of credit that title insurance agents must file at \$100,000. Finally, HB 2042 would eliminate the controlled business exemption for real estate transactions in counties with populations less than 10,000.

The House Committee on Insurance amended the bill to make the effective date January 1, 2026, and the House Committee of the Whole passed the bill on February 7, 2025, on a vote of 103-8.