

AFFECTING TITLE TO REAL PROPERTY OR ANY INTEREST IN OR ENCUMBRANCE ON THE PROPERTY WHICH HAS BEEN FILED OR RECORDED IN THE JURISDICTION FOR WHICH THE TITLE PLANT IS ESTABLISHED OR MAINTAINED, AS WELL AS COPIES OF PRIOR TITLE INSURANCE POLICIES.

(B) A TITLE PLANT SHALL BE ALLOWED AS AN ADMITTED ASSET FOR A TITLE INSURER UNDER § 5-101 OF THIS SUBTITLE SUBJECT TO THE PROVISIONS OF THIS SECTION.

(C) (1) THE COSTS SPECIFIED IN THIS SUBSECTION SHALL BE CAPITALIZED COSTS WITH REFERENCE TO THE VALUATION OF A TITLE PLANT.

(2) UNTIL A TITLE PLANT CAN BE USED BY AN INSURER TO CONDUCT TITLE SEARCHES AND ISSUE TITLE INSURANCE POLICIES, THE COSTS INCURRED TO CONSTRUCT A TITLE PLANT, INCLUDING THE COSTS INCURRED TO OBTAIN, ORGANIZE, AND SUMMARIZE HISTORICAL INFORMATION IN AN EFFICIENT AND USEFUL MANNER SHALL BE CAPITALIZED COSTS. THE CAPITALIZED COSTS MUST BE DIRECTLY RELATED TO, AND PROPERLY IDENTIFIED WITH, THE ACTIVITIES NECESSARY TO CONSTRUCT THE TITLE PLANT.

(3) (I) THE COSTS TO PURCHASE A TITLE PLANT, INCLUDING A PURCHASE OF AN UNDIVIDED INTEREST IN A TITLE PLANT, SHALL BE CAPITALIZED COSTS. ~~THE COSTS SHALL BE~~ RECORDED AT ~~THE COSTS~~ COST AT THE DATE OF ACQUISITION.

(II) FOR A TITLE PLANT ACQUIRED SEPARATELY, THE COSTS SHALL BE MEASURED BY THE FAIR MARKET VALUE OF THE CONSIDERATION GIVEN.

(III) FOR A TITLE PLANT ACQUIRED AS PART OF A GROUP OF ASSETS, THE COSTS SHALL BE MEASURED FIRST BY THE FAIR MARKET VALUE OF THE CONSIDERATION GIVEN, AND THEN THE COST SHALL BE ALLOCATED TO THE TITLE PLANT BASED ON THE FAIR MARKET VALUE OF THE TITLE PLANT IN RELATION TO THE TOTAL FAIR MARKET VALUE OF THE GROUP OF ASSETS ACQUIRED.

(4) THE COSTS TO PURCHASE OR CONSTRUCT A BACKPLANT MAY BE CAPITALIZED IF THE COSTS ARE PROPERLY IDENTIFIABLE.

(D) (1) THE COSTS SPECIFIED IN THIS SUBSECTION MAY NOT BE CAPITALIZED COSTS WITH REFERENCE TO THE VALUATION OF A TITLE PLANT.

(2) COSTS INCURRED AFTER A TITLE PLANT IS OPERATIONAL TO:

(I) CONVERT THE INFORMATION FROM ONE STORAGE AND RETRIEVAL SYSTEM TO ANOTHER SHALL NOT BE CAPITALIZED COSTS; OR

(II) MODIFY OR MODERNIZE THE STORAGE AND RETRIEVAL SYSTEM SHALL NOT BE CAPITALIZED COSTS.

(E) THE FOLLOWING COSTS SHALL BE EXPENSED AS INCURRED WITH REFERENCE TO THE VALUATION OF A TITLE PLANT:

(1) COSTS INCURRED TO MAINTAIN A TITLE PLANT; AND