

By: Shaheen

H.B. No. 619

A BILL TO BE ENTITLED

AN ACT

relating to an insurance premium tax credit for contributions made to certain educational assistance organizations.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subtitle B, Title 3, Insurance Code, is amended by adding Chapter 230 to read as follows:

CHAPTER 230. CREDIT AGAINST PREMIUM TAXES FOR CONTRIBUTIONS TO CERTAIN EDUCATIONAL ASSISTANCE ORGANIZATIONS

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 230.001. DEFINITIONS. In this chapter:

(1) "Designated contribution" means a contribution for which an entity provides notice under Section 230.152(c).

(2) "Educational assistance organization" means an organization that:

(A) has the ability according to the organization's charter to award scholarships to or pay educational expenses for eligible students in:

(i) public elementary or secondary schools located in this state; or

(ii) nonpublic elementary or secondary schools located in this state:

(a) that meet the requirements of Section 230.101;

(b) at which a student may fulfill

1 this state's compulsory attendance requirements; and

2 (c) that are not in violation of the  
3 federal Civil Rights Act of 1964 (42 U.S.C. Section 2000a et seq.);  
4 and

5 (B) uses part of its annual revenue for the  
6 purpose provided by Paragraph (A).

7 (3) "Eligible nonpublic school" means a school that  
8 meets the requirements of Section 230.101.

9 (4) "Net savings" means any positive difference in a  
10 state fiscal year between:

11 (A) the amount by which state spending on public  
12 education for that year is reduced as a result of students receiving  
13 scholarships and educational expense assistance from the certified  
14 educational assistance organization under this chapter; and

15 (B) the amount by which state revenue derived  
16 from Chapters 221 through 226 is reduced as a result of credits  
17 under this chapter.

18 (5) "State premium tax liability" means any liability  
19 incurred by an entity under Chapters 221 through 226.

20 Sec. 230.002. TREATMENT OF CERTAIN CONTRIBUTIONS AS PROGRAM  
21 FUNDS. (a) In this chapter, "program funds" means money  
22 contributed to the certified educational assistance organization  
23 in a state fiscal year for which entities are granted credits under  
24 Subchapter D.

25 (b) Except as provided by Subsection (d), the certified  
26 educational assistance organization shall treat a designated  
27 contribution as program funds until the date the comptroller

1 notifies the certified educational assistance organization that  
2 the entity that made the designated contribution:

3 (1) failed to apply for a credit under Section 230.155  
4 on or with the tax report covering the period in which the  
5 designated contribution was made; or

6 (2) was denied a credit under Subchapter D for the  
7 designated contribution.

8 (c) The comptroller shall promptly notify the certified  
9 educational assistance organization of a condition described by  
10 Subsection (b).

11 (d) If the comptroller expects that, for a state fiscal  
12 year, the amount of designated contributions will exceed the amount  
13 of credits available under this chapter, the comptroller may  
14 establish a reserve amount for the state fiscal year equal to the  
15 estimated amount of designated contributions that will qualify as  
16 program funds. If the comptroller establishes a reserve amount for  
17 a state fiscal year, the certified educational assistance  
18 organization is only required to treat as program funds an amount of  
19 designated contributions received in the state fiscal year equal to  
20 the reserve amount for that year.

21 (e) The certified educational assistance organization shall  
22 use designated contributions treated as program funds under this  
23 section for any purpose authorized by Subchapter C for the  
24 expenditure of program funds.

25 Sec. 230.003. RULES; PROCEDURES. (a) The comptroller  
26 shall adopt rules and procedures to implement, administer, and  
27 enforce this chapter.

1       (b) A rule adopted under Subsection (a) is binding on an  
2 organization that bids for a contract to serve as the certified  
3 educational assistance organization, an entity that applies for a  
4 credit, and a state or local governmental entity, including a  
5 political subdivision, as necessary to implement, administer, and  
6 enforce this chapter.

7       SUBCHAPTER B. CERTIFIED EDUCATIONAL ASSISTANCE ORGANIZATION

8       Sec. 230.051. CERTIFIED EDUCATIONAL ASSISTANCE  
9 ORGANIZATION; AWARD OF CONTRACT. (a) An organization may submit a  
10 bid to the comptroller for a contract to serve as the certified  
11 educational assistance organization during a bidding period  
12 established by the comptroller.

13       (b) To be eligible for a contract awarded under this  
14 section, an organization:

15               (1) must:

16                       (A) be exempt from federal tax under Section  
17 501(a) of the Internal Revenue Code of 1986 by being listed as an  
18 exempt organization in Section 501(c)(3) of that code;

19                       (B) be in good standing with the state;

20                       (C) be located in the state;

21                       (D) agree to allocate at least 90 percent of  
22 program funds in the manner provided by Section 230.106;

23                       (E) agree to award scholarships and assistance  
24 for qualifying educational expenses to eligible students who  
25 demonstrate the greatest financial and academic need;

26                       (F) agree to provide each donor a receipt for  
27 money contributed to the organization that includes the name of the

1 donor, the amount of the contribution, the information required by  
2 Section 230.152(c), and any other information required by the  
3 comptroller;

4 (G) demonstrate experience and technical  
5 expertise in:

6 (i) accepting, processing, and tracking  
7 applications for scholarships or educational expense assistance;  
8 and

9 (ii) awarding scholarships to students in  
10 primary or secondary schools;

11 (H) agree to be independently audited on an  
12 annual basis and file the audit with the comptroller; and

13 (I) agree to disburse program funds within two  
14 academic years of receipt; and

15 (2) may not:

16 (A) establish eligibility requirements, other  
17 than the requirements under Section 230.102, for scholarships or  
18 educational expense assistance paid from program funds;

19 (B) provide to a student a scholarship in an  
20 annual amount that exceeds the amount provided under Section  
21 230.104(a) or (b) unless the money used to provide the portion of  
22 the scholarship in excess of that amount is not program funds; or

23 (C) provide to a student educational expense  
24 assistance in excess of the amount provided under Section  
25 230.104(c), unless the money used to provide the portion of the  
26 assistance in excess of that amount is not program funds.

27 (c) The comptroller may contract with only one certified

1 educational assistance organization at any time. The comptroller  
2 shall select a successful bidder from among the organizations that  
3 submit a bid under Subsection (a) and meet the requirements of  
4 Subsection (b) and shall award to that bidder a contract to serve as  
5 the certified educational assistance organization. The  
6 comptroller has broad discretion in awarding the certified  
7 educational assistance organization contract.

8 (d) The comptroller shall notify all organizations that  
9 submit a bid under Subsection (a) of the comptroller's selection  
10 under Subsection (c).

11 (e) The comptroller shall attempt to maintain one certified  
12 educational assistance organization at all times. The comptroller  
13 shall establish a bidding period under Subsection (a) as soon as  
14 practicable after the comptroller learns there is, or is likely to  
15 be, a vacancy for the certified educational assistance  
16 organization.

17 (f) The comptroller's selection under Subsection (c) is  
18 final and is not appealable.

19 Sec. 230.052. TERMINATION OF CONTRACT. (a) A contract  
20 between the comptroller and a certified educational assistance  
21 organization entered into under Section 230.051 must include  
22 provisions regarding termination of the contract that are  
23 consistent with the requirements of this section.

24 (b) The comptroller shall terminate a contract under  
25 Section 230.051 if the comptroller finds that the certified  
26 educational assistance organization:

27 (1) is no longer eligible under Section 230.051; or

1           (2) intentionally and substantially violates this  
2 chapter.

3           (c) The comptroller has broad discretion in determining  
4 whether to terminate a contract under Subsection (b).

5           (d) The comptroller shall notify the certified educational  
6 assistance organization in writing of the comptroller's decision to  
7 terminate the organization's contract. The comptroller shall  
8 include in the notice of termination the reasons for the proposed  
9 termination.

10          (e) If the comptroller notifies the certified educational  
11 assistance organization of the proposed termination of the  
12 organization's contract, the organization may request in writing a  
13 reconsideration of the proposed termination not later than the 10th  
14 day after the date the notice under Subsection (d) is received. If  
15 the organization does not request a reconsideration of the proposed  
16 termination on or before that date, the termination is final.

17          (f) An organization that requests a reconsideration under  
18 Subsection (e) may submit to the comptroller, not later than the  
19 30th day after the date the request for reconsideration is  
20 submitted, additional information and documents to support the  
21 organization's request for reconsideration.

22          (g) The comptroller's reconsideration of a proposed  
23 termination under this section is not a contested case under  
24 Chapter 2001, Government Code. The comptroller's decision on a  
25 request for reconsideration of a proposed termination is final and  
26 is not appealable.

27          (h) Termination of a contract under this section does not

1 affect the validity of a credit relating to a designated  
2 contribution made before the date of termination.

3 SUBCHAPTER C. SCHOLARSHIP AND EDUCATIONAL EXPENSE ASSISTANCE

4 PROGRAM

5 Sec. 230.101. ELIGIBILITY OF NONPUBLIC SCHOOLS. The  
6 certified educational assistance organization may award  
7 scholarships to or pay educational expenses for eligible students  
8 enrolled in a nonpublic school if the nonpublic school executes a  
9 notarized affidavit, with supporting documents, concerning the  
10 school's qualification for scholarships and educational expense  
11 assistance for eligible students who receive assistance from the  
12 certified educational assistance organization, including evidence  
13 of:

14 (1) accreditation by the Texas Education Agency or by  
15 an organization recognized by the Texas Private School  
16 Accreditation Commission;

17 (2) annual administration of a nationally  
18 norm-referenced assessment instrument or the appropriate  
19 assessment instrument required under Section 39.023, Education  
20 Code;

21 (3) valid certificate of occupancy; and

22 (4) policy statements regarding:

23 (A) admissions;

24 (B) curriculum;

25 (C) safety;

26 (D) food service inspection; and

27 (E) student to teacher ratios.



1       Sec. 230.102. ELIGIBILITY OF STUDENTS. (a) A student is  
2 eligible to apply to the certified educational assistance  
3 organization for a scholarship or educational expense assistance  
4 paid from program funds if the student was enrolled in a public  
5 school during the entire preceding school year or is enrolling in  
6 school in this state for the first time and the student:

7           (1) is in foster care;

8           (2) is in institutional care;

9           (3) has a parent who is on active duty in the military;

10          (4) resides in a household with income not greater  
11 than 200 percent of the income guidelines necessary to qualify for  
12 the national free or reduced-price lunch program established under  
13 42 U.S.C. Section 1751 et seq.;

14          (5) is the sibling of a child who is eligible to apply  
15 under this section;

16          (6) previously qualified to apply under this section;

17 or

18          (7) is in kindergarten through grade 12, is eligible  
19 under Section 29.003, Education Code, to participate in a school  
20 district's special education program, and has an individualized  
21 education program under Section 29.005, Education Code.

22       (b) A student who establishes eligibility under Subsection  
23 (a)(7) may continue to receive assistance under this chapter until  
24 the earlier of the date the student graduates from high school or  
25 the student's 22nd birthday.

26       (c) The certified educational assistance organization shall  
27 award scholarships and educational expense assistance to eligible

1 students who apply in accordance with this chapter.

2 Sec. 230.103. NOTICE TO CERTAIN PARENTS. A school district  
3 shall provide written notice of the availability of assistance  
4 under this chapter to the parent of a student who is eligible to  
5 apply for assistance under Section 230.102(a)(7). The notice must  
6 inform the parent:

7 (1) that an eligible nonpublic school is not subject  
8 to laws regarding the provision of education services in the same  
9 manner as a public school;

10 (2) that a student with a disability attending an  
11 eligible nonpublic school may not receive the services a student  
12 with a disability attending a public school is entitled to receive  
13 under federal and state law;

14 (3) of the rights provided under the Individuals with  
15 Disabilities Education Act (20 U.S.C. Section 1400 et seq.),  
16 including:

17 (A) an individualized education program;

18 (B) education services provided in the least  
19 restrictive environment;

20 (C) instruction from certified teachers;

21 (D) due process hearings to ensure proper and  
22 full implementation of an individualized education program;

23 (E) transition and planning services; and

24 (F) supplementary aids and services;

25 (4) of the rights provided under Subchapter A, Chapter  
26 29, Education Code; and

27 (5) of any other rights provided under federal or

1 state law to a student with a disability who attends a public  
2 school.

3 Sec. 230.104. LIMIT ON AMOUNT OF SCHOLARSHIP OR EDUCATIONAL  
4 EXPENSE ASSISTANCE. (a) Except as provided by Subsection (b), the  
5 maximum scholarship amount the certified educational assistance  
6 organization may award to a student under this chapter paid from  
7 program funds may not exceed 75 percent of the state average  
8 maintenance and operations expenditures per student in average  
9 daily attendance for the preceding state fiscal year.

10 (b) The maximum scholarship amount under Subsection (a) may  
11 not exceed 50 percent of the state average maintenance and  
12 operations expenditures per student in average daily attendance for  
13 the preceding state fiscal year if the student receiving the  
14 scholarship resides in a household with income greater than 175  
15 percent of the income guidelines necessary to qualify for the  
16 national free or reduced-price lunch program established under 42  
17 U.S.C. Section 1751 et seq. This subsection does not apply to a  
18 student who is eligible for assistance under Section 230.102(a)(7)  
19 or (b).

20 (c) The maximum educational expense assistance the  
21 certified educational assistance organization may award to a  
22 student under this chapter paid from program funds may not exceed  
23 \$750 for the 2024 state fiscal year, increased by five percent each  
24 subsequent year.

25 Sec. 230.105. QUALIFIED EDUCATIONAL EXPENSES. (a) Except  
26 as provided by Subsection (c), the scholarship amount described by  
27 Section 230.104(a) or (b) may be used only to pay for the following

1 qualified educational expenses incurred by the student awarded the  
2 scholarship who attends an eligible nonpublic school:

- 3 (1) tuition;
- 4 (2) transportation;
- 5 (3) textbooks;
- 6 (4) tutoring;
- 7 (5) academic after-school programs;
- 8 (6) instructional supplies required by the school;
- 9 (7) school or lab fees;
- 10 (8) before-school or after-school child care; and
- 11 (9) uniforms.

12 (b) Except as provided by Subsection (c), the educational  
13 expense assistance amount described by Section 230.104(c) may be  
14 used only to pay for the following qualified educational expenses  
15 incurred by the student awarded the educational expense assistance:

- 16 (1) facility fees;
- 17 (2) transportation expenses, including the cost to  
18 transfer from one public school to another;
- 19 (3) textbooks;
- 20 (4) tutoring;
- 21 (5) academic after-school programs;
- 22 (6) instructional supplies required by the school;
- 23 (7) school or lab fees; and
- 24 (8) before-school or after-school child care.

25 (c) In addition to the expenses described by Subsections (a)  
26 and (b), the scholarship or educational expense assistance amount  
27 awarded to a student eligible under Section 230.102(a)(7) or (b)

1 may be used to pay for the following qualified educational  
2 expenses:

3 (1) educational therapies from a licensed or  
4 accredited practitioner or provider;

5 (2) a licensed or accredited paraprofessional or  
6 educational aide;

7 (3) tuition for vocational and life skills education;  
8 and

9 (4) associated services that include educational and  
10 psychological evaluations, assistive technology rentals, and  
11 translation services.

12 Sec. 230.106. ALLOCATION OF PROGRAM FUNDS. Of the program  
13 funds required to be allocated as provided by Section  
14 230.051(b)(1)(D), the certified educational assistance  
15 organization shall use:

16 (1) at least 80 percent to award scholarships  
17 described by Sections 230.104(a) and (b); and

18 (2) not more than 20 percent to award educational  
19 expense assistance as described by Section 230.104(c).

20 Sec. 230.107. REPORT OF NET SAVINGS TO PUBLIC EDUCATION.  
21 Not later than December 31 of each even-numbered year, the  
22 comptroller shall determine the amount of net savings for the  
23 previous state fiscal biennium and make available to the public a  
24 report of that amount of savings.

25 SUBCHAPTER D. CREDIT

26 Sec. 230.151. CREDIT. An entity may apply for a credit  
27 against the entity's state premium tax liability in the amount and

1 under the conditions provided by this chapter. The comptroller  
2 shall award credits as provided by Section 230.155.

3 Sec. 230.152. CONTRIBUTIONS ELIGIBLE FOR CREDIT. (a) An  
4 entity may apply for a credit under this chapter only for designated  
5 contributions made by the entity.

6 (b) An entity may not apply for a credit under this chapter  
7 for a designated contribution made to the certified educational  
8 assistance organization if:

9 (1) the entity requires that the contribution benefit  
10 a particular person or school; or

11 (2) the contribution is directed to provide a  
12 scholarship or educational expense assistance for an entity  
13 employee or for a spouse or dependent of an entity employee.

14 (c) An entity shall provide written notice to the certified  
15 educational assistance organization when the entity makes a  
16 contribution if the entity may apply for a credit under this chapter  
17 for the contribution. An entity may not apply for a credit for the  
18 contribution unless the entity provides the notice at the time the  
19 contribution is made. The certified educational assistance  
20 organization shall indicate on the receipt provided under Section  
21 230.051(b)(1)(F) that the entity provided notice under this  
22 subsection.

23 Sec. 230.153. AMOUNTS; LIMITATION ON TOTAL CREDITS. (a)  
24 Subject to Subsections (b) and (c), the amount of an entity's credit  
25 is equal to the lesser of:

26 (1) the amount of designated contributions made to the  
27 certified educational assistance organization during the period

1 covered by the tax report; or

2 (2) 50 percent of the entity's state premium tax  
3 liability for the report.

4 (b) For the 2024 state fiscal year, the total amount of  
5 credits that may be awarded under this chapter may not exceed \$100  
6 million. For each subsequent state fiscal year, the total amount of  
7 credits that may be awarded is an amount equal to 110 percent of the  
8 total amount of credits that may be awarded in the previous state  
9 fiscal year.

10 (c) The comptroller by rule shall prescribe procedures by  
11 which the comptroller may allocate credits under this chapter. The  
12 procedures must provide that:

13 (1) credits are allocated first to entities that  
14 received preliminary approval under Section 230.154 and that apply  
15 under Section 230.155; and

16 (2) any credits remaining after the allocation under  
17 Subdivision (1) are allocated to entities that apply under Section  
18 230.155 on a first-come, first-served basis, based on the date the  
19 designated contribution was initially made.

20 (d) The comptroller may require an entity to notify the  
21 comptroller of the amount the entity intends or expects to apply for  
22 under this chapter before the beginning of a state fiscal year or at  
23 any other time required by the comptroller.

24 Sec. 230.154. PRELIMINARY APPROVAL FOR CREDIT. (a) Before  
25 making a contribution to the certified educational assistance  
26 organization, an entity may apply to the comptroller for  
27 preliminary approval for a credit under this chapter for the

1 contribution.

2 (b) An entity must apply for preliminary approval on a form  
3 provided by the comptroller that includes the amount the entity  
4 expects to contribute and any other information the comptroller  
5 requires.

6 (c) The comptroller shall grant preliminary approval for  
7 credits under this chapter on a first-come, first-served basis,  
8 based on the date the comptroller receives the application for  
9 preliminary approval.

10 (d) The comptroller shall grant preliminary approval for a  
11 credit under this chapter for a state fiscal year if the sum of the  
12 amount of the credit and the total amount of all other credits  
13 preliminarily approved for that state fiscal year does not exceed  
14 the amount provided by Section 230.153(b).

15 (e) Final award of a credit preliminarily approved under  
16 this section remains subject to the limitations under Section  
17 230.153 and all other requirements of this chapter.

18 Sec. 230.155. APPLICATION FOR CREDIT. (a) An entity must  
19 apply for a credit under this chapter on or with the tax report  
20 covering the period in which the designated contribution was made.

21 (b) The comptroller shall adopt a form for the application  
22 for the credit. An entity must use this form in applying for the  
23 credit and must include with the application form each receipt  
24 provided under Section 230.051(b)(1)(F) that includes the  
25 information required by Section 230.152(c).

26 (c) Subject to Section 230.153(c), the comptroller may  
27 award a credit to an entity that applies for the credit under



1 Subsection (a) if the entity is eligible for the credit and the  
2 credit is available under Section 230.153(b). The comptroller has  
3 broad discretion in determining whether to grant or deny an  
4 application for a credit.

5 (d) The comptroller shall notify an entity in writing of the  
6 comptroller's decision to grant or deny the application under  
7 Subsection (a). If the comptroller denies an entity's application,  
8 the comptroller shall include in the notice of denial the reasons  
9 for the comptroller's decision.

10 (e) If the comptroller denies an entity's application under  
11 Subsection (a), the entity may request in writing a reconsideration  
12 of the application not later than the 10th day after the date the  
13 notice under Subsection (d) is received. If the entity does not  
14 request a reconsideration of the application on or before that  
15 date, the comptroller's decision is final.

16 (f) An entity that requests a reconsideration under  
17 Subsection (e) may submit to the comptroller, not later than the  
18 30th day after the date the request for reconsideration is  
19 submitted, additional information and documents to support the  
20 entity's request for reconsideration.

21 (g) The comptroller's reconsideration of an application  
22 under this section is not a contested case under Chapter 2001,  
23 Government Code. The comptroller's decision on a request for  
24 reconsideration of an application is final and is not appealable.

25 (h) This section does not create a cause of action to  
26 contest a decision of the comptroller to deny an application for a  
27 credit under this chapter.

1       Sec. 230.156. ASSIGNMENT PROHIBITED; EXCEPTION. An entity  
2 may not convey, assign, or transfer the credit allowed under this  
3 chapter to another entity unless all of the assets of the entity are  
4 conveyed, assigned, or transferred in the same transaction.

5       Sec. 230.157. NOTICE OF AVAILABILITY OF CREDIT. The  
6 comptroller shall provide notice of the availability of the credit  
7 under this chapter on the comptroller's Internet website, in the  
8 instructions for insurance premium tax report forms, and in any  
9 notice sent to an entity concerning the requirement to file an  
10 insurance premium tax report.

11       SECTION 2. (a) The constitutionality and other validity  
12 under the state or federal constitution of all or any part of  
13 Chapter 230, Insurance Code, as added by this Act, may be determined  
14 in an action for declaratory judgment in a district court in Travis  
15 County under Chapter 37, Civil Practice and Remedies Code, except  
16 that this section does not authorize an award of attorney's fees  
17 against this state and Section 37.009, Civil Practice and Remedies  
18 Code, does not apply to an action filed under this section. This  
19 section does not authorize a taxpayer suit to contest the denial of  
20 a credit by the comptroller of public accounts.

21       (b) An appeal of a declaratory judgment or order, however  
22 characterized, of a district court, including an appeal of the  
23 judgment of an appellate court, holding or otherwise determining  
24 that all or any part of Chapter 230, Insurance Code, as added by  
25 this Act, is constitutional or unconstitutional, or otherwise valid  
26 or invalid, under the state or federal constitution is an  
27 accelerated appeal.

1 (c) If the judgment or order is interlocutory, an  
2 interlocutory appeal may be taken from the judgment or order and is  
3 an accelerated appeal.

4 (d) A district court in Travis County may grant or deny a  
5 temporary or otherwise interlocutory injunction or a permanent  
6 injunction on the grounds of the constitutionality or  
7 unconstitutionality, or other validity or invalidity, under the  
8 state or federal constitution of all or any part of Chapter 230,  
9 Insurance Code, as added by this Act.

10 (e) There is a direct appeal to the Texas Supreme Court from  
11 an order, however characterized, of a trial court granting or  
12 denying a temporary or otherwise interlocutory injunction or a  
13 permanent injunction on the grounds of the constitutionality or  
14 unconstitutionality, or other validity or invalidity, under the  
15 state or federal constitution of all or any part of Chapter 230,  
16 Insurance Code, as added by this Act.

17 (f) The direct appeal is an accelerated appeal.

18 (g) This section exercises the authority granted by Section  
19 3-b, Article V, Texas Constitution.

20 (h) The filing of a direct appeal under this section will  
21 automatically stay any temporary or otherwise interlocutory  
22 injunction or permanent injunction granted in accordance with this  
23 section pending final determination by the Texas Supreme Court,  
24 unless the supreme court makes specific findings that the applicant  
25 seeking such injunctive relief has pleaded and proved that:

26 (1) the applicant has a probable right to the relief it  
27 seeks on final hearing; and

1           (2) the applicant will suffer a probable injury that  
2 is imminent and irreparable, and that the applicant has no other  
3 adequate legal remedy.

4           (i) An appeal under this section, including an  
5 interlocutory, accelerated, or direct appeal, is governed, as  
6 applicable, by the Texas Rules of Appellate Procedure, including  
7 Rules 25.1(d)(6), 26.1(b), 28.1, 28.3, 32.1(g), 37.3(a)(1),  
8 38.6(a) and (b), 40.1(b), and 49.4.

9           SECTION 3. An entity may apply for a credit under Chapter  
10 230, Insurance Code, as added by this Act, only for an expenditure  
11 made on or after the effective date of this Act.

12           SECTION 4. Not later than February 15, 2024, the  
13 comptroller of public accounts shall adopt rules as provided by  
14 Section 230.003(a), Insurance Code, as added by this Act.

15           SECTION 5. The comptroller of public accounts shall make  
16 the initial determination of net savings and report regarding that  
17 savings as required by Section 230.107, Insurance Code, as added by  
18 this Act, not later than December 31, 2026, based on the state  
19 fiscal biennium ending August 31, 2025.

20           SECTION 6. This Act applies only to a report originally due  
21 on or after the effective date of this Act.

22           SECTION 7. This Act takes effect January 1, 2024.