

BILL ANALYSIS

C.S.H.B. 652
By: Darby
Insurance
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Under current law, title insurance escrow officers are licensed by the Texas Department of Insurance. To be licensed a person must be a resident of Texas. There are many urban areas along the borders with an adjacent state where individuals physically reside outside of Texas and work in Texas, including licensed title insurance escrow officers who work at a bona fide licensed Texas title insurance agency and whose families reside in the adjacent state.

C.S.H.B. 652 allows a person who resides in an adjacent state and who is a bona fide employee of a licensed Texas title insurance agent to be licensed by the department. The bill increases the bonding requirement for such a person from \$5,000 to \$10,000.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.H.B. 652 amends the Insurance Code to allow an individual who is a bona fide resident of a state adjacent to Texas, to apply for a title insurance escrow officer license rather than restricting eligibility to a bona fide resident of Texas. The bill adds a requirement that an applicant be a bona fide employee of a title insurance agent or direct operation with an office in Texas. The bill authorizes a person qualified as an escrow officer to hold a license and operate as a notary public. The bill sets the amount of the bond or deposit required to be paid to the Texas Department of Insurance by a title insurance agent or direct operation for an escrow officer application of an individual who is a bona fide resident of a state adjacent to Texas at \$10,000. The bill prohibits the department from denying a license application or disciplining an escrow officer solely because the individual resides in an adjacent state and acts as an escrow officer in Texas as a bona fide employee of a title insurance agent or direct operation in Texas.

EFFECTIVE DATE

September 1, 2009.

COMPARISON OF ORIGINAL AND SUBSTITUTE

C.S.H.B. 652 adds a provision not in the original to authorize a person qualified as an escrow officer to hold a license and operate as a notary public. The substitute differs from the original by prohibiting the Texas Department of Insurance from denying an application for a license or disciplining an escrow officer solely because the individual resides in an adjacent state and acts as an escrow officer in Texas as a bona fide employee of a title insurance agent or direct operation in Texas, whereas the original prohibits such denial or disciplinary action solely because the individual acts as an escrow officer in Texas and is a bona fide resident of an adjacent state.