

By: Flynn

H.B. No. 1582

A BILL TO BE ENTITLED

AN ACT

relating to certain investments by insurance companies and related organizations.

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

SECTION 1. (a) Section 228.001, Insurance Code, as added by Chapter 730, Acts of the 80th Legislature, Regular Session, 2007, is amended to conform to the amendment of Article 4.51, Insurance Code, by Section 1, Chapter 303 (H.B. 1741), Acts of the 80th Legislature, Regular Session, 2007, by adding Subdivisions (5-a), (7-a), and (7-b), and further amended by amending added Subdivision (7-b) and by adding Subdivision (7-c) to read as follows:

(5-a) "Low-income community" has the meaning assigned by Section 45D(e), Internal Revenue Code of 1986.

(7-a) "Program One" means the program for allocation and investment of certified capital under this chapter before January 1, 2007.

(7-b) "Program Two" means the program for allocation and investment of certified capital under this chapter on or after January 1, 2007, and before January 1, 2010.

(7-c) "Program Three" means the program for allocation and investment of certified capital under this chapter on or after January 1, 2010.

(b) Section 1, Chapter 303 (H.B. 1741), Acts of the 80th Legislature, Regular Session, 2007, which amended former Article

1 4.51, Insurance Code, by adding Subdivisions (16), (17), and (18),  
2 is repealed.

3 SECTION 2. Subchapter A, Chapter 228, Insurance Code, is  
4 amended by adding Section 228.0525 to read as follows:

5 Sec. 228.0525. ACCEPTANCE OF PREMIUM TAX ALLOCATION CLAIMS.

6 (a) The rules adopted under Section 228.052 must provide that the  
7 comptroller shall accept premium tax credit allocation claims on  
8 behalf of certified investors with respect to Program Three not  
9 later than January 1, 2010.

10 (b) This section expires January 15, 2010.

11 SECTION 3. Section 228.251, Insurance Code, is amended by  
12 adding Subsection (d) to read as follows:

13 (d) With respect to credits earned as a result of  
14 investments made under Program Three, beginning with the tax report  
15 due March 1, 2015, for the 2014 tax year, a certified investor may  
16 take up to 25 percent of the vested premium tax credit in any  
17 taxable year of the certified investor. The credit may not be  
18 applied to estimated payments due in 2014.

19 SECTION 4. (a) Section 228.253(b), Insurance Code, is  
20 amended to conform to the amendment of Article 4.66(a), Insurance  
21 Code, by Section 6, Chapter 303 (H.B. 1741), Acts of the 80th  
22 Legislature, Regular Session, 2007, and further amended to read as  
23 follows:

24 (b) The certified capital company must have filed the claim  
25 with the comptroller on the date on which the comptroller accepted  
26 premium tax credit allocation claims on behalf of certified  
27 investors with respect to Program One, Program Two, or Program

1 Three, as applicable, under the comptroller's rules.

2 (b) Section 6, Chapter 303 (H.B. 1741), Acts of the 80th  
3 Legislature, Regular Session, 2007, which amended former Article  
4 4.66(a), Insurance Code, is repealed.

5 SECTION 5. (a) Section 228.254, Insurance Code, is amended  
6 to conform to the amendment of Article 4.67, Insurance Code, by  
7 Section 7, Chapter 303 (H.B. 1741), Acts of the 80th Legislature,  
8 Regular Session, 2007, and further amended to read as follows:

9 Sec. 228.254. TOTAL LIMIT ON PREMIUM TAX CREDITS. (a) The  
10 total amount of certified capital for which premium tax credits may  
11 be allowed under this chapter for all years in which premium tax  
12 credits are allowed is:

- 13 (1) \$200 million for Program One;  
14 (2) \$200 million for Program Two; and  
15 (3) \$200 million for Program Three.

16 (b) The total amount of certified capital for which premium  
17 tax credits may be allowed for all certified investors under this  
18 chapter may not exceed the amount that would entitle all certified  
19 investors in certified capital companies to take total credits of  
20 \$50 million in a year with respect to Program One, \$50 million in a  
21 year with respect to Program Two, and \$50 million in a year with  
22 respect to Program Three.

23 (c) A certified capital company and the company's  
24 affiliates may not file premium tax credit allocation claims with  
25 respect to Program One, Program Two, or Program Three, as  
26 applicable, in excess of the maximum amount of certified capital  
27 for which premium tax credits may be allowed for that program as

1 provided by this section.

2 (b) Section 7, Chapter 303 (H.B. 1741), Acts of the 80th  
3 Legislature, Regular Session, 2007, which amended former Article  
4 4.67, Insurance Code, is repealed.

5 SECTION 6. (a) Section 228.255, Insurance Code, is amended  
6 to conform to the amendment of Article 4.68, Insurance Code, by  
7 Section 8, Chapter 303 (H.B. 1741), Acts of the 80th Legislature,  
8 Regular Session, 2007, and further amended to read as follows:

9 Sec. 228.255. ALLOCATION OF PREMIUM TAX CREDIT. (a) If the  
10 total premium tax credits claimed by all certified investors with  
11 respect to Program One, Program Two, or Program Three, as  
12 applicable, exceeds the total limits on premium tax credits  
13 established for that program by Section 228.254(a), the comptroller  
14 shall allocate the total amount of premium tax credits allowed  
15 under this chapter to certified investors in certified capital  
16 companies on a pro rata basis in accordance with this section.

17 (b) The pro rata allocation for each certified investor  
18 shall be the product of:

19 (1) a fraction, the numerator of which is the amount of  
20 the premium tax credit allocation claim filed on behalf of the  
21 investor with respect to Program One, Program Two, or Program  
22 Three, as applicable, and the denominator of which is the total  
23 amount of all premium tax credit allocation claims filed on behalf  
24 of all certified investors with respect to that program; and

25 (2) the total amount of certified capital for which  
26 premium tax credits may be allowed with respect to that program  
27 under this chapter.

1           (c) The maximum amount of certified capital for which  
2 premium tax credit allocation may be allowed on behalf of a single  
3 certified investor and the investor's affiliates with respect to  
4 Program One, Program Two, or Program Three, as applicable, whether  
5 by one or more certified capital companies, may not exceed the  
6 greater of:

7                   (1) \$10 million; or

8                   (2) 15 percent of the maximum aggregate amount  
9 available with respect to that program under Section 228.254(a).

10           (b) Section 8, Chapter 303 (H.B. 1741), Acts of the 80th  
11 Legislature, Regular Session, 2007, which amended former Articles  
12 4.68(a), (b), (c), and (e), Insurance Code, is repealed.

13           SECTION 7. (a) In accordance with Section 311.031(c),  
14 Government Code, which gives effect to a substantive amendment  
15 enacted by the same legislature that codifies the amended statute,  
16 the text of Sections 228.001, 228.253, 228.254, and 228.255,  
17 Insurance Code, as set out in Sections 1, 4, 5, and 6 of this Act,  
18 respectively, gives effect to changes made by Chapter 303 (H.B.  
19 1741), Acts of the 80th Legislature, Regular Session, 2007.

20           (b) To the extent of any conflict, this Act prevails over  
21 another Act of the 81st Legislature, Regular Session, 2009,  
22 relating to nonsubstantive additions and corrections in enacted  
23 codes.

24           SECTION 8. This Act takes effect September 1, 2009.