

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

March 25, 2009

TO: Honorable John T. Smithee, Chair, House Committee on Insurance

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: HB652 by Darby (Relating to licensing of certain residents of a state as escrow officers.),
Committee Report 1st House, Substituted

No significant fiscal implication to the State is anticipated.

The bill would amend the Insurance Code to allow residents of states adjacent to this state to be escrow officers if the escrow officer is an employee of a title insurance agent or direct operation with an office in this state. The bill would add that the bond or deposit for an application of an individual who is a resident of a state adjacent to this state is \$10,000. Additionally, the bill would restrict the Texas Department of Insurance (TDI) from denying an escrow officer application or conducting any disciplinary action solely because the individual is a resident of a state adjacent to this state. The provisions of the bill would apply to applications that are filed with TDI on or after September 1, 2009.

Based on the analysis of TDI, implementing the requirements of this bill would require TDI to review administrative rules to ensure compliance with statute and would increase the amount of agency time spent tracking resident status and escrow bond amounts. It is assumed that costs associated with implementing the provisions of the bill could be absorbed within existing resources.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 454 Department of Insurance

LBB Staff: JOB, KJG, MW, CH