

By: Morrison

H.B. No. 3106

A BILL TO BE ENTITLED

AN ACT

relating to compensatory payments made in connection with the issuance of certain title insurance policies.

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

SECTION 1. Subchapter B, Chapter 2502, Insurance Code, is amended by adding Section 2502.057 to read as follows:

Sec. 2502.057. CERTAIN COMPENSATORY PAYMENTS RELATED TO CERTAIN ELECTRIC ENERGY PROJECTS PERMITTED. (a) This section applies with respect to a utility project that is:

(1) designed to produce, generate, transmit, distribute, sell, or furnish electric energy; and

(2) valued on completion at more than \$25 million.

(b) A payment for furnishing title evidence for the issuance of a title insurance policy related to a project described by Subsection (a) may be:

(1) a flat fee or fee calculated on an hourly basis that:

(A) is payable on the date the title evidence is furnished; and

(B) does not exceed \$25,000; or

(2) a portion of the title insurance premium:

(A) based on the percentage established by the commissioner for payment by a title insurance company, title insurance agent, or direct operation for services performed by

1 another title insurance company, title insurance agent, or direct
2 operation; and

3 (B) payable on the date of the issuance of the
4 policy for which the evidence is furnished.

5 (c) The payment must be:

6 (1) made by the proposed insured to the title
7 insurance company, title insurance agent, or direct operation that
8 furnishes the title evidence; and

9 (2) credited against the title insurance premium
10 charged for the issuance of the title insurance policy for which the
11 evidence is furnished.

12 (d) Nothing in this section may be construed to allow the
13 payment of an amount in violation of the premium rates promulgated
14 or the division of premium established by the commissioner.

15 SECTION 2. This Act applies only to a payment for title
16 evidence furnished on or after the effective date of this Act. A
17 payment for title evidence furnished before the effective date of
18 this Act is governed by the law as it existed immediately before the
19 effective date of this Act, and that law is continued in effect for
20 that purpose.

21 SECTION 3. This Act takes effect September 1, 2013.