

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

May 9, 2013

TO: Honorable John Carona, Chair, Senate Committee on Business & Commerce

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB1405 by Smithee (Relating to the collection of surplus lines insurance premium taxes for insurance placed with a managing underwriter.), **As Engrossed**

<p>No significant fiscal implication to the State is anticipated.</p>
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The bill would amend the Insurance Code relating to the collection of surplus lines insurance premium taxes for insurance placed with a managing underwriter. The bill would allow a managing underwriter to collect, report, and pay any taxes imposed by Chapter 225 of the Insurance Code if the surplus lines agent places an insurance policy with a managing underwriter. The bill would also allow a surplus lines agent and a managing underwriter to enter into an agreement that would allow the surplus lines agent to collect, report, and pay any taxes imposed by Chapter 225 of the Insurance Code. The agreement must be in writing and must be entered into at or before the time of coverage of the policy.

Based on information provided by the Texas Department of Insurance, it is assumed that all duties and responsibilities associated with implementing the provisions of the bill could be accomplished by utilizing existing resources.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 454 Department of Insurance, 304 Comptroller of Public Accounts

LBB Staff: UP, RB, ER, AG