

# SENATE AMENDMENTS

2<sup>nd</sup> Printing

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.

# ADOPTED

MAY 20 2013

FLOOR AMENDMENT NO. 1

*Atty. Gen.* BY: *Calma*  
Secretary of the Senate

1 Amend H.B. No. 3106 (senate committee printing) in SECTION 1  
2 of the bill, in added Section 2502.057, Insurance Code (page 1,  
3 between lines 55 and 56), by adding the following:

4 (e) This section does not apply to a payment to a reinsurer  
5 for the assumption of reinsurance described by Subchapter G,  
6 Chapter 2551.

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION**

**May 21, 2013**

**TO:** Honorable Joe Straus, Speaker of the House, House of Representatives

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE: HB3106** by Morrison (Relating to compensatory payments made in connection with the issuance of certain title insurance policies.), **As Passed 2nd House**

<b>No significant fiscal implication to the State is anticipated.</b>
---

The bill would amend the Insurance Code relating to compensatory payments made in connection with the issuance of certain title insurance policies. The bill would apply to a payment for title evidence furnished on or after September 1, 2013.

Based on information provided by the Texas Department of Insurance, it is assumed that any costs associated with the implementation of the bill would be absorbed within existing staff and resources.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 454 Department of Insurance

**LBB Staff:** UP, RB, ER, AG, LXH

**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: HB3106** by Morrison (Relating to compensatory payments made in connection with the issuance of certain title insurance policies.), **As Engrossed**

<b>No significant fiscal implication to the State is anticipated.</b>
---

The bill would amend the Insurance Code relating to compensatory payments made in connection with the issuance of certain title insurance policies. The bill would apply to a payment for title evidence furnished on or after September 1, 2013.

Based on information provided by the Texas Department of Insurance, it is assumed that any costs associated with the implementation of the bill would be absorbed within existing staff and resources.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 454 Department of Insurance

**LBB Staff:** UP, RB, AG, ER, LXH

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION**

**April 15, 2013**

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

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE: HB3106** by Morrison (Relating to compensatory payments made in connection with the issuance of certain title insurance policies.), **As Introduced**

<b>No significant fiscal implication to the State is anticipated.</b>
---

The bill would amend the Insurance Code relating to compensatory payments made in connection with the issuance of certain title insurance policies. The bill would apply to a payment for title evidence furnished on or after September 1, 2013.

Based on information provided by the Texas Department of Insurance, it is assumed that any costs associated with the implementation of this bill would be absorbed within existing staff and resources.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 454 Department of Insurance

**LBB Staff:** UP, AG, ER, LXH