

By: Watson

S.B. No. 594

A BILL TO BE ENTITLED

AN ACT

relating to the provision of certain information by a title insurance company to a buyer of residential real estate.

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

SECTION 1. Section 2702.051, Insurance Code, is amended to read as follows:

Sec. 2702.051. APPLICABILITY. Except as otherwise provided by this subchapter, this ~~[This]~~ subchapter does not apply to the closing or settlement of:

(1) a residential real property transaction regulated by the Real Estate Settlement Procedures Act of 1974 (Pub. L. No. 93-533); or

(2) a real property transaction if the closing or settlement is not actually handled by:

(A) a title insurance company, a title insurance agent, or an attorney for a title insurance company or title insurance agent; or

(B) a representative of a title insurance company, a title insurance agent, or an attorney for a title insurance company or title insurance agent.

SECTION 2. Subchapter B, Chapter 2702, Insurance Code, is amended by adding Section 2702.055 to read as follows:

Sec. 2702.055. TAX EXEMPTION INFORMATION FOR CERTAIN BUYERS. A title insurance company or title insurance agent

1 required to provide a closing and settlement statement under this
2 subchapter or a settlement statement under the Real Estate
3 Settlement Procedures Act of 1974 (Pub. L. No. 93-533) for a
4 transaction involving the purchase of improved residential real
5 property shall provide to the purchaser, in addition to that
6 statement:

7 (1) a disclosure prescribed by the department that
8 describes the residence homestead exemptions available under
9 Subchapter B, Chapter 11, Tax Code; and

10 (2) a copy of any application form that may be used to
11 apply for one of those exemptions with an appraisal district in
12 which the property is located.

13 SECTION 3. (a) The Texas Department of Insurance shall
14 prescribe the disclosure required by Section 2702.055, Insurance
15 Code, as added by this Act, not later than December 1, 2015.

16 (b) The change in law made by this Act applies only to a
17 transaction closed or settled on or after January 1, 2016. A
18 transaction closed or settled before that date is governed by the
19 law as it existed immediately before the effective date of this Act,
20 and that law is continued in effect for that purpose.

21 SECTION 4. This Act takes effect September 1, 2015.