86R3389 GRM-D

By:  Dutton H.B. No. 1560

A BILL TO BE ENTITLED

AN ACT

relating to a tax on title insurance policies written by title insurance companies to fund housing programs and services; imposing a tax.

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

SECTION 1.  Subtitle E, Title 3, Insurance Code, is amended by adding Chapter 282 to read as follows:

CHAPTER 282. TITLE INSURANCE TAX FOR HOUSING PROGRAMS AND SERVICES

Sec. 282.0001.  TAX IMPOSED; RATE. (a) A tax is imposed on the issuance of each title insurance policy that is written for delivery in this state by a title insurance company authorized to engage in business in this state and for which the full basic premium is charged.

(b)  The rate of the tax is $1 on each policy described by Subsection (a).

(c)  The tax imposed by this section is in addition to other taxes, fees, and assessments imposed on a title insurance company.

Sec. 282.0002.  COLLECTION OF TAX. The comptroller shall collect the tax.

Sec. 282.0003.  TAX DUE DATES. (a) A title insurance company shall pay the tax on an annual, semiannual, or more frequent periodic basis, as determined by the comptroller.

(b)  The comptroller may require semiannual or more frequent periodic payments only from a title insurance company whose tax liability under this chapter for the preceding year was at least $2,000.

Sec. 282.0004.  DEPOSIT AND USE OF TAX REVENUE. (a) The comptroller shall deposit taxes collected under this chapter as follows:

(1)  one-fourth to the credit of the foundation school fund; and

(2)  the remainder to the credit of the general revenue fund.

(b)  Money deposited under Subsection (a)(2) may be appropriated only for programs and services designed to reduce homelessness and housing insecurity.

Sec. 282.0005.  RULES. The comptroller may adopt reasonable rules to implement this chapter, including rules providing for the form and manner of remittance of the taxes imposed by this chapter.

SECTION 2.  Not later than December 1, 2019, the comptroller of public accounts shall adopt rules necessary for the implementation and administration of Chapter 282, Insurance Code, as added by this Act.

SECTION 3.  Chapter 282, Insurance Code, as added by this Act, applies to a title insurance policy written on or after January 1, 2020. A title insurance policy written before January 1, 2020, is governed by the law in effect when the title insurance policy was written, and that law is continued in effect for that purpose.

SECTION 4.  This Act takes effect September 1, 2019.