

BILL ANALYSIS

H.B. 2517
By: Barry
Insurance
Committee Report (Unamended)

BACKGROUND AND PURPOSE

The bill author has informed the committee that, despite their status as nonprofit organizations operating in a residual market, the Texas Windstorm Insurance Association and the Texas FAIR Plan Association pay premium and maintenance taxes, resulting in the entities having less money to direct to the payment of catastrophic losses. The bill author has also informed the committee that exempting these entities from the applicability of the statutes imposing those taxes would reduce the need for their purchase of reinsurance, increase their ability to pay claims, and reduce other operating expenses. H.B. 2517 seeks to exempt the Texas Windstorm Insurance Association and the Texas FAIR Plan Association from the property and casualty insurance premium tax and the fire and allied lines insurance maintenance tax.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

H.B. 2517 amends the Insurance Code to exempt the Texas Windstorm Insurance Association and the Texas FAIR Plan Association from the property and casualty insurance premium tax and the fire and allied lines insurance maintenance tax. These exemptions expressly do not affect tax liability accruing before the 2023 calendar year. The liability continues in effect as if the bill had not been enacted, and the former law is continued in effect for the collection of taxes due and for enforcement of the liability for those taxes.

EFFECTIVE DATE

September 1, 2025.