

By: Barry

H.B. No. 2517

A BILL TO BE ENTITLED

AN ACT

relating to the applicability of premium and maintenance taxes to Texas Windstorm Insurance Association and Texas FAIR Plan Association.

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

SECTION 1. Section 221.001(b), Insurance Code, is amended to read as follows:

(b) This chapter does not apply to:

(1) a fraternal benefit society, including a fraternal benefit society operating under Chapter 885;

(2) a group hospital service corporation operating under Chapter 842;

(3) a stipulated premium company operating under Chapter 884;

(4) a mutual assessment association, company, or corporation regulated under Chapter 887;

(5) a purely cooperative or mutual fire insurance company carried on by its members solely for the protection of their own property and not for profit, except as provided by Section 221.002(b)(13); ~~for~~

(6) a farm mutual insurance company operating under Chapter 911, unless the company is acting as a fronting insurer;

(7) the Texas Windstorm Insurance Association; or

(8) the Texas FAIR Plan Association.

SECTION 2. Section 252.005, Insurance Code, is amended to read as follows:

Sec. 252.005. EXCEPTION. This chapter does not apply to:

(1) A farm mutual insurance company operating under Chapter 911, unless the company is acting as a fronting insurer as defined by Section 221.001(c); ~~for~~

(2) A mutual insurance company engaged in business under Chapter 12, Title 78, Revised Statutes, before that chapter's repeal by Section 18, Chapter 40, Acts of 41st Legislature, 1st Called Session, 1929, as amended by Section 1, Chapter 60, General Laws, Acts of the 41st Legislature, 2nd Called Session, 1929, that retains the rights and privileges under the repealed law to the extent provided by those sections;

(3) The Texas Windstorm Insurance Association; or

(4) The Texas FAIR Plan Association.

SECTION 3. The changes in law made by this Act do not affect tax liability accruing before the 2023 calendar year. The liability continues in effect as if this Act 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.

SECTION 4. This Act takes effect September 1, 2025.