

By: Gámez

H.B. No. 3412

A BILL TO BE ENTITLED

AN ACT

1
2 relating to notice of and assistance in filing an application for a
3 residence homestead exemption from ad valorem taxation provided to
4 a home buyer by a title insurance company or title insurance agent
5 in connection with the closing and settlement of certain
6 transactions pertaining to residential real property; authorizing
7 a fee; providing for the imposition of an administrative penalty.

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

9 SECTION 1. Chapter 2702, Insurance Code, is amended by
10 adding Subchapter D to read as follows:

11 SUBCHAPTER D. OTHER CLOSING SERVICES

12 Sec. 2702.151. DEFINITIONS. In this subchapter:

13 (1) "Residence homestead" has the meaning assigned by
14 Section 11.13, Tax Code.

15 (2) "Title insurance company" includes a title
16 insurance agent.

17 Sec. 2702.152. APPLICABILITY. This subchapter does not
18 apply to the closing or settlement of a real property transaction if
19 the closing or settlement is not actually handled by:

20 (1) a title insurance company or an attorney for a
21 title insurance company; or

22 (2) a representative of a title insurance company or
23 an attorney for a title insurance company.

24 Sec. 2702.153. RESIDENCE HOMESTEAD EXEMPTION. (a) In

1 connection with the closing and settlement of a real property
2 transaction pertaining to residential real property in this state,
3 a title insurance company shall provide to the buyer a notice that
4 the property may qualify for one or more residence homestead
5 exemptions from ad valorem taxation of the property. The notice
6 must include:

7 (1) eligibility criteria for a property to qualify for
8 a residence homestead exemption under Section 11.13, 11.131,
9 11.132, 11.133, or 11.134, Tax Code;

10 (2) the deadline for filing an application for a
11 residence homestead exemption;

12 (3) instructions for completing the application form
13 for a residence homestead exemption; and

14 (4) a statement that the title insurance company is
15 required to assist the buyer in applying for a residence homestead
16 exemption for which the buyer is qualified or to apply for the
17 exemption on behalf of the buyer unless the buyer waives the buyer's
18 right to have the title insurance company provide that service.

19 (b) In addition to providing the notice under Subsection
20 (a), in connection with the closing or settlement of a transaction
21 pertaining to real property that the buyer intends to occupy as the
22 buyer's residence homestead, a title insurance company shall assist
23 the buyer in applying for a residence homestead exemption or apply
24 for the exemption on behalf of the buyer unless the buyer waives the
25 buyer's right to have the title insurance company provide that
26 service.

27 (c) A title insurance company may charge a reasonable fee

1 for a service provided under Subsection (b). A title insurance
2 company that charges a fee under this subsection must disclose the
3 fee to the buyer.

4 (d) A title insurance company that violates this section is
5 subject to an administrative penalty under Chapter 84 of not more
6 than \$500.

7 SECTION 2. Sections 11.43(n) and (p), Tax Code, are
8 repealed.

9 SECTION 3. Subchapter D, Chapter 2702, Insurance Code, as
10 added by this Act, applies only to a transaction for the purchase of
11 real property under a contract entered into on or after the
12 effective date of this Act.

13 SECTION 4. The repeal of Sections 11.43(n) and (p), Tax
14 Code, by this Act applies only to an application for a residence
15 homestead exemption from ad valorem taxation filed on or after the
16 effective date of this Act. An application for a residence
17 homestead exemption from ad valorem taxation filed before the
18 effective date of this Act is governed by the law in effect on the
19 date the application was filed, and that law is continued in effect
20 for that purpose.

21 SECTION 5. This Act takes effect September 1, 2025.