CHAPTER 787

S.B. No. 1364

AN ACT

relating to the computation of an electric utility's income taxes.

Be it enacted by the Legislature of the State of Texas:

SECTION 1. Subsection (a), Section 36.060, Utilities Code, is amended to read as follows:

(a) If an expense is allowed to be included in utility rates or an investment is included in the utility rate base, the related income tax benefit must be included in the computation of income tax expense to reduce the rates. If an expense is not allowed to be included in utility rates or an investment is not included in the utility rate base, the related income tax benefit may not be included in the computation of income tax expense to reduce the rates. The income tax expense shall be computed using the statutory income tax rates. [Unless it is shown to the satisfaction of the regulatory authority that it was reasonable to choose not to consolidate returns, an electric utility's income taxes shall be computed as though a consolidated return had been filed and the utility had realized its fair share of the savings resulting from that return, if:

[(1) the utility is a member of an affiliated group eligible to file a consolidated income tax return; and

[(2) it is advantageous to the utility to do so.]

SECTION 2. This Act takes effect September 1, 2013.

Passed the Senate on April 23, 2013: Yeas 24, Nays 7; passed the House on May 20, 2013: Yeas 137, Nays 8, one present not voting.

Approved June 14, 2013.

Effective September 1, 2013.

CHAPTER 788

S.B. No. 1386

AN ACT

relating to the nonforfeiture requirements of certain life insurance policies.

Be it enacted by the Legislature of the State of Texas:

SECTION 1. Subchapter A, Chapter 1105, Insurance Code, is amended by adding Section 1105.0015 to read as follows:

Sec. 1105.0015. DEFINITION. In this chapter, "operative date of the valuation manual" means the date, if any, on which the valuation manual described by Subchapter B, Chapter 425 (Standard Valuation Law), becomes operative as provided by that subchapter.

SECTION 2. Section 1105.055, Insurance Code, is amended by amending Subsections (h) and (i) and adding Subsections (j), (k), (l), and (m) to read as follows:

(h) For a policy issued before the operative date of the valuation manual, any [Any] ordinary mortality table adopted after 1980 by the National Association of Insurance Commissioners that is approved by rules adopted by the commissioner for use in determining the minimum nonforfeiture standard may be substituted for:

(1) the Commissioners 1980 Standard Ordinary Mortality Table with or without Ten-Year Select Mortality Factors; or

(2) the Commissioners 1980 Extended Term Insurance Table.

(i) For a policy issued before the operative date of the valuation manual, any [Any] industrial mortality table adopted after 1980 by the National Association of Insurance