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 2003
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 1961 Standard Industrial Mortality Table; or
(2) the Commissioners 1961 Industrial Extended Term Insurance Table.

(j) Except as provided by Subsection (k), for a policy described by Subsection (h) issued on or after the operative date of the valuation manual, the valuation manual must provide the commissioners' standard ordinary mortality table for use in determining the minimum nonforfeiture standard that 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.

(k) If the commissioner by rule adopts a commissioners' standard ordinary mortality table adopted by the National Association of Insurance Commissioners for use in determining the minimum nonforfeiture standard for policies issued on or after the operative date of the valuation manual, the minimum nonforfeiture standard determined in accordance with that table supersedes the standard provided by the valuation manual.

(l) Except as provided by Subsection (m), for a policy described by Subsection (i) issued on or after the operative date of the valuation manual, the valuation manual must include the commissioners' standard industrial mortality table for use in determining the minimum nonforfeiture standard that may be substituted for:

(1) the 1961 Standard Industrial Mortality Table; or
(2) the Commissioners 1961 Industrial Extended Term Insurance Table.

(m) If the commissioner by rule adopts a commissioners' standard industrial mortality table adopted by the National Association of Insurance Commissioners for use in determining the minimum nonforfeiture standard for policies issued on or after the operative date of the valuation manual, the minimum nonforfeiture standard determined in accordance with that table supersedes the standard provided by the valuation manual.

SECTION 3. Section 1105.056, Insurance Code, is amended to read as follows:

Sec. 1105.056. NONFORFEITURE INTEREST RATE. (a) For a policy issued before the operative date of the valuation manual, the [The] annual nonforfeiture interest rate for a policy issued in a particular calendar year is equal to 125 percent of the calendar year statutory valuation interest rate for that policy as defined by Subchapter B, Chapter 425, rounded to the nearest one-fourth of one percent, except that the commissioner by rule may adopt a different nonforfeiture interest rate.

(b) For a policy issued on or after the operative date of the valuation manual, the annual nonforfeiture interest rate for any policy issued in a particular calendar year is provided by the valuation manual.

SECTION 4. The commissioner of insurance may not implement this Act before the operative date of the valuation manual described by Section 1105.0015, Insurance Code, as added by this Act.

SECTION 5. This Act takes effect only if an Act of the 83rd Legislature, Regular Session, 2013, that amends Chapter 425, Insurance Code, to authorize the commissioner of insurance to adopt a standard valuation manual and provide an operative date for that manual is enacted and becomes law. If an Act of the 83rd Legislature, Regular Session, 2013, amending Chapter 425, Insurance Code, to authorize the commissioner of insurance to adopt a standard valuation manual and provide an operative date for that manual does not become law, this Act has no effect.

SECTION 6. This Act takes effect January 1, 2014.

Passed the Senate on April 23, 2013: Yeas 31, Nays 0; the Senate concurred in House amendment on May 22, 2013: Yeas 30, Nays 1; passed the House, with amendment, on May 17, 2013: Yeas 134, Nays 0, two present not voting.
Approved June 14, 2013.

This Act has no effect. Although § 6 indicates that this Act takes effect January 1, 2014, the effect of the bill was contingent upon the enactment of legislation described in § 5 (S.B. No. 1379 or H.B. No. 2926), which did not pass.

CHAPTER 789

S.B. No. 1401

AN ACT

relating to the eligibility of certain providers of laboratory services to participate in programs administered by health and human services agencies or the Health and Human Services Commission.

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

SECTION 1. Subchapter B, Chapter 531, Government Code, is amended by adding Section 531.066 to read as follows:

Sec. 531.066. PARTICIPATION OF DIAGNOSTIC LABORATORY SERVICE PROVIDERS IN CERTAIN PROGRAMS. Notwithstanding any other law, a diagnostic laboratory may participate as an in-state provider under any program administered by a health and human services agency or the commission that involves diagnostic laboratory services, regardless of the location where any specific service is performed or where the laboratory’s facilities are located if:

(1) the laboratory or an entity that is a parent, subsidiary, or other affiliate of the laboratory maintains diagnostic laboratory operations in this state;
(2) the laboratory and each entity that is a parent, subsidiary, or other affiliate of the laboratory, individually or collectively, employ at least 1,000 persons at places of employment located in this state; and
(3) the laboratory is otherwise qualified to provide the services under the program and is not prohibited from participating as a provider under any benefits programs administered by a health and human services agency or the commission based on conduct that constitutes fraud, waste, or abuse.

SECTION 2. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2013.

Passed the Senate on May 1, 2013: Yeas 31, Nays 0; passed the House on May 20, 2013: Yeas 145, Nays 0, one present not voting.

Approved June 14, 2013.

Effective June 14, 2013.

CHAPTER 790

S.B. No. 1422

AN ACT

relating to the use of digitized signatures for pleadings and orders in suits affecting the parent-child relationship.

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

SECTION 1. Chapter 101, Family Code, is amended by adding Section 101.0096 to read as follows:

Sec. 101.0096. DIGITIZED SIGNATURE. “Digitized signature” means a graphic image of a handwritten signature having the same legal force and effect for all purposes as a handwritten signature.

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