

## **BILL ANALYSIS**

Senate Research Center  
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C.S.H.B. 3073  
By: Geren (Fraser)  
Business & Commerce  
5/19/2009  
Committee Report (Substituted)

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Many counties, particularly urban counties, now utilize and request bulk filers to utilize electronic recording. County clerks have set up filing systems using third party providers, for which there is a charge in connection with each document transmitted for filing and recording. These charges are incurred for the benefit of the county and the consumer and are not part of the title insurance premium.

County clerks in counties with access to electronic recording benefit from more immediate filing, better notice, and reduced labor and recording costs. The consumer benefits from having immediate filing. Third parties and title companies benefit from reduced losses due to gaps in filing. However, absent statutory clarification that these charges are not part of the title insurance premium and can be separately charged to the consumer, title companies and agents do not have an incentive to take advantage of these technological innovations.

C.S.H.B. 3073 relates to charges at closing of certain real property transactions.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Chapter 2501, Insurance Code, by adding Section 2501.008, as follows:

Sec. 2501.008. **THIRD-PARTY CHARGES.** Authorizes a title insurance company, title insurance agent, or direct operation to charge, separate from the title insurance premium, actual costs or a reasonable estimate of costs incurred in connection with a closing and settlement, including a charge by a third party for an electronic filing fee or a fee of a third party for the provision of an ad valorem tax report.

SECTION 2. Makes application of this Act prospective.

SECTION 3. Effective date: January 1, 2010.