

CHAPTER 163

S.B. No. 1223

An Act relating to interest charged by local recording agents to certain purchasers of insurance;
amending Article 24.20, Insurance Code, as amended.

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

SECTION 1. Article 24.20, Insurance Code, as amended, is amended to read as follows:

"Article 24.20. **AUTHORITY OF LICENSED LOCAL RECORDING AGENTS TO CHARGE INTEREST TO CERTAIN PURCHASERS OF INSURANCE.** Notwithstanding any other provision of law, any person, partnership, or corporation duly licensed as a local recording agent under Article 21.14, Insurance Code, as amended, may enter into or establish a written agreement with any purchaser of insurance from the agent providing for the payment of interest to the agent in an amount not to exceed the greater of a rate allowed by Article 1.04, *Title 79, Revised Statutes (Article 5069-1.04, Vernon's Texas Civil Statutes)*, [~~of this Title~~] or the rate of one percent a month, on any amount due and owing to the agent for insurance purchased by the purchaser. In those instances the claim or defense of usury is prohibited."

SECTION 2. The importance of this legislation and the crowded condition of the calendars in both houses create an emergency and an imperative public necessity that the constitutional rule requiring bills to be read on three several days in each house be suspended, and this rule is hereby suspended, and that this Act take effect and be in force from and after its passage, and it is so enacted.

Passed the Senate on April 25, 1985, by the following vote: Yeas 30, Nays 0; passed the House on May 9, 1985, by the following vote: Yeas 145, Nays 0, one present not voting.

Filed: May 24, 1985, without signature.

Effective: Immediately