

1-1 By: Oliverson, et al. (Senate Sponsor - Creighton) H.B. No. 1614
 1-2 (In the Senate - Received from the House May 6, 2019;
 1-3 May 6, 2019, read first time and referred to Committee on Business
 1-4 & Commerce; May 19, 2019, reported favorably by the following vote:
 1-5 Yeas 7, Nays 0; May 19, 2019, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7				
1-8	X			
1-9	X			
1-10	X			
1-11			X	
1-12	X			
1-13	X			
1-14	X			
1-15			X	
1-16	X			

1-17 A BILL TO BE ENTITLED
 1-18 AN ACT

1-19 relating to the operation of the Texas Title Insurance Guaranty
 1-20 Association.

1-21 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-22 SECTION 1. Section 2602.008(a), Insurance Code, is amended
 1-23 to read as follows:

1-24 (a) Liability does not exist and a cause of action does not
 1-25 arise against any of the following persons for a good faith action
 1-26 or omission of the person in exercising the person's powers and
 1-27 performing the person's duties under this chapter:

1-28 (1) the commissioner or the commissioner's
 1-29 representative;

1-30 (2) the association or the association's agent,
 1-31 representative, or employee;

1-32 (3) a title insurance company or the company's agent or
 1-33 employee;

1-34 (4) a board member; and

1-35 (5) a special deputy receiver or the special deputy
 1-36 receiver's agent or employee.

1-37 SECTION 2. Subchapter A, Chapter 2602, Insurance Code, is
 1-38 amended by adding Section 2602.013 to read as follows:

1-39 Sec. 2602.013. VENUE. An action against the association or
 1-40 an action against the association's board member, agent,
 1-41 representative, or employee that arises from the exercise of the
 1-42 person's powers or performance of the person's duties under this
 1-43 chapter must be brought in a district court in Travis County.

1-44 SECTION 3. Section 2602.057(a), Insurance Code, is amended
 1-45 to read as follows:

1-46 (a) A title insurance company is not prohibited, because the
 1-47 company has an officer, director, or employee serving as a board
 1-48 member, from negotiating for or entering into a contract of
 1-49 reinsurance or assumption of liability or a contract of
 1-50 substitution to provide for liabilities for covered claims with the
 1-51 association, the commissioner, or the receiver or conservator of an
 1-52 impaired title insurance company or agent.

1-53 SECTION 4. Section 2602.101(a), Insurance Code, is amended
 1-54 to read as follows:

1-55 (a) In addition to the other powers and duties provided by
 1-56 this chapter, the association may:

1-57 (1) borrow money as necessary to implement this
 1-58 chapter according to the plan of operation;

1-59 (2) lend money to the receiver, supervisor, or
 1-60 conservator of an impaired title insurance company or its agent;

1-61 (3) sue and be sued, including taking any legal action

2-1 necessary or proper to recover an unpaid assessment;
 2-2 (4) enter into contracts as necessary or proper to
 2-3 implement this chapter;
 2-4 (5) ensure payment of the policy obligations of an
 2-5 impaired title insurance company;
 2-6 (6) negotiate and contract with a rehabilitator,
 2-7 conservator, supervisor, receiver, ~~[or]~~ ancillary receiver, or
 2-8 other third party to exercise the powers and perform the duties of
 2-9 the association;
 2-10 (7) guarantee, assume, or reinsure, or cause to be
 2-11 guaranteed, assumed, or reinsured, a policy or contract of an
 2-12 impaired title insurance company;
 2-13 (8) take legal action necessary to avoid the payment
 2-14 of improper claims or to settle claims or potential claims against
 2-15 an impaired title insurance company or agent, or the association;
 2-16 (9) assume control of and consolidate the escrow
 2-17 accounts transferred to the association by an impaired agent that
 2-18 has been placed in receivership, supervision, or conservatorship,
 2-19 and:
 2-20 (A) pay covered claims from the consolidated
 2-21 escrow accounts to facilitate processing and payment of claims;
 2-22 (B) maintain a separate accounting for each
 2-23 transferred escrow account; and
 2-24 (C) return money not used to pay a covered claim
 2-25 to the owner of the money in accordance with the contract governing
 2-26 the escrow of the money; and
 2-27 (10) ~~[(9)]~~ perform any other acts as necessary or
 2-28 proper to implement this chapter.
 2-29 SECTION 5. Sections 2602.102(a) and (b), Insurance Code,
 2-30 are amended to read as follows:
 2-31 (a) The association shall perform its functions under a plan
 2-32 of operation. The plan of operation must contain provisions
 2-33 necessary or proper for the execution of the association's powers
 2-34 and duties. The plan of operation must, in addition to the other
 2-35 requirements of this chapter:
 2-36 (1) establish:
 2-37 (A) procedures for handling the assets of the
 2-38 association;
 2-39 (B) the amount and method of reimbursing board
 2-40 members;
 2-41 (C) regular places and times for board meetings;
 2-42 (D) procedures for maintaining records of all
 2-43 financial transactions of the association, its agents, and the
 2-44 board; and
 2-45 (E) procedures for determining the amount of
 2-46 guaranty fees, for collecting those fees, and for assessments;
 2-47 (2) provide for the establishment of a claims filing
 2-48 procedure that includes:
 2-49 (A) notice by the association to claimants;
 2-50 (B) procedures for filing claims seeking
 2-51 recovery from the association; and
 2-52 (C) a procedure for appealing the denial of
 2-53 claims by the association; and
 2-54 (3) ~~[(2)]~~ contain additional provisions necessary or
 2-55 proper for the execution of the association's powers and duties.
 2-56 (b) The association shall submit to the commissioner any
 2-57 amendment to the plan of operation necessary or suitable to ensure
 2-58 the fair, reasonable, and equitable administration of the
 2-59 association. The amendment takes effect on the commissioner's
 2-60 written approval or the 90th day after the date the amendment is
 2-61 submitted unless disapproved by the commissioner.
 2-62 SECTION 6. Sections 2602.103(b) and (c), Insurance Code,
 2-63 are amended to read as follows:
 2-64 (b) On the commissioner's approval ~~[request]~~, the
 2-65 association shall reimburse the department out of the guaranty fee
 2-66 account for the cost, including reasonable and necessary expenses,
 2-67 to employ or retain one or more persons to:
 2-68 (1) audit and review agent escrow and trust accounts,
 2-69 financial condition, and compliance with applicable statutes and

3-1 rules; ~~and]~~

3-2 (2) report to the commissioner on the accounts,
3-3 condition, and compliance; or

3-4 (3) supervise a person employed or retained to perform
3-5 audit and review under Subdivision (1).

3-6 (c) A person employed or retained under Subsection (b) acts
3-7 solely under the direction of and as assigned by the commissioner
3-8 but shall report the person's activity and expenses to the
3-9 association on the request of the association.

3-10 SECTION 7. Section 2602.104(a), Insurance Code, is amended
3-11 to read as follows:

3-12 (a) The association shall maintain a record of its ~~[each~~
3-13 ~~negotiation or meeting in which the association or the~~
3-14 ~~association's representative discusses the association's]~~
3-15 activities in exercising its powers and performing its duties under
3-16 this chapter.

3-17 SECTION 8. Section 2602.105, Insurance Code, is amended to
3-18 read as follows:

3-19 Sec. 2602.105. MEETING BY CONFERENCE CALL. Notwithstanding
3-20 Chapter 551, Government Code, the board may hold an open meeting by
3-21 telephone conference call if immediate action is required and
3-22 convening of a quorum of the board at a single location is not
3-23 reasonable or practical. The meeting is subject to the notice
3-24 requirements that apply to other meetings. The notice of the
3-25 meeting must specify as the location of the meeting the location at
3-26 which meetings of the board are usually held. Each ~~[, and each]~~ part
3-27 of the meeting that is required to be open to the public must be
3-28 audible to the public at that location and must be recorded. The
3-29 audio ~~[tape-recorded. The tape]~~ recording shall be retained and
3-30 made available to the public for 30 days after the meeting date.

3-31 SECTION 9. Section 2602.107, Insurance Code, is amended by
3-32 amending Subsection (b) and adding Subsection (e) to read as
3-33 follows:

3-34 (b) The association may transfer income from investment of
3-35 the association's money in any account to the administrative
3-36 account.

3-37 (e) The association may advance money from any account to
3-38 the administrative account to pay the administrative expenses of
3-39 the association.

3-40 SECTION 10. Section 2602.109(a), Insurance Code, is amended
3-41 to read as follows:

3-42 (a) The ~~[If the]~~ association shall reserve in the title
3-43 account the amount of money the association determines ~~[that money~~
3-44 ~~in the title account exceeds the amount]~~ reasonably necessary for
3-45 efficient future administration ~~[operation]~~ under this chapter.
3-46 The ~~[, the]~~ association shall return the excess money pro rata to
3-47 the holders of participation receipts on which an outstanding
3-48 balance exists after deducting any credits against premium taxes
3-49 taken under Section 2602.210. The amount deducted for those credits
3-50 shall be deposited with the comptroller for credit to the general
3-51 revenue fund. The association shall transfer to the guaranty fee
3-52 account any excess money remaining in the title account after the
3-53 distribution and reservation of money for administration.

3-54 SECTION 11. Section 2602.110, Insurance Code, is amended to
3-55 read as follows:

3-56 Sec. 2602.110. EXPENSES OF ADMINISTERING IMPAIRED INSURER
3-57 OR IMPAIRED AGENT. (a) The association may spend or advance money
3-58 necessary to pay the expenses of administering the supervision,
3-59 rehabilitation, receivership, conservatorship, or, as determined
3-60 by a court of competent jurisdiction, other insolvency of an
3-61 impaired title insurance company or impaired agent, on terms the
3-62 association negotiates, if the company's or agent's assets are
3-63 insufficient to pay those expenses.

3-64 (b) The association may file a claim in a receivership
3-65 proceeding against an impaired title insurance company or impaired
3-66 agent to recover the association's reasonable costs incurred in
3-67 exercising the association's powers or performing the association's
3-68 duties under this chapter with respect to the impaired title
3-69 insurance company or impaired agent. Payment of a claim asserted by

4-1 the association under this section in a receivership proceeding in
 4-2 this state is governed by Section 443.301. Payment of a claim
 4-3 asserted by the association under this section in a receivership
 4-4 proceeding in another state is governed by the law governing
 4-5 priority of payment of distributions on unsecured claims by an
 4-6 insurance guaranty association in that state.

4-7 SECTION 12. Section 2602.111(a), Insurance Code, is amended
 4-8 to read as follows:

4-9 (a) The plan of operation may provide that, on approval of
 4-10 the board [~~and the commissioner~~], a power or duty of the association
 4-11 may be delegated to a corporation or other organization that:

4-12 (1) performs or will perform in two or more states
 4-13 functions similar to those of the association or its equivalent;
 4-14 and

4-15 (2) provides protection not substantially less
 4-16 favorable and effective than that provided by this chapter.

4-17 SECTION 13. Section 2602.114(b), Insurance Code, is amended
 4-18 to read as follows:

4-19 (b) The meeting is not open to the public. Only board
 4-20 members, association counsel and other association
 4-21 representatives, the commissioner, and persons the commissioner
 4-22 authorizes may attend the meeting.

4-23 SECTION 14. Section 2602.116, Insurance Code, is amended to
 4-24 read as follows:

4-25 Sec. 2602.116. BOARD ACCESS TO RECORDS. The receiver,
 4-26 supervisor, conservator, or other statutory successor of an
 4-27 impaired title insurance company or agent shall give the board or
 4-28 its representative:

4-29 (1) access to the company's or agent's records as
 4-30 necessary for the board to perform its functions under this chapter
 4-31 relating to covered claims; and

4-32 (2) copies of those records on the board's request and
 4-33 at the board's expense.

4-34 SECTION 15. Section 2602.153, Insurance Code, is amended by
 4-35 amending Subsection (a) and adding Subsection (e) to read as
 4-36 follows:

4-37 (a) The association shall collect, receive, retain, [~~and~~]
 4-38 disburse, and advance the guaranty fees only as specifically
 4-39 provided by this chapter.

4-40 (e) The association may advance money from the guaranty fee
 4-41 account as the association considers necessary to provide for the
 4-42 payment of covered claims related to an impaired agent and
 4-43 administrative expenses related to the evaluation and payment of
 4-44 those claims. The advanced money shall be repaid to the guaranty
 4-45 fee account as soon as is practicable with money from guaranty fees
 4-46 or the estate of the impaired agent. No interest may accrue on the
 4-47 advanced money.

4-48 SECTION 16. Section 2602.201(a), Insurance Code, is amended
 4-49 to read as follows:

4-50 (a) If the commissioner determines that a title insurance
 4-51 company [~~or agent~~] has become impaired, the association shall
 4-52 promptly estimate the amount of additional money needed to
 4-53 supplement the assets of the impaired title insurance company [~~or~~
 4-54 ~~agent~~] to pay all covered claims and administrative expenses,
 4-55 including expenses related to processing and payment of the claims.

4-56 SECTION 17. Section 2602.202(b), Insurance Code, is amended
 4-57 to read as follows:

4-58 (b) The assessment of each title insurance company must be
 4-59 in the proportion that the net direct written premiums of that
 4-60 company in this state for the calendar year preceding the
 4-61 assessment bear to the net direct written premiums of all title
 4-62 insurance companies for that year. Assessments and supplemental
 4-63 assessments may be made in consecutive years until the association
 4-64 has collected an amount sufficient to pay the obligations and
 4-65 expenses described under Subsection (a). The association may make
 4-66 a supplemental assessment only against the same title insurance
 4-67 companies and in the same proportion for each company as the initial
 4-68 assessment.

4-69 SECTION 18. Section 2602.203, Insurance Code, is amended to

5-1 read as follows:

5-2 Sec. 2602.203. NOTICE AND PAYMENT. ~~The [(a) Not later than~~
 5-3 ~~the 30th day before the date an assessment is due, the]~~ association
 5-4 shall give each [notify the] title insurance company to be assessed
 5-5 at least 90 days' written notice of the due date of the assessment
 5-6 [company].

5-7 ~~[(b) Not later than the 30th day after the date an~~
 5-8 ~~assessment is made, the title insurance company shall pay the~~
 5-9 ~~association the amount of the assessment.]~~

5-10 SECTION 19. Section 2602.206(b), Insurance Code, is amended
 5-11 to read as follows:

5-12 (b) The holder of the receipt is a general creditor of the
 5-13 impaired title insurance company, except that if the amount of
 5-14 assessments the association receives exceeds the amount paid for
 5-15 covered claims and administrative expenses, the holders of
 5-16 participation receipts have preference over other general
 5-17 creditors to, and are entitled to share pro rata in, the excess.

5-18 SECTION 20. Section 2602.208(a), Insurance Code, is amended
 5-19 to read as follows:

5-20 (a) Money from assessments is considered to supplement the
 5-21 marshalling of an impaired title insurance company's assets to make
 5-22 payments of covered claims on the impaired title insurance
 5-23 company's behalf and to pay administrative expenses related to
 5-24 payment of covered claims. The association may assess title
 5-25 insurance companies or use money from assessments to pay covered
 5-26 claims before the receiver exhausts the impaired title insurance
 5-27 company's assets.

5-28 SECTION 21. Section 2602.210, Insurance Code, is amended by
 5-29 amending Subsection (a) and adding Subsection (d) to read as
 5-30 follows:

5-31 (a) A title insurance company is entitled to recover in its
 5-32 rates for the succeeding 12 months ~~[calendar year]~~ amounts paid in
 5-33 assessments not to exceed one percent of the company's net direct
 5-34 written premiums. In promulgating or establishing rates the
 5-35 commissioner shall consider assessments and refunds of assessments
 5-36 and shall adjust the rates to allow for recovery under this
 5-37 subsection.

5-38 (d) If the association receives money related to a title
 5-39 insurance company receivership from any source, including payment
 5-40 of a claim made by the association against the estate of the title
 5-41 insurance company, that is in excess of the amount title insurance
 5-42 companies have recovered or are entitled to recover under this
 5-43 section, the excess money shall be held by the association in its
 5-44 title account to offset the amounts required for future assessments
 5-45 or administrative expenses of the association.

5-46 SECTION 22. Section 2602.251, Insurance Code, is amended to
 5-47 read as follows:

5-48 Sec. 2602.251. COVERED CLAIMS IN GENERAL. An unpaid claim
 5-49 is a covered claim if:

5-50 (1) the claim is made by an insured under a title
 5-51 insurance policy to which this chapter applies;

5-52 (2) the claim arises out of the policy and is within
 5-53 the coverage and applicable limits of the policy, subject to all
 5-54 applicable policy provisions and defenses available under the
 5-55 policy and applicable law;

5-56 (3) the title insurance company that issued the policy
 5-57 or assumed the policy under an assumption certificate is an
 5-58 impaired title insurance company; and

5-59 (4) the insured real property or a lien on the property
 5-60 is located in this state.

5-61 SECTION 23. Section 2602.252, Insurance Code, is amended to
 5-62 read as follows:

5-63 Sec. 2602.252. CLAIM AGAINST TRUST FUNDS OR ESCROW ACCOUNT.
 5-64 An unpaid claim is a covered claim if the claim:

5-65 (1) is:

5-66 (A) against trust funds or an escrow account of
 5-67 an impaired title insurance company or agent; or

5-68 (B) for money received by an impaired title
 5-69 insurance company, the company's agent, or an authorized agent of

6-1 the company's agent for deposit into a trust fund or an escrow
 6-2 account; and

6-3 (2) is unpaid because of a shortage of those funds or
 6-4 in that account, including a shortage that exists because the money
 6-5 was not deposited by the impaired title insurance company or the
 6-6 company's agent in the fund or account.

6-7 SECTION 24. Section 2602.255, Insurance Code, is amended to
 6-8 read as follows:

6-9 Sec. 2602.255. CLAIMS NOT COVERED. The following are not
 6-10 covered claims:

6-11 (1) an amount due a reinsurer, title insurance
 6-12 company, insurance pool, or underwriting association as a
 6-13 subrogation recovery or otherwise;

6-14 (2) a supplementary payment obligation incurred
 6-15 before a determination is made under this chapter that a title
 6-16 insurance company or agent is impaired, including:

6-17 (A) adjustment fees or expenses;

6-18 (B) attorney's fees or expenses;

6-19 (C) court costs;

6-20 (D) interest;

6-21 (E) enhanced damages, sought as a recovery
 6-22 against the insured, the impaired title insurance company or agent,
 6-23 or the association, that arise under Chapter 541 of this code or
 6-24 Subchapter E, Chapter 17, Business & Commerce Code, or a similar law
 6-25 of another state; and

6-26 (F) bond premiums;

6-27 (3) a shortage of trust funds or in an escrow account
 6-28 resulting from the insolvency of a financial institution;

6-29 (4) exemplary, extracontractual, or bad faith damages
 6-30 awarded against an insured or title insurance company by a court
 6-31 judgment;

6-32 (5) a claim under Section 2602.252 by a claimant who
 6-33 has a lien against the real property that was the subject of the
 6-34 transaction from which the claim arises, unless the lien is held to
 6-35 be invalid as a matter of law;

6-36 (6) a claim under Section 2602.251, 2602.252, or
 6-37 2602.253 by a claimant who caused or substantially contributed to
 6-38 the claimant's loss by the claimant's action or omission, as
 6-39 determined by the association or the association's agent; and

6-40 (7) a claim filed with the association after the claim
 6-41 filing deadline for [~~final date set by the court for the filing of~~
 6-42 ~~claims against a receiver of~~] an impaired title insurance company
 6-43 or agent.

6-44 SECTION 25. Section 2602.256, Insurance Code, is amended to
 6-45 read as follows:

6-46 Sec. 2602.256. AMOUNT OF COVERED CLAIM; LIMIT. (a) A
 6-47 covered claim under Section 2602.251 or 2602.253 may not exceed the
 6-48 lesser of \$500,000 [~~\$250,000~~] for each claimant or \$500,000
 6-49 [~~\$250,000~~] for each policy.

6-50 (b) A covered claim under Section 2602.252 may not exceed
 6-51 the lesser of \$500,000 [~~\$250,000~~] for each claimant or the amount of
 6-52 money actually received by [~~delivered to~~] the impaired title
 6-53 insurance company or agent as trust funds or an escrow account for
 6-54 each claimant in a transaction from which the claim arises, except
 6-55 that the cumulative amount of covered claims arising from a single
 6-56 transaction may not exceed \$500,000 [~~\$250,000~~].

6-57 SECTION 26. Section 2602.259(c), Insurance Code, is amended
 6-58 to read as follows:

6-59 (c) In a proceeding considering a covered claim, a judgment
 6-60 against an insured taken after the date the delinquency proceeding
 6-61 or supervision begins or a conservator is appointed is not evidence
 6-62 of liability or of the amount of damages, and a default or consent
 6-63 judgment against an insured or the impaired title insurance company
 6-64 or a settlement, release, or judgment entered into by the insured or
 6-65 the impaired title insurance company does not bind the association
 6-66 and is not evidence of liability or of the amount of damages in
 6-67 connection with a claim brought against the association or another
 6-68 party under this chapter.

6-69 SECTION 27. Section 2602.260, Insurance Code, is amended to

7-1 read as follows:

7-2 Sec. 2602.260. ADMISSIBILITY OF PAYMENT. In a lawsuit
 7-3 brought by a conservator, supervisor, or receiver of an impaired
 7-4 title insurance company or agent to recover assets of the company or
 7-5 agent, the fact that a claim against the company or agent has been
 7-6 or will be paid under this chapter is not admissible and may not be
 7-7 placed before a jury by evidence, argument, or reference.

7-8 SECTION 28. Subchapter F, Chapter 2602, Insurance Code, is
 7-9 amended by adding Section 2602.261 to read as follows:

7-10 Sec. 2602.261. APPEAL OF CLAIM DETERMINATION. A claimant's
 7-11 right of appeal with respect to a claim determination by the
 7-12 association is governed by the association's plan of operation. A
 7-13 claimant must bring an action, including an action for declaratory
 7-14 relief, challenging denial of a claim not later than one year after
 7-15 the date the claim was denied.

7-16 SECTION 29. Section 2602.302, Insurance Code, is amended by
 7-17 amending Subsections (a) and (b) and adding Subsections (b-1) and
 7-18 (f) to read as follows:

7-19 (a) The association shall pay covered claims:

7-20 (1) existing before the determination of impairment;

7-21 or

7-22 (2) arising on or before:

7-23 (A) the date of cancellation of the impaired
 7-24 title insurance company's policies or the claim deadline for claims
 7-25 against the impaired title insurance company, as applicable; or

7-26 (B) the claim deadline for covered claims against
 7-27 an impaired agent, which is the first anniversary of the date of
 7-28 determination of impairment.

7-29 (b) A [The] court in this state in which [the] receivership
 7-30 proceedings of an impaired title insurance company are pending
 7-31 shall set, as applicable:

7-32 (1) the date of cancellation of the policies, which
 7-33 may not be later than the fifth anniversary of the date of
 7-34 determination of impairment; or

7-35 (2) the claim deadline, which may not be later than the
 7-36 first anniversary of the date of determination of impairment.

7-37 (b-1) If an impaired title insurance company is in
 7-38 receivership proceedings outside of this state, the claim deadline
 7-39 is the first anniversary of the date of determination of
 7-40 impairment.

7-41 (f) On payment of the last timely filed covered claim, the
 7-42 association is discharged from the association's obligations under
 7-43 this chapter. This subsection does not discharge the association
 7-44 of obligations related to pending litigation.

7-45 SECTION 30. Section 2602.452(b), Insurance Code, is amended
 7-46 to read as follows:

7-47 (b) The association may employ or retain a person or persons
 7-48 to perform any action required under Subsection (a), in accordance
 7-49 with Section 2602.103(a).

7-50 SECTION 31. Section 2602.103(d), Insurance Code, is
 7-51 repealed.

7-52 SECTION 32. (a) Except as provided by this section, the
 7-53 changes in law made by this Act apply only with respect to a title
 7-54 insurance company or agent that is designated as impaired on or
 7-55 after the effective date of this Act. The law as it existed
 7-56 immediately before the effective date of this Act applies with
 7-57 respect to a title insurance company or agent that was designated as
 7-58 impaired before the effective date of this Act, and that law is
 7-59 continued in effect for that purpose.

7-60 (b) Section 2602.013, Insurance Code, as added by this Act,
 7-61 and Section 2602.260, Insurance Code, as amended by this Act, apply
 7-62 only to an action commenced on or after the effective date of this
 7-63 Act. An action commenced before the effective date of this Act is
 7-64 governed by the law applicable to the action immediately before the
 7-65 effective date of this Act, and that law is continued in effect for
 7-66 that purpose.

7-67 SECTION 33. This Act takes effect September 1, 2019.

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