

SUBJECT: Renewal of judgment liens in favor of the state

COMMITTEE: State Affairs — committee substitute recommended

VOTE: 6 ayes — Swinford, Miller, B. Cook, Farrar, Gattis, J. Keffer

0 nays

3 absent — Martinez Fischer, Villarreal, Wong

SENATE VOTE: On final passage, March 31 — 30-0, on Local and Uncontested Calendar

WITNESSES: For — None

Against — None

On — Randy M. Lee, Stewart Title Guaranty Company, Texas Land Title Association

BACKGROUND: Under current law, the attorney general may file suit against a person or entity to recover money owed to the state. A judgment is valid for 10 years, after which time it becomes dormant unless renewed through the issuance of a writ of execution.

DIGEST: CSSB 464 would continue a judgment lien that was in favor of the state or a state agency until the earlier of 20 years or the date the judgment was satisfied or the lien was released. The judgment lien could be renewed for one additional 20-year period by filing, before the expiration of the initial 20-year period, a renewed abstract of judgment. A judgment in favor of the state or a state agency would not become dormant.

The bill would apply to a judgment entered or an abstract recorded on or after the effective date of the act, a judgment lien on record before the effective date of the act, or a judgment, if not dormant, that existed on the act's effective date.

The bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2005.

**SUPPORTERS
SAY:**

The process of renewing judgment liens is time consuming and costly. According to the Office of the Attorney General, the cost to renew a single judgment may be more than \$200, excluding staff costs.

With thousands of judgments that will need to be renewed over the next few years, CSSB 464 would simplify this process by extending the period during which liens were active and allowing the state to file a judgment abstract, rather than under undertake a costly writ of execution, to renew the judgment. The 20-year period with one optional renewal would be the same as that allowed under federal law (28 USC 3201). The Attorney General's Office estimates that this change could save the state more than \$1 million.

**OPPONENTS
SAY:**

No apparent opposition.

NOTES:

The Senate-passed version would have continued a judgment lien indefinitely in favor of the state. The House committee substitute would limit a lien to 20 years, with one renewal possible.