

By: DeAyala

H.B. No. 4381

A BILL TO BE ENTITLED

AN ACT

relating to the suspension of a money judgment pending appeal in a civil action.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Chapter 52, Civil Practice and Remedies Code, is amended by adding Section 52.007 to read as follows:

Sec. 52.007. ALTERNATIVE SECURITY IN CERTAIN CASES. (a) This section applies only to a judgment debtor with a net worth of less than \$10 million.

(b) On a showing by the judgment debtor that posting security in the amount required under Section 52.006(a) or (b) would require the judgment debtor to substantially liquidate the judgment debtor's interests in real or personal property necessary to the normal course of the judgment debtor's business, the trial court shall allow the judgment debtor to post alternative security with a value sufficient to secure the judgment.

(c) During an appeal, the judgment debtor shall continue to manage, use, and receive earnings from interests in real or personal property in the normal course of business.

(d) If an appellate court reduces the amount of the judgment that the trial court used to set security, the judgment debtor is entitled, pending appeal of the judgment to a court of last resort, to a redetermination of the amount of security required to suspend enforcement of a judgment under Section 52.006 or under Rule 24,

1 Texas Rules of Appellate Procedure.

2 SECTION 2. The change in law made by this Act applies only
3 to a civil action commenced on or after the effective date of this
4 Act. A civil action commenced before the effective date of this Act
5 is governed by the law in effect immediately before the effective
6 date of this Act, and that law is continued in effect for that
7 purpose.

8 SECTION 3. This Act takes effect September 1, 2023.