

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

March 28, 2003

TO: Honorable Burt R. Solomons, Chair, House Committee on Financial Institutions

FROM: John Keel, Director, Legislative Budget Board

IN RE: HB2415 by Hopson (Relating to the postjudgment interest rate.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill amends Section 304.003(c) of the Finance Code to set postjudgment interest rates at the "weekly average 1-year constant maturity treasury yield as most recently published by the Board of Governors of the Federal Reserve System before the date of computation". The current postjudgment interest rate is based on "the auction rate quoted on a discount basis for 52-week treasury bills issued by the United States government as most recently published by the Federal Reserve Board before the date of computation". The computation of postjudgment interest potentially affects the imposition of judgments against the state and other parties to lawsuits and will be set at the annual percentages specified in the bill. The Act takes effect immediately if it receives a vote of two-thirds of all members; otherwise it takes effect on September 1, 2003.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 302 Office of the Attorney General

LBB Staff: JK, JRO, MS, BL