

BILL ANALYSIS

S.B. 1450
By: Averitt
Judiciary
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Currently, the law references the prime rate as published by the Federal Reserve Bank of New York when defining the post judgment interest rate. The Federal Reserve Bank of New York no longer publishes the prime rate.

As proposed, S.B. 1450 references the prime rate as published by the Board of Governors of the Federal Reserve System when defining the post judgment interest rate.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

ANALYSIS

SECTION 1. Amends Section 304.003(c), Finance Code, to redefine the postjudgment interest rate as it is published by the Board of Governors of the Federal Reserve System, rather than by the Federal Reserve Bank of New York.

SECTION 2. Effective date: September 1, 2005.

EFFECTIVE DATE

September 1, 2005