

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

March 8, 2007

TO: Honorable Bill Callegari, Chair, House Committee on Government Reform

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: HB1104 by Paxton (Relating to the duration of judgment liens in favor of the state.), **As Introduced**

<p>The bill would result in an unquantifiable savings to the State depending upon the age of the liens and the year of renewal.</p>
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The bill would amend statute and provide that a judgment in favor of the state does not become dormant and a properly filed abstract of the judgment constitutes a lien under the Property Code for twenty years. The judgment lien may be renewed for one additional twenty year period by filing a renewed abstract of judgment prior to the expiration of the initial twenty year period.

The Office of the Attorney General's research indicates there are approximately 13,100 potential judgments in favor of the state that are less than 10 years old, which are eligible for renewal as they approach the current 10 year period. The cost to renew one of these judgments is approximately \$250. The bill would delay and potentially save some unquantifiable amount of costs associated with renewing these judgments until 20 years. However, the estimate of savings would depend upon the age of the liens and the year of renewal. In addition, there could be a workload benefit in future years as it relates to state agencies not having to renew judgments as frequently.

The bill would take effect immediately if it receives a vote of two-thirds of all the members elected to each house; otherwise, the bill would take effect September 1, 2007.

Local Government Impact

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

Source Agencies: 302 Office of the Attorney General

LBB Staff: JOB, MN, JM