

By: Wentworth

S.B. No. 432

A BILL TO BE ENTITLED

AN ACT

relating to liability for failure to comply with a child support lien, court order, or notice of levy.

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

SECTION 1. Section 157.324, Family Code, is amended to read as follows:

Sec. 157.324. LIABILITY FOR FAILURE TO COMPLY WITH ORDER OR LIEN. (a) A person who knowingly pays over, releases, sells, transfers, encumbers, conveys, or otherwise disposes of property subject to a child support lien or who, after a foreclosure hearing, fails to surrender on demand nonexempt personal property as directed by a court under this subchapter is liable to the claimant in an amount equal to the greater of three times the value of the property paid over, released, sold, transferred, encumbered, conveyed, or otherwise disposed of or not surrendered or \$5,000, but not to exceed the amount of the child support arrearages for which the lien or foreclosure judgment was issued.

(b) A claimant may recover costs and reasonable attorney's fees incurred in an action under this section.

(c) A penalty paid by a person under this section may not be credited against the child support arrearages owed by the obligor.

(d) A financial institution is not liable under this section for the disposition of assets in an account if the child support lien does not contain either the account number or the social

1 security number of an account owner of record.

2 SECTION 2. Section 157.330, Family Code, is amended by
3 amending Subsection (a) and adding Subsections (c) and (d) to read
4 as follows:

5 (a) A person who possesses or has a right to property that is
6 the subject of a notice of levy delivered to the person and who
7 refuses or fails to timely surrender the property or right to
8 property that should have been paid or delivered to the claimant on
9 demand is liable to the claimant in an amount equal to the greater
10 of three times the value of the property or right to property that
11 should have been paid or delivered or \$5,000, [~~not surrendered~~] but
12 [~~that does~~] not to exceed the amount of the child support arrearages
13 for which the notice of levy has been filed.

14 (c) A penalty paid by a person under this section may not be
15 credited against the child support arrearages owed by the obligor.

16 (d) A financial institution is not liable under this section
17 for the disposition of assets in an account if the notice of levy
18 does not contain either the account number or the social security
19 number of an account owner of record.

20 SECTION 3. This Act takes effect September 1, 2009.