

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION**

**April 15, 2013**

**TO:** Honorable Byron Cook, Chair, House Committee on State Affairs

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE:** **HB3474** by Paddie (Relating to clarifying liability and damages for certain liens placed on and certain court records of real property.), **As Introduced**

<p><b>No significant fiscal implication to the State is anticipated.</b></p>
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The bill would amend Chapter 12 of the Civil Practice and Remedies Code to include definitions of "Fraud" and "Fraudulent lien." The bill would treat multiple people with interests in a single property subject to a fraudulent lien as a single person for the purpose of calculating total damages. Multiple people who jointly file a single fraudulent lien will be treated as a single person for purposes of calculating total damages. When actual economic damages are less than \$10,000, no exemplary damages may be awarded. Attorneys who represent the State may bring an action to recover damages on behalf of the person against whom the judgment is rendered and the obligor, debtor or person who owns an interest in real or personal property may bring an action to enjoin a violation for a fraudulent lien. There is a four year limitation period which accrues over the earlier of: (1) the date the fraud is or should, with reasonable diligence, have been discovered, or (2) the date the property subject to a fraudulent lien or court record is conveyed. A person must bring suit for damages under this chapter not later than 10 years after the date the fraudulent lien or court record was recorded.

As the bill would require multiple people to be treated as one party and the state to potentially represent multiple property owners in one suit, the number of separate lawsuits should be reduced. No significant fiscal impact on state judiciary is anticipated.

**Local Government Impact**

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

**Source Agencies:** 212 Office of Court Administration, Texas Judicial Council

**LBB Staff:** UP, AG, SD, SJS