

BILL ANALYSIS

Senate Research Center
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H.B. 2706
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Statutory changes are proposed each legislative session by the Real Estate, Probate, and Trust Law (REPTL) section of the State Bar of Texas to align the Property Code with developments in case law and other substantive areas of law, to streamline and simplify trust-related issues, to clarify ambiguities, and to correct technical deficiencies. The REPTL section, in conducting one part of this ongoing review, has identified and proposed updates to the law relating to the value of personal property exempt from seizure by creditors, and it has been noted that these amounts were last adjusted more than 30 years ago. H.B. 2706 seeks to amend the law to reflect these updates.

H.B. 2706 amends the Property Code to change the conditions under which certain personal property is exempt from garnishment, attachment, execution, or other seizure by a creditor by increasing from \$60,000 to \$100,000 the maximum aggregate fair market value of such property provided for a family, exclusive of the amount of any liens, security interests, or other charges encumbering the property, and increasing from \$30,000 to \$50,000 the maximum aggregate fair market value of such property owned by a single adult who is not a member of a family, exclusive of the amount of any liens, security interests, or other charges encumbering the property.

H.B. 2706 amends current law relating to the value of personal property exempt from seizure by creditors.

RULEMAKING AUTHORITY

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

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 42.001(a), Property Code, as follows:

(a) Provides that personal property, as described in Section 42.002 (Personal Property), is exempt from garnishment, attachment, execution, or other seizure if:

(1) the property is provided for a family and has an aggregate fair market value of not more than \$100,000, rather than not more than \$60,000, exclusive of the amount of any liens, security interests, or other charges encumbering the property;
or

(2) the property is owned by a single adult, who is not a member of a family, and has an aggregate fair market value of not more than \$50,000, rather than not more than \$30,000, exclusive of the amount of any liens, security interests, or other charges encumbering the property.

SECTION 2. Provides that the changes in law made by this Act do not apply to property that is, as of the effective date of this Act, subject to a voluntary bankruptcy proceeding or to a valid claim of a holder of a final judgment who has, by levy, garnishment, or other legal process, obtained rights superior to those that would otherwise be held by a trustee in bankruptcy if a

bankruptcy petition were then pending against the debtor. Makes application of this Act prospective.

SECTION 3. Effective date: September 1, 2015.