

By: Leach

H.B. No. 3481

Substitute the following for H.B. No. 3481:

By: Murr

C.S.H.B. No. 3481

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the exemption of certain personal property from seizure
3 under a court order to collect a judgment on a consumer debt.

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

5 SECTION 1. Section 31.002, Civil Practice and Remedies
6 Code, is amended by adding Subsections (i), (j), and (k) to read as
7 follows:

8 (i) A court order under this section to collect a judgment
9 on a consumer debt, as defined by Section 392.001, Finance Code,
10 must exempt from freezing and turnover an amount equal to \$3,000 to
11 cover basic needs. The order must direct the judgment creditor or
12 receiver to apply the exemption under this subsection to amounts in
13 a demand deposit account first, followed by any other accounts, as
14 applicable. If the judgment debtor has more than one demand deposit
15 account or other combination of accounts, the exemption shall be
16 applied to the largest demand deposit account first followed by any
17 additional accounts in the order of most to least funds available.
18 The exemption provided by this subsection includes any amounts
19 protected under 31 C.F.R. Part 212 and does not limit amounts
20 protected under other exemptions to the extent those exemptions
21 exceed the amount of the exemption prescribed by this subsection.
22 This subsection does not apply to the enforcement of court-ordered
23 alimony, child support, or spousal maintenance payments.

24 (j) In implementing Subsection (i) with regard to an account

1 held by a financial institution on behalf of a judgment debtor, a
2 court order under this section must direct the judgment creditor or
3 receiver to send a levy letter to the financial institution. With
4 that levy letter, the judgment creditor or receiver shall include
5 the form promulgated under Subsection (k).

6 (k) The supreme court shall promulgate a form that
7 establishes a simple and streamlined process for a financial
8 institution to implement the exemption provided by Subsection (i).

9 SECTION 2. Section 31.010(a), Civil Practice and Remedies
10 Code, is amended to read as follows:

11 (a) A financial institution that receives a request to turn
12 over assets or financial information of a judgment debtor to a
13 judgment creditor or a receiver under a turnover order or
14 receivership under Section 31.002 shall be provided and may rely
15 on:

16 (1) a certified copy of the order or injunction of the
17 court; ~~[or]~~

18 (2) a certified copy of the order of appointment of a
19 receiver under Section 64.001, including a certified copy of:

20 (A) any document establishing the qualification
21 of the receiver under Section 64.021;

22 (B) the sworn affidavit under Section 64.022; and

23 (C) the bond under Section 64.023; or

24 (3) a form promulgated under Section 31.002(k).

25 SECTION 3. (a) Not later than May 1, 2024, the Supreme
26 Court of Texas shall promulgate a form for purposes of Section
27 31.002(k), Civil Practice and Remedies Code, as added by this Act.

1 (b) This section takes effect September 1, 2023.

2 SECTION 4. Except as otherwise provided by this Act, this
3 Act takes effect September 1, 2024.