

By: Leach

H.B. No. 3481

A BILL TO BE ENTITLED

AN ACT

relating to the exemption of certain personal property from garnishment, attachment, execution, or other seizure by creditors.

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

SECTION 1. Section 31.002, Civil Practices and Remedies Code is amended by adding Subsection (i) to read as follows:

(i) For collection of judgments on consumer debt, as defined by Texas Finance Code Section 392.001(2), a court order under this section must exempt an amount to cover basic needs equal to \$3,000 from freezing and turnover. The order must direct the judgment creditor or receiver to apply the exemption under this section to amounts in a demand deposit account first, followed by any other accounts, as applicable. In the event the judgment debtor has more than one demand deposit account or other combination of accounts, the exemption shall be applied to the largest demand deposit account first followed by any additional accounts in the order of most to least funds available. The exemption provided in this section includes any amounts protected under 31 C.F.R. Part 212 and does not limit other exemptions to the extent those exemptions exceed this amount. This subsection does not apply to the enforcement of court-ordered alimony, child support, or spousal maintenance payments.

SECTION 2. Section 31.002, Civil Practices and Remedies Code is amended by adding Subsection (j) to read as follows:

1 (j) In implementing subsection (i) with regard to an account
2 held on behalf of a judgment debtor by a financial institution, an
3 order under this section shall direct the judgment creditor or
4 receiver in the first instance to send a levy letter to the
5 financial institution. With that levy letter, the judgment creditor
6 or receiver shall include a separate form that is identical to or
7 substantially the same as subsection (k).

8 Section 3. Section 31.002, Civil Practices and Remedies Code
9 is amended by adding Subsection (k) to read as follows:

10 (k) The following demand for information, when completed,
11 meets the obligations of the judgment creditor or receiver under
12 subsection (j):

13 DUTIES OF FINANCIAL INSTITUTION

14 As noted in the levy letter and its attachments, the judgment
15 debtor, _____ (name of judgment debtor), has an unsatisfied
16 judgment debt and is obligated by an order of the court to turnover
17 non-exempt assets to the [identify judgment creditor or receiver]
18 to satisfy that debt. Any funds equal to or less than \$3,000 are not
19 subject to levy and shall not be disbursed to a judgment creditor or
20 receiver in response to a levy letter. As reflected by the court
21 order attached to the levy letter, this exemption shall be applied
22 to the largest demand deposit account first followed by any
23 additional accounts in the order of most to least funds available.
24 The exemption provided in this section includes any amounts
25 protected under 31 C.F.R. Part 212 and does not limit those amounts
26 or other amounts protected under other exemptions to the extent
27 those exemptions exceed this amount. This exemption does not apply

1 to the enforcement of court-ordered alimony, child support, or
2 spousal maintenance payments.

3 SECTION 4. Section 31.010(a), Civil Practices and Remedies
4 Code is amended by adding paragraph (3) to read as follows:

5 (3) A duties of financial institution form in the same
6 or substantially the same form as set forth in section 31.002(k).

7 SECTION 5. This Act takes effect September 1, 2023.