

BILL ANALYSIS

Senate Research Center
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H.B. 2557
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Jurisprudence
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Engrossed

DIGEST AND PURPOSE

In some circumstances, it is possible for a person owed money as a result of a judgment on a claim (judgment creditor) to refuse to accept payment from the other party to a suit (judgment debtor) in order to adversely affect the credit rating of the judgment debtor, which can have financial repercussions beyond the amount owed under the judgment. H.B. 2557 provides for the issuance of a recordable release of judgment if the judgment creditor refuses to accept payment.

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 31.008, Civil Practice and Remedies Code, by amending Subsections (a) and (g) and adding Subsection (h), as follows:

(a) Authorizes a judgment debtor who complies with Subsections (b) and (c) to pay to the court that rendered the judgment the amount under the judgment owed to a judgment creditor whose location is unknown to the judgment debtor or who refuses to accept payment of the amount under the judgment. Requires the judgment debtor to prepare a recordable release of the judgment except that if the judgment creditor refuses to accept payment, the clerk of the court is required to issue a recordable release of judgment. Requires the judge or clerk of the court to execute a, rather than the, release of the judgment under this subsection on behalf of the creditor and issue the release to the debtor.

(g) Authorizes the court, if a judgment creditor refuses to accept payment of the amount under the judgment or accepts payment under the judgment and refuses to execute a release of judgment, to set the matter for hearing on a party's motion or on the court's own motion to determine whether or not a release should be issued. Authorizes the court, on notice and hearing, to direct the clerk of the court to issue a release of judgment if the court makes certain findings.

(h) Reletters existing Subsection (g) as Subsection (h).

SECTION 2. Effective date: September 1, 2001. Provides that this Act applies only to the payment of any judgment on or after that date, without regard to whether the judgment was entered before, on, or after that date.