

BILL ANALYSIS

Senate Research Center
78R2328 ATP-D

H.B. 276
By: Goodman (Brimer)
Business & Commerce
5/2/2003
Engrossed

DIGEST AND PURPOSE

Currently, Texas law specifies that a transfer of assets made or an obligation incurred by a debtor to a third party is fraudulent if the debtor made the transfer or incurred the obligation to intentionally hinder, delay, or defraud a creditor. If a creditor has obtained a judgment on a claim against a debtor, the creditor, if the court so orders, may levy execution on the asset transferred or its proceeds. However, there is no provision in current law that allows a creditor relief from associated costs in locating and collecting the fraudulently transferred assets. H.B. 276 authorizes a court to award reasonable costs and attorney's fees incurred relating to the recovery of fraudulently transferred assets.

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 Chapter 24, Business & Commerce Code, by adding Section 24.013 as follows:

Sec. 24.013. COSTS. Authorizes the court, in any proceeding under this chapter, to award costs and reasonable attorney's fees as are equitable and just.

SECTION 2. Effective date: September 1, 2003.