

Department of Planning and Budget 2021 Fiscal Impact Statement

1. Bill Number: HB2099

House of Origin ☐ Introduced ☒ Substitute ☐ Engrossed
Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron: Carrie E. Coyner

3. Committee: Courts of Justice

4. Title: Judgments; limitations on enforcement, judgment liens, settlement agents, effective date.

- 5. Summary:** Reduces from 20 years to 10 years from the date of a judgment the period of time within which an execution may be issued or action may be taken on such judgment. The bill provides that the limitation of the enforcement of a judgment may be extended by a recordation of a certificate prior to the expiration period in the clerk's office in which a judgment lien is recorded. The bill provides that such recordation shall extend the limitations period for 10 years from the date of such recordation. Under current law, such limitation period may be extended on motion of the judgment creditor or his assignee. The bill allows a settlement agent or title insurance company to release a judgment lien, in addition to a deed of trust as provided under current law, provided that the obligation secured by such judgment lien has been satisfied by payment made by the settlement agent and whether or not the settlement agent or title insurance company is named as a trustee under such lien or received authority to release such lien. The bill has a delayed effective date of January 1, 2022.

6. Budget Amendment Necessary: Indeterminate, see item 8.

7. Fiscal Impact Estimates: Indeterminate, see item 8.

- 8. Fiscal Implications:** The Office of the Attorney General and Department of Law, Division of Debt Collection (DDC) indicates this bill will retroactively make judgements secured prior to July 1, 2021, limited to a 13 year enforcement period from the current enforcement period of 20 years from date of judgement. DDC indicates this change could negatively impact DDC and the Commonwealth by forfeiting future collections on more than 1,500 active judgements dated between 13 and 20 years ago, amounting to \$57 million. This calculates to roughly \$0.6 to \$1.3 million in lost commissions to DDC and between \$2.3 and \$5.0 million in lost recoveries for state agencies.

DDC indicates they will need to mobilize their workforce to enforce judgements nearing a 13 year lifespan. This will occupy employee time, taking them off other assignments. This is estimated to cost DDC approximately \$123,100 in additional costs and lost commissions.

9. Specific Agency or Political Subdivisions Affected: Office of the Attorney General and Department of Law, Division of Debt Collection

10. Technical Amendment Necessary: No.

11. Other Comments: