

**STATE
FISCAL IMPACT**

Drafting Number: LLS 14-0939	Date: March 10, 2014
Prime Sponsor(s): Rep. Buckner Sen. Johnston	Bill Status: House Judiciary
	Fiscal Analyst: Josh Abram (303-866-3561)

SHORT TITLE: ADD JUDGMENT REMEDY IN FRAUDULENT TRANSFER ACTION

Fiscal Impact Summary*	FY 2014-2015	FY 2015-2016
State Revenue		
State Expenditures	Minimal workload increase.	
FTE Position Change		
Appropriation Required: None.		

* This summary shows changes from current law under the bill for each fiscal year.

Summary of Legislation

This bill provides an additional remedy for creditors seeking judicial relief when a debtor fraudulently transfers property with the intent to hinder, delay, or fraud a creditor. In such cases, this bill allows a creditor to seek a judgment for two times the value of the asset transferred, or two times the amount necessary to satisfy the creditor's claim, whichever is less.

State Expenditures

The bill allows courts to award punitive damages for a fraudulent transfer in real property transactions. Although this is a new remedy available to the courts, the legal standard for finding such fraud already exists. Cases where fraudulent transfers take place are rare. Few additional cases are anticipated and require only a minimal increase in workload for the Judicial Branch, and no additional appropriation is required.

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature, and applies to actions for relief filed on or after that date.

State and Local Government Contacts

Judicial Regulatory Agencies