

BILL ANALYSIS

Senate Research Center
85R11927 KJE-D

H.B. 2703
By: Muñoz, Jr. (Uresti)
State Affairs
5/18/2017
Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

In protracted divorces, courts sometimes appoint receivers to oversee the finances of divorcing parties, with the purpose of preserving the assets at stake during the divorce. The current process for the appointment of a receiver does not require the court to justify the appointment.

H.B. 2703 creates transparency in receivership appointments by requiring the court to provide the findings of fact and conclusions of law justifying the appointment of the receiver within seven days of the receiver's appointment. The court must also provide justification if it requires bond in connection with the receiver's appointment—something typically required to cover the cost of the receivership.

Currently, courts have wide latitude to appoint a receiver in divorces. H.B. 2703 adds much-needed transparency to this process and thus encourage courts to appoint qualified and neutral individuals and to only make receivership appointments when they are necessary and appropriate.

H.B. 2703 amends current law relating to a temporary order appointing a receiver in a suit for dissolution of a marriage.

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 6.502, Family Code, by adding Subsection (c), as follows:

(c) Requires the court, not later than the seventh day after the date a receiver is appointed under Subsection (a)(5) (relating to a court rendering an order to one or both parties appointing a receiver for the preservation and protection of the property of the parties while a suit for dissolution of marriage is pending), to issue written findings of fact and conclusions of law in support of the receiver's appointment. Requires the court, if the court dispenses with the issuance of a bond between the spouses as provided by Section 6.503(b) (relating to the court, in a suit for dissolution of a marriage, dispensing with the issuance of a bond between the spouses in connection with temporary orders for the protection of the parties and their property) in connection with the receiver's appointment, to include in the court's findings an explanation of the reasons the court dispensed with the issuance of a bond.

SECTION 2. Effective date: September 1, 2017.