



**TESTIMONY OF
THE DEPARTMENT OF THE ATTORNEY GENERAL
TWENTY-FIFTH LEGISLATURE, 2010**

ON THE FOLLOWING MEASURE:

S.B. NO. 2863, RELATING TO THE TAX LIEN AND ENCUMBRANCE RECORD.

BEFORE THE:

SENATE COMMITTEE ON TRANSPORTATION, INTERNATIONAL AND
INTERGOVERNMENTAL AFFAIRS

DATE: Monday, February 8, 2010 **TIME:** 2:00 p.m.

LOCATION: State Capitol, Room 224

TESTIFIER(S): Mark J. Bennett, Attorney General, or
Ryan Endo, Deputy Attorney General, or
Elton Au, Deputy Attorney General

Chair English and Members of the Committee:

The Department of the Attorney General strongly supports this measure.

The purpose of this bill is to expand the existing tax lien and encumbrance record statute to assist state and county agencies in recovering moneys owed for outstanding judgments by encumbering vehicle titles of any debtor that has an outstanding judgment payable to the State or a county. This bill will also require the payment of judgments owed to the State or a county as a condition precedent to the vehicle's renewal, registration, or transfer of ownership. This bill also includes a provision to exempt state or county agencies from paying the statutory fee of \$5 for each recordation.

The encumbrance of motor vehicle titles will strengthen the ability of state and county agencies to recover moneys for outstanding judgments owed to any state or county agency. By requiring the payment of outstanding judgments payable to the State or a county before the renewal, registration, or transfer of ownership of the debtor's vehicle, debtors will be encouraged to repay debts owed to state or county agencies. Also, the statutory fee of \$5 per recordation is hindering some agencies

from using the statute to assist in the recovery of outstanding debts owed to the agency. Waiving the \$5 fee will encourage more state and county agencies to use this recovery tool. This bill allows for only actual judgments obtained by the State or counties, in order to satisfy any due process issues, since such judgments are rendered only after ample notice and opportunity to be heard have already been given.

We respectfully request passage of this measure.