

## Enforcing Out-of-State Judgments in Texas

So, you spent a lot of time and money obtaining a judgment against a Texas citizen or a Texas business, but your judgment is not from a Texas court. How do you collect that judgment? This is question faced by many out-of-state judgment creditors.

Fortunately, Texas has a process for recognizing and enforcing judgments, decrees, and orders from the other states and federal courts in the United States. This process is known as “domestication” of a foreign judgment and is governed by the Texas Uniform Enforcement of Foreign Judgments Act (the “Act”).

The Act applies to “foreign judgments” which means “a judgment, decree, or order of a court of the United States or of any other court that is entitled to full faith and credit in this state.” TEX. CIV. PRAC. & REM. CODE §35.001. Thus, the Act applies to judgments, orders, and decrees from federal courts, as well as any of the other forty-nine states.<sup>1</sup>

When applicable, the Act provides that a “foreign judgment” has “the same effect and is subject to the same procedures, defenses, and proceedings for reopening, vacating, staying, enforcing, or satisfying a judgment” as would a judgment from a Texas court. TEX. CIV. PRAC. & REM. CODE §35.003.

The first step in domesticating a foreign judgment in Texas is to file and authenticate the foreign judgment with a clerk of a Texas court. A foreign judgment can be authenticated “in accordance with an act of congress or a statute of this state,” which then “may be filed in the office of the clerk of any court of competent jurisdiction of this state.” TEX. CIV. PRAC. & REM. CODE §35.003.

The second step, which must also occur at the time the foreign judgment is filed, is submission of sworn evidence identifying the name and last known post office address of the judgment debtor and the judgment creditor. TEX. CIV. PRAC. & REM. CODE §35.004. This is followed by statutory notices to the judgment debtor and filing proof demonstrating that proper statutory notice has been given. TEX. CIV. PRAC. & REM. CODE §35.004.

When this process is followed and is complete, the foreign judgment is domesticated and treated as a Texas judgment. The collection process may begin at that time, subject to the possibility of “stay.” Under the Act, the judgment debtor can seek a “stay” if the debtor establishes the foreign judgment is on appeal, is not final in the original court, or the foreign judgment is subject to a “stay” under the original state’s law (*e.g.* a supersedeas bond has been filed). If no stay is available or the stay expires, then collection efforts may begin.

The Act also does not prohibit optional procedures for enforcing a foreign judgment. Section 35.008 states that a “judgment creditor retains the right to bring an action to enforce a judgment instead of proceeding under this chapter.” TEX. CIV. PRAC. & REM. CODE § 35.008.

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<sup>1</sup> Texas also allows for domestication of judgment from foreign countries, but domestication of a judgment from a foreign country is governed by a different statute and involves different requirements and procedures.

An optional procedure for enforcing a foreign judgment involves filing a new lawsuit. Generally speaking, the process involves filing a new suit and then immediately seeking summary judgment. This optional procedure is used far less often than domestication procedure under the Act. However, it is particularly useful where you want to add new parties to the lawsuit.