





## Testimony to the Senate Judiciary Committee In Support of SB10 – Fraudulent Liens

January 19, 2017

Chairman Wilborn and Committee Members,

For several years our associations have been trying to find meaningful solutions to the filing of fraudulent liens against sheriffs, police chiefs and other public officials. These fraudulent liens are often not discovered until the property owner is attempting to sell their property on which the fraudulent lien was placed. This results in delays in selling the property which can cost the property owner substantial money. In some cases, the property owner's opportunity to purchase new property contingent on the sale of their current property can be lost because of the fraudulent lien. The delays can be extensive as the property owner has to prove the lien is fraudulent and finding the person who placed the fraudulent lien can sometimes be difficult.

It is difficult to know exactly how many of these false filings are committed. However, we know anecdotally these cases come to light every few years. There are likely current active fraudulent liens we don't yet know about since they typically aren't discovered until the public official tries to sell their property.

One provision of this bill is an attempt to stop a person from continuing their fraudulent filings. This is accomplished by requiring court approval to file future liens once a lien the person has filed is found to be fraudulent. This provision is found in Section 1, subsection (c)(3) on page 2 starting on line 9.

The second is to create a criminal penalty for knowingly filing a false lien. This is a provision that we understand several states have done. We believe this is a credible law to establish and will likely be a strong deterrent against committing the crime in the first place. This provision is found in new section 2 starting on page 2 line 42.

We respectfully request the committee recommend this bill favorably for passage.

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