

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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**FISCAL IMPACT STATEMENT**

**LS 7202**

**BILL NUMBER:** HB 1365

**NOTE PREPARED:** Apr 7, 2003

**BILL AMENDED:** Apr 7, 2003

**SUBJECT:** Equitable subrogation.

**FIRST AUTHOR:** Rep. Foley

**FIRST SPONSOR:** Sen. Clark

**BILL STATUS:** 2<sup>nd</sup> Reading - 2<sup>nd</sup> House

**FUNDS AFFECTED:**     **GENERAL**  
                              **DEDICATED**  
                              **FEDERAL**

**IMPACT:** No Fiscal Impact

**Summary of Legislation:** (Amended) The bill provides that a mortgagee may not be denied equitable subrogation of a lien solely because the: (1) mortgagee is a lending institution that had constructive notice of the lien; (2) higher priority lien was released; or (3) mortgagee had title insurance. The bill excludes municipal sewer liens and mechanic's liens from equitable subrogation.

**Effective Date:** July 1, 2003.

**Explanation of State Expenditures:**

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:**

**Local Agencies Affected:**

**Information Sources:**

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