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TYLER TECHNOLOGIES SIGNS $15.1 MILLION PROPERTY TAX SOFTWARE AGREEMENT WITH THE STATE OF TENNESSEE

Dallas, January 7, 2008 -- Tyler Technologies, Inc. (NYSE: TYL) announced today that it has signed a contract to provide its *ias*World property tax software to the State of Tennessee. The contract, valued at approximately $15.1 million, is the largest single software contract in Tyler's history, and includes software licenses, implementation services and support.

Currently, 88 of the 95 counties in Tennessee utilize State systems for their property assessment, appraisal and taxation. This collection of applications was originally developed to satisfy individual county needs—business needs that have expanded over the years through statute requirements and higher levels of services provided by the State.

To meet this growing demand for functionality and efficiency, the State sought to implement an integrated system that would consolidate databases and procedures currently performed in multiple systems.

After a thorough evaluation process, the State selected Tyler Technologies to provide its integrated, Web-based solutions, including Assessment Administration; Computer Assisted Mass Appraisal (CAMA); Personal Property; Inquiry and Appeals Tracking; and Tax Extension applications, as well as the ability to exchange data with other advanced applications such as GIS and document management systems.

Approximately 880 state, county and local government employees in Tennessee will interface in some capacity with the new system.

According to Andrew D. Teed, president of Tyler's CLT Appraisal & Tax Solutions, the new system will allow the State to manage the database and software from one location, and counties to manage their own work using the single installation. "Our partnership with the State will provide centralized technology, a single point of contact for ongoing support, and the ability to extend the life of the software through continued enhancements."

"We are extremely pleased to be awarded this contract," commented Teed. "We look forward to working with the State of Tennessee to enhance its level of service to its counties, and through this, to its citizens."

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Based in Dallas, Tyler Technologies is a leading provider of end-to-end information management solutions and services for local governments. Tyler partners with clients to make local government more accessible to the public, more responsive to needs of citizens, and more efficient. Tyler's client base includes more than 6,000 local government offices throughout all 50 states, Canada, Puerto Rico and the United Kingdom. Tyler has been named one of "America's 200 Best Small Companies" by *Forbes* Magazine and one of "America's 100 Most Trustworthy Companies" by Audit Integrity, an independent research firm. More information about Tyler Technologies can be found at www.tylertech.com.

Tyler Technologies, Inc. has included in this press release "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 concerning its business and operations. Tyler Technologies expressly disclaims any obligation to release publicly any updates or revisions to these forward-looking statements to reflect any change in its expectations. These expectations and the related statements are inherently subject to risks and uncertainties that could cause actual results to differ materially from those set forth in, contemplated by, or underlying the forward-looking statements. The risks and uncertainties which forward-looking statements are subject to include, but are not limited to, changes in competition, changes in general economic conditions, changes in the budgets and regulatory environments of the Company's customers, risks associated with the development of new products and the enhancement of existing products, the ability to attract and retain qualified personnel, and other risks detailed from time to time in the Company's filings with the Securities and Exchange Commission.

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