

## **BILL ANALYSIS**

Senate Research Center

C.S.S.B. 165  
By: Luna  
Jurisprudence  
5-13-97  
Committee Report (Substituted)

### **DIGEST**

Currently, laws governing child support payments administer penalties for past due child support payments are mandated at 12 percent. C.S.S.B. 165 authorizes the presiding judge on a delinquent child support order to set interest on delinquent child support payments in addition to the support payment at a rate of the judge's discretion.

### **PURPOSE**

As proposed, C.S.S.B. 165 outlines provisions relating to interest on delinquent child support payments.

### **RULEMAKING AUTHORITY**

This bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Sections 157.265, Family Code, by amending Subsections (b) and (c) and adding Subsections (d) and (e), to provide that interest accrues on child support arrearages that have been confirmed and reduced to money judgment at 12 percent interest per year unless a lower interest rate is specified by the court on the face of the money judgment order. Authorizes the court to specify an interest rate lower than 12 percent on a money judgment order for child support arrearages under Subsection (b) or for retroactive or lump-sum child support under Subsection (c) only after determining that the net resources of the obligor at the time the judgment is rendered are such that a 12 percent rate of interest will impose undue financial hardship on the obligor or the obligor's family. Requires the court to impose the 12 percent interest rate under Subsections (b) and (c) on the outstanding balances remaining on the money judgment if the court has specified an interest rate lower than 12 percent on a money judgment order and subsequently finds that the obligor has been delinquent in the payment of child support on one or more occasions after the imposition of the lower rate, or that the obligor has the financial capacity to pay interest at the rate of 12 percent.

SECTION 2. Effective date: September 1, 1997.

SECTION 3. Emergency clause.

### **SUMMARY OF COMMITTEE CHANGES**

Amends SECTION 1, Sections 157.265, Family Code, by amending Subsections (b) and (c) and adding Subsections (d) and (e), regarding interest rates on child support arrearages.