

## BILL ANALYSIS

Senate Research Center  
77R6509 KLA-D

S.B. 776  
By: Harris  
Jurisprudence  
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As Filed

### DIGEST AND PURPOSE

Currently, if an individual fails to pay child support, a money judgment may be obtained through the court against that parent. The court judgment may include interest. As proposed, S.B. 776 authorizes the court, a year after the judgment, to reduce the amount of interest if the parent has complied with an order for periodic payments. If, after a year, the individual has failed to make periodic payments, the court is authorized to increase the amount of interest on the arrearages to 13 percent.

### RULEMAKING AUTHORITY

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

### SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 157.262, Family Code, as follows:

- (a) Prohibits a court from reducing or modifying the amount of child support arrearages in a contempt proceeding or in rendering a money judgment, except as provided by Subsection (b).
- (b) Authorizes the court, on or after the first anniversary of the date the court renders a money judgment, to reduce the interest accrued on child support arrearages included in the judgment if the obligor meets the requirements of Section 157.270.

SECTION 2. Amends Chapter 157F, Family Code, by adding Sections 157.270 and 157.271, as follows:

Sec. 157.270. REDUCTION OF ACCRUED INTEREST. (a) Authorizes an obligor, on or after the first anniversary of the date a court renders a money judgment under Section 157.263, to file a motion requesting that the court reduce the amount of interest that was confirmed in the judgment and owed on the child support arrearages.

(b) Authorizes the court, on finding that the obligor has substantially complied with the terms of an order requiring periodic payments toward the money judgment rendered under Section 157.263, to render an order reducing the interest to be paid by an amount that results in the repayment of an amount that will not create an undue hardship on the obligor or the obligor's family.

(c) Requires the court to state in the order reducing the amount of interest owed that the amount by which the interest is reduced may be included in a subsequent cumulative money judgment if the obligor does not comply with an order to make periodic payments for current support and child support arrearages.

Sec. 157.271. PENALTY FOR NONPAYMENT. (a) Authorizes an obligee or Title IV-D agency, on or after the first anniversary of a court-rendered money judgment under Section

157.263, to file a motion requesting that the court order the obligor to pay additional interest on the judgment as a penalty if the court finds that the obligor did not comply with the terms of an order requiring periodic payments toward the judgment.

(b) Authorizes the court, notwithstanding Section 157.265(b), on making the finding required by Subsection (a), to order that interest accrues on the child support arrearages confirmed and reduced to a money judgment at the rate of 13 percent simple interest per year from the date the court rendered the money judgment under Section 157.263 until the date the judgment is paid.

SECTION 3. Effective date: September 1, 2001.