

BILL ANALYSIS

Senate Research Center

S.B. 1164
By: Wentworth
Jurisprudence
3/18/1999
As Filed

DIGEST

Currently, simple interest accrues on delinquent child support at the rate of 12 percent per year from the date the support is delinquent until the date the support is either paid or reduced to a money judgment by a court. The result of this provision is that a small amount of child support arrearages accrue large amounts of interest over time. S.B. 1164 would set the interest rate at either the auction rate quoted on a discount basis for 52-week treasury bills as most recently published before the date the child support order is rendered or 10 percent, whichever is less.

PURPOSE

As proposed, S.B. 1164 establishes an interest rate on delinquent child support accounts.

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 Chapter 154A, Family Code, by adding Section 154.012, as follows:

Sec. 154.012. RATE OF INTEREST. Requires an order in a suit that orders child support to include the interest rate that applies under Section 157.265. Requires the set interest rate to apply to the order until the date the child support order is terminated. Sets forth the interest rate set by the court.

SECTION 2. Amends Section 157.265, Family Code, to delete text regarding 12 percent simple interest per year. Makes conforming changes.

SECTION 3. Effective date: September 1, 1999.
Makes application of this Act prospective.