

BILL ANALYSIS

Senate Research Center
79R3753 JMM-D

H.B. 678
By: Goodman (Harris)
Jurisprudence
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Engrossed

AUTHOR'S/SPONSOR'S STATEMENT OF INTENT

In 2001, Section 157.265, Family Code, was amended to reduce the interest rate on unpaid child support accruing after January 1, 2002, from 12 percent to six percent. The Fifth, Seventh, and Tenth District Courts of Appeals held that the change in interest rate applied prospectively only, while the Second District Court of Appeals held that the change was not prospective and required earlier child support obligations recalculated. As a result, child support is being paid at different rates in different parts of the state.

H.B. 678 clarifies the application of the effective date of this amendment by providing that any unpaid child support that accrued before January 1, 2002, accrued at the interest rate in effect at the time the child support payment became delinquent.

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 157.265, Family Code, by adding Subsections (d)-(f), as follows:

(d) Provides that Subsection (a) (regarding interest accruing on a portion of a delinquent child support payment) applies to a child support payment that becomes due on or after January 1, 2002.

(e) Sets forth the way in which child support arrearages in existence on January 1, 2002, that were not confirmed and reduced to a money judgment accrue interest.

(f) Provides that Subsections (b) and (c) (regarding interest accruing on child support arrearages confirmed and reduced to a money judgment or on a money judgment for retroactive or lump-sum child support) apply to a money judgment for child support rendered on or after January 1, 2002. Provides that a money judgment for child support rendered before that date is governed by the law in effect on the date the judgment was rendered, and the former law is continued in effect for that purpose.

SECTION 2. Effective date: upon passage or September 1, 2005.