

BILL ANALYSIS

C.S.H.B. 983
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Juvenile Justice & Family Issues
Committee Report (Substituted)

BACKGROUND AND PURPOSE

When the parents of a child are granted a divorce, the non-custodial parent is typically ordered to pay child support. Section 154.132 of the Texas Family Code provides that if the child receives benefits such as Social Security based on the non-custodial parent's disability, these benefits reduce the parent's child support obligation. The problem arises when the benefit is initially awarded in the form of a lump-sum payment.

Although a lump sum payment will be made to the obligee, the credit for this payment is not specifically addressed in the Family Code. Furthermore, there have been two Texas' Courts of Appeal cases that have held that, although the child's monthly benefits reduce the current child support owed, the retroactive award the child receives doesn't reduce the arrearages.

C.S.H.B.983 seeks to remedy this discrepancy by providing that if a child receives a lump-sum payment as a result of the obligor's disability, the obligor is entitled to a credit equal to the amount of the lump-sum payment against any child support arrearage owed and any interest that accrued during the obligor's disability.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

Amends Section 154.132 of the Family Code to provide that if a child receives a lump-sum payment as a result of the obligor's disability that is paid to the obligee as a representative payee of the child, the obligor is entitled to a credit equal to the amount of the lump-sum payment against any child support arrearage owed and any interest that accrued during the obligor's disability.

EFFECTIVE DATE

September 1, 2007

COMPARISON OF ORIGINAL TO SUBSTITUTE

C.S.H.B.983 modifies the original H.B.983 to clarify that the obligee who is receiving the lump sum payment does so as the representative payee of the child. C.S.H.B.983 further clarifies that the lump sum payment will be credited only for an amount that accrued during the period of the disability.