

BILL ANALYSIS

C.S.H.B. 4213
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Judiciary & Civil Jurisprudence
Committee Report (Substituted)

BACKGROUND AND PURPOSE

The bill author has informed the committee that while legislation was enacted in 2001 reducing the interest rates on certain child support payments from 12 percent to six percent to better match the prevailing interest rates at the time, statewide litigation followed with regard to the proper allocation of interest to child support accruing prior to the statutory reduction in interest. The bill author also informed the committee that the legislature resolved any interpretive issues related to that proper allocation by codifying the application of the rates two sessions later. C.S.H.B. 4213 seeks to again adjust these rates in an effort to track current prevailing interest rates by lowering the annual interest rates prescribed in statute and by revising the applicability of those rates in statute.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

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

C.S.H.B. 4213 amends the Family Code to lower the following annual interest rates relating to child support from six percent to three percent:

- the rate at which interest accrues on the portion of delinquent child support that is greater than the amount of the monthly periodic support obligation, beginning the date the support is delinquent until the date the support is paid or the arrearages are confirmed and reduced to money judgment;
- the rate at which interest accrues on child support arrearages that have been confirmed and reduced to money judgment, beginning the date the order is rendered until the date the judgment is paid; and
- the rate at which interest accrues on a money judgment for retroactive or lump-sum child support, beginning the date the order is rendered until the judgment is paid.

The bill updates the applicability of provisions governing the accrual of interest on child support by removing January 1, 2002, as the date on or after which those provisions apply to a child support payment or a money judgment for child support and by instead establishing the following:

- the provisions apply to a child support payment that becomes due, or a money judgment for child support rendered, on or after January 1, 2026;
- a money judgment for child support rendered before January 1, 2026, 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; and

- child support arrearages in existence on January 1, 2026, that were not confirmed and reduced to a money judgment on or before January 1, 2026, accrue interest as follows:
 - before January 1, 2026, as subject to the interest rate that applied to the arrearages before that date; and
 - on and after January 1, 2026, the cumulative total of arrearages and interest accumulated is subject to the bill's provisions.

EFFECTIVE DATE

January 1, 2026.

COMPARISON OF INTRODUCED AND SUBSTITUTE

While C.S.H.B. 4213 may differ from the introduced in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.

Whereas the substitute amends statutory provisions relating to the accrual of interest on child support by changing the date on or after which those provisions apply to a child support payment or a money judgment rendered for child support, the introduced did the following:

- repealed the statutory provisions specifying the date on or after which those provisions applied to such a payment or money judgment; and
- established those repealed statutory provisions as a procedural provision accounting for the applicability of the introduced version's amended provisions relating to the accrual of interest on child support.

The substitute changes the bill's effective date from September 1, 2025, as in the introduced, to January 1, 2026.