

D R A F T

SUMMARY

Permits accrual of interest on child support payments in arrears only if nonpayment was willful. Directs Administrator of the Division of Child Support of the Department of Justice to determine, by rule, applicable interest rate for succeeding year, pursuant to specified calculation.

Becomes operative January 1, 2024.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to interest rates applicable to child support payments in arrears;
3 creating new provisions; amending ORS 25.166; and prescribing an effective date.
4

5 **Be It Enacted by the People of the State of Oregon:**

6 **SECTION 1. (1) Interest shall accrue on child support payments in**
7 **arrears only if a court determines that the obligee's nonpayment was**
8 **willful and not the result of an accident, a mistake or the obligee not**
9 **having the means to pay. Notwithstanding ORS 82.010, if a court de-**
10 **termines that the obligee's nonpayment of child support was willful,**
11 **the amount of child support payments that are in arrears bear interest**
12 **as provided in this section.**

13 **(2) The amount of interest under this section is calculated by**
14 **multiplying the applicable interest rate by the amount of child support**
15 **that is in arrears, and then multiplying the product by the number of**
16 **days for which interest is payable. The Administrator of the Division**
17 **of Child Support of the Department of Justice on the second Friday**
18 **of December of each year shall determine by rule the applicable in-**

1 **terest rate set forth in this section to be effective as of January 1 of**
2 **the following calendar year. The applicable interest rate determined**
3 **by the administrator must be equal to the lesser of nine percent per**
4 **annum or the average Federal Funds rate on the day immediately**
5 **preceding the date the administrator makes the determination.**

6 **(3) As used in this section, “child support payments in arrears”**
7 **means the child support arrearage amount determined under ORS**
8 **25.167.**

9 **SECTION 2.** ORS 25.166 is amended to read:

10 25.166. (1) Any court order or administrative order issued or modified in
11 a proceeding under ORS 25.501 to 25.556 or ORS chapter 107, 108, 109, 110,
12 419B or 419C that contains an order for the payment of child support or
13 spousal support must specify an initial due date and year for the payment
14 of support that is on the first day of a calendar month, with subsequent
15 payments due on the first day of each subsequent month for which the sup-
16 port is payable.

17 (2) For purposes of support enforcement, any support payment that be-
18 comes due and payable on a day other than the first day of the month in
19 which the payment is due shall be enforceable by income withholding as of
20 the first day of that month.

21 (3) Any court order or administrative order that contains an award of
22 child, medical or spousal support that accrues on other than a monthly basis
23 may, for income withholding and administrative support billing purposes
24 only, be converted to a monthly amount.

25 (4) Support payments become delinquent only if not paid in full within
26 one month of the payment due date. A monthly child support obligation that
27 is to be paid in two or more installments does not become delinquent until
28 the obligation is not paid in full by the due date for the first installment in
29 the next month. This subsection does not apply to the accrual of interest
30 under [ORS 82.010] **section 1 of this 2023 Act.**

31 (5) Subsections (2) and (3) of this section do not apply to the determi-

1 nation or issuance of support arrearage liens, installment arrearage liens,
2 judgment liens, writs of garnishment or any other action or proceeding that
3 affects property rights under ORS chapter 18.

4 **SECTION 3.** (1) **Section 1 of this 2023 Act and the amendments to**
5 **ORS 25.166 by section 2 of this 2023 Act become operative on January**
6 **1, 2024.**

7 (2) **The Administrator of the Division of Child Support of the De-**
8 **partment of Justice may adopt rules and take any other action before**
9 **the operative date specified in subsection (1) of this section that is**
10 **necessary to enable the administrator, on and after the operative date**
11 **specified in subsection (1) of this section, to undertake and exercise**
12 **all of the duties, functions and powers conferred on the administrator**
13 **by section 1 of this 2023 Act and the amendments to ORS 25.166 by**
14 **section 2 of this 2023 Act.**

15 **SECTION 4.** **Section 1 of this 2023 Act and the amendments to ORS**
16 **25.166 by section 2 of this Act apply to child support payment**
17 **arrearages determined on or after the effective date of this 2023 Act.**

18 **SECTION 5.** **This 2023 Act takes effect on the 91st day after the date**
19 **on which the 2023 regular session of the Eighty-second Legislative**
20 **Assembly adjourns sine die.**

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