

**Subject** Child support interest

**Authors** Becker-Finn and Scott

**Analyst** Sarah Sunderman

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## Overview

Currently, past due child support payments, called arrears, accrue interest when the amount due is greater than the monthly support obligation. For arrears totaling under \$50,000, the current judgment rate is 4% per year. For arrears totaling over \$50,000, the judgment rate is 10% per year.

This bill removes interest charging requirements for child support judgments and specifies that interest does not accrue on such judgments. It makes corresponding changes throughout relevant statutes, with all changes effective August 1, 2022.

## Summary

Section	Description
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<b>1</b>	<b>Contents.</b>
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Amends § 518.68, subd. 2. Removes paragraph (k), stating that the public authority may suspend or resume interest charging on child support judgments under certain conditions, from child support judgment notice requirements.

Removes statement that interest begins to accrue on child support payments when the amount due is greater than the support due, from judgments for unpaid support notice requirement.

Adds language to required notice in judgments for unpaid maintenance, stating that the public authority is not responsible for calculating interest on a judgment for unpaid spousal maintenance; provides exception for collecting interest on unpaid spousal maintenance in IV-D cases.

Makes this section effective August 1, 2022.

<b>Section</b>	<b>Description</b>
2	<p><b>Child support judgment by operation of law.</b></p> <p>Amends § 548.091, subd. 1a. Removes language regarding interest accrual on child support judgments. Specifies that interest does not accrue on judgments for child support, confinement and pregnancy expenses, or genetic testing fees.</p> <p>Makes this section effective August 1, 2022.</p>
3	<p><b>Entry and docketing of child support judgment.</b></p> <p>Amends § 548.091, subd. 2a. Adds paragraph (c) specifying that a child support judgment entered and docketed is not subject to interest charging or accrual.</p> <p>Makes this section effective August 1, 2022.</p>
4	<p><b>Child support judgment administrative renewals.</b></p> <p>Specifies that a child support judgment renewal only includes unpaid interest accrued prior to August 1, 2022, the effective date of this section.</p> <p>Makes this section effective August 1, 2022.</p>
5	<p><b>Payoff statement.</b></p> <p>Amends § 548.091, subd. 9. Specifies that the child support or maintenance payoff statement from the public authority must state that the public authority does not calculate accrued interest and that an interest balance may be owed.</p> <p>Makes this section effective August 1, 2022.</p>
6	<p><b>Release of lien.</b></p> <p>Amends § 548.091, subd. 10. Adds language specifying that the lien release requirement applies to child support amounts due. Specifies that the public authority is not responsible for satisfaction of judgments for unpaid maintenance.</p> <p>Makes this section effective August 1, 2022.</p>
7	<p><b>When owed; rate.</b></p> <p>Amends § 549.09, subd. 1. Exempts child support judgments from family court action interest accrual provisions. Specifies that interest does not accrue on child support judgments.</p> <p>Makes this section effective August 1, 2022.</p>



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