

**SENATE BILL NO. 2310**

Introduced by

Senators Fischer, Krauter, J. Lee

Representatives Kasper, Koppelman, Weisz

1 A BILL for an Act to amend and reenact subsection 6 of section 14-09-25 and section 28-20-34  
2 of the North Dakota Century Code, relating to the interest on unpaid child support obligations.

3 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

4 **SECTION 1. AMENDMENT.** Subsection 6 of section 14-09-25 of the North Dakota  
5 Century Code is amended and reenacted as follows:

6 6. Notwithstanding section 28-20-36, the state disbursement unit shall disburse  
7 collected child support payments in conformity with title IV-D of the Social Security  
8 Act [Pub. L. 93-647; 88 Stat. 2351; 42 U.S.C. 651 et seq.]. Any disbursement  
9 made in error is not a gift and must be repaid. The public authority may take any  
10 action not inconsistent with law to secure repayment of any disbursement made in  
11 error. Interest accrued on an unpaid child support obligation judgment entered  
12 before July 1, 2005, is child support. To the extent consistent with the  
13 requirements of title IV-D, a payment received with respect to a child support  
14 arrearage must first be applied to accrued interest on the earliest arrearage, and  
15 then to the principal of that arrearage. The public authority may calculate judgment  
16 interest accrued on child support obligations that first became arrearages after  
17 July 1, 2002. The public authority shall enter in its records judgment interest on  
18 child support obligations that first became arrearages on or before July 1, 2002, for  
19 periods before January 1, 2004, only if a court has ordered the interest amount  
20 calculated by some individual or entity other than the public authority and approved  
21 the calculated amount. For child support obligations that first became arrearages  
22 on or before July 1, 2002, the public authority may calculate judgment interest  
23 accrued only for periods on or after January 1, 2004. For purposes of this

1 subsection, arrearage means an unpaid child support obligation that was due in a  
2 month prior to the current month.

3 **SECTION 2. AMENDMENT.** Section 28-20-34 of the North Dakota Century Code is  
4 amended and reenacted as follows:

5 **28-20-34. Interest rate on judgments.** Interest is payable on judgments recovered in  
6 the courts of this state at the same rate as is provided in the original instrument upon which the  
7 action resulting in the judgment is based, which rate may not exceed the maximum rate  
8 provided in section 47-14-09. If such original instrument contains no provision as to an interest  
9 rate, or if the action resulting in the judgment was not based upon an instrument, interest is  
10 payable at the rate of twelve percent per annum and may not be compounded in any manner or  
11 form. A judgment for an unpaid child support obligation is not subject to interest. Interest on all  
12 judgments ~~recovered~~ entered in the courts of this state before July 1, ~~1984~~ 2005, must remain  
13 at the rate per annum which was legally prescribed at the time the judgments were entered, and  
14 such interest may not be compounded in any manner or form.