

Introduced by

Senator W. Stenehjem

Representatives R. Kelsch, Mahoney, Wentz

1 A BILL for an Act to create and enact a new section to chapter 28-20 of the North Dakota
2 Century Code, relating to application of a partial payment on a judgment; to amend and reenact
3 subsection 6 of section 14-09-25 of the North Dakota Century Code, relating to partial
4 payments on child support arrears; and to provide for retroactive application.

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

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

8 6. The Notwithstanding section 2 of this Act, the state disbursement unit shall
9 disburse collected child support payments in conformity with title IV-D of the Social
10 Security Act [Pub. L. 93-647; 88 Stat. 2351; 42 U.S.C. 651 et seq.]. Interest
11 accrued on unpaid judgments for child support is child support. To the extent
12 consistent with the requirements of title IV-D, payments received on judgments for
13 child support must first be applied to accrued interest, and then to the principal.

14 **SECTION 2.** A new section to chapter 28-20 of the North Dakota Century Code is
15 created and enacted as follows:

16 **Application of partial payments on judgments.** A partial payment made on a
17 judgment must be applied first to post-judgment costs. If the payment exceeds the costs, the
18 excess amount must be applied toward satisfying the interest due. If the payment exceeds the
19 costs and interest, the excess amount must be applied toward discharging the judgment
20 amount, and the subsequent interest is to be computed on the balance of the judgment amount
21 remaining due. If the payment falls short of satisfying the costs and interest, interest continues
22 to accrue on the former judgment amount until a payment is made that exceeds the sum of the
23 costs and interest due at the time of payment, and then the excess amount must be applied
24 toward discharging the judgment amount, and interest accrues thereafter on the balance of the

1 judgment amount remaining due. This section does not apply to the collection of any debt
2 owed to the state or a political subdivision.

3 **SECTION 3. RETROACTIVE APPLICATION OF ACT.** This Act applies to each partial
4 payment made on or after the effective date of this Act.