



RHODE ISLAND KIDS COUNT

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Testimony Re: House Bill 7429 Regarding Child Support

House Judiciary Committee

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Stephanie Geller, Deputy Director

Mr. Chairman and members of the Committee, thank you for the opportunity to provide testimony today. Rhode Island KIDS COUNT would like to voice its support for House Bill 7429 and thank Representative Williams for introducing it. This bill would eliminate interest on past-due child support payments.

Under current law, when a noncustodial parent falls behind in making child support payments, a 12% rate of interest is applied to the amount of arrears beginning on the date the child support was overdue. As a result, many low-income, noncustodial parents accrue a substantial debt that they have no realistic way to repay. This may discourage the noncustodial parent from making child support payments in the future.

According to the Center for Law and Social Policy, “most child support debt is owed by parents who do not have sufficient income to fully pay their child support orders.” If arrears are unrealistic, parents may be discouraged from paying their child support at all and go to an underground job rather than working to systematically pay off their debt.

The current 12% interest rate is too high, counterproductive and makes Rhode Island an outlier. Currently 21 states and the District of Columbia do not charge any interest on child support arrears, including our New England neighbors -- Connecticut, Maine and New Hampshire. Eight states that regularly charge interest have an interest rate of less than 6%. Only four other states charge a 12% interest rate as Rhode Island does (Colorado, Kentucky, Indiana and Tennessee), and no states charge a higher interest rate.

We ask this committee to join the other 21 states that do not charge interest on child support arrears. Charging interest is counterproductive. Instead, we encourage the state to support efforts to connect noncustodial parents with workforce development opportunities so they can obtain the jobs they need to support themselves and their children.

Thank you for the leadership that the General Assembly has shown on this issue and for the opportunity to provide testimony today.

