

SUPREME COURT OF MONTANA

In re Marriage of John R. Steab and Launa J. Luna

370 Mont. 125, 2013 MT 124 (2013) · No. DA 12-0416 · Decided May 7, 2013

SUMMARY

The Montana Supreme Court reviewed a dispute concerning child-support arrearages, statutory interest, offsets between the parties' obligations, filing timeliness, and judicial notice of a bankruptcy discharge. The Court reversed and remanded the award of 12% interest, directing recalculation at the statutory 10% rate beginning on specified dates, and affirmed the District Court's rulings on the remaining issues.

CASE DETAILS

|                       |                                                                                                                                                                                                |
|-----------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| COURT                 | Supreme Court of Montana                                                                                                                                                                       |
| WRITING FOR THE COURT | Justice Patricia O. Cotter; Patricia O. Cotter; Brian Morris; Jim Rice; Laurie McKinnon; Beth Baker                                                                                            |
| JURISDICTION          | Montana                                                                                                                                                                                        |
| DECIDED               | May 7, 2013                                                                                                                                                                                    |
| DOCKET                | DA 12-0416                                                                                                                                                                                     |
| DISPOSITION           | reversed_and_remanded                                                                                                                                                                          |
| PROCEDURAL POSTURE    | Luna appealed the First Judicial District Court's order resolving the parties' child-support arrearages, interest, and marital-debt issues.                                                    |
| STANDARD OF REVIEW    | The method of calculating interest is reviewed for correctness as a question of law. A district court's decision to take judicial notice of facts and law is reviewed for abuse of discretion. |
| PRECEDENTIAL VALUE    | published and precedential                                                                                                                                                                     |
| PARTIES               | Launa J. Luna v. John R. Steab                                                                                                                                                                 |

TOPICS

- child support
- family law procedure
- appellate procedure
- standard of review
- bankruptcy

PRACTICE AREAS

- family law
- child support
- bankruptcy
- appellate procedure

## QUESTIONS PRESENTED

1. Whether the District Court was required to issue formal findings of fact and conclusions of law with its June 4, 2012 order.
2. Whether the District Court erred by applying a 12% interest rate to the parties' child-support arrearages and to Luna's resulting balance.
3. Whether Steab's February 2012 motion to offset the parties' arrearages was untimely because of an alleged failure to file a notice of entry of judgment.
4. Whether the District Court abused its discretion by taking judicial notice of the U.S. Bankruptcy Court's determination that Steab's marital debt had been discharged.

## HOLDINGS

1. Formal findings of fact and conclusions of law were not required because the District Court was ruling on a motion rather than making determinations following a trial.
2. The District Court erred by applying and imposing 12% interest because neither the dissolution decree nor a stipulated agreement authorized a higher rate; the statutory rate of 10% applied.
3. Interest had to be recalculated on Steab's arrearage beginning in October 2008 and on Luna's arrearage beginning in July 2010, using the statutory 10% annual rate.
4. Luna's argument that Steab's motion was untimely failed because failure to file a notice of entry of judgment did not preclude a later motion under Montana Rule of Civil Procedure 60.
5. The District Court did not abuse its discretion by taking judicial notice of the U.S. Bankruptcy Court's order discharging Steab's marital debt.

## KEY QUOTATIONS

*“A district court is not required to state findings and conclusions when ruling on a motion.” (¶ 15)*

*“We reverse and remand this matter to the District Court with instructions to recalculate the interest on Steab’s arrearages back to October 2008 and on Luna’s arrearage back to July 2010 using the statutory interest rate of 10% per annum, perform the offset calculation based upon the revised balances, determine Luna’s new arrearage balance if any, and impose a 10% interest rate on the balance until it is paid in full.” (¶ 26)*

## FACTUAL BACKGROUND

John Steab and Launa Luna married in 1987, had three children, and divorced in October 2002. Both parents at various times had primary custody of their youngest child and incurred child-support arrearages owed to the other. The District Court offset the arrearages, awarded Steab a net judgment against Luna with 12% interest, and recognized that Steab's marital debt had been discharged in bankruptcy. The record contained an accurate child-support arrearage balance for Steab beginning in October 2008 and for Luna beginning in July 2010.

## PROCEDURAL HISTORY

The parties divorced in 2002 and later engaged in repeated litigation concerning child-support obligations and marital debt. The District Court's June 4, 2012 order offset Steab's arrearage against Luna's larger arrearage, awarded Steab \$2,263.24 plus 12% annual interest, denied retroactive interest claims, and took judicial notice that Steab's marital debt had been discharged in bankruptcy. Luna appealed; the Montana Supreme Court affirmed the rulings on findings, motion timeliness, and judicial notice, but reversed and remanded the interest calculation.

## DISPOSITION

reversed\_and\_remanded

## REMAND INSTRUCTIONS

Recalculate interest at 10% per annum on Steab's arrearage beginning in October 2008 and on Luna's arrearage beginning in July 2010; perform the offset using the revised balances; determine Luna's new arrearage balance, if any; and impose 10% interest on that balance until paid in full. The remaining rulings were affirmed.

## CASES CITED

- Steab v. Luna, 2010 MT 125, 356 Mont. 372, 233 P.3d 351
- Weiss v. Weiss, 2011 MT 240, ¶ 8, 362 Mont. 157, 261 P.3d 1034
- United States v. Chapel, 41 F.3d 1338, 1342 (9th Cir. 1994), cert. denied, 514 U.S. 1135, 115 S. Ct. 2017 (1995)
- In re Marriage of Barron, 177 Mont. 161, 580 P.2d 936 (1978)
- In re Estate of Craddock, 173 Mont. 8, 566 P.2d 45 (1977)
- Jones v. Jones, 190 Mont. 221, 620 P.2d 850 (1980)
- In re Marriage of Winters, 2004 MT 82, ¶ 49, 320 Mont. 459, 87 P.3d 1005
- Williams v. Budke, 186 Mont. 71, 79, 606 P.2d 515, 519 (1980)
- In re Marriage of Brown, 263 Mont. 184, 867 P.2d 381 (1994)
- In re Marriage of Hooper (Crittendon), 247 Mont. 322, 806 P.2d 541 (1991)
- Kenney v. Koch, 227 Mont. 155, 737 P.2d 491 (1987)
- Farmers Plant Aid, Inc. v. Fedder, 2000 MT 87, ¶ 27, 299 Mont. 206, 999 P.2d 315

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