

HOUSE RESEARCH

Bill Summary

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Version: First Engrossment
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Overview

This bill modifies the way in which interest accrues on certain types of civil judgments and awards.

- 1 Pre-judgment interest.** Provides that the interest rate on judgments from the time of the verdict, award, or report is made through the time the judgment is finally entered by the court would be the greater of 4 percent or a specified rate of the U.S. Treasury, rounded to the nearest 1 percent. Existing language that provides different interest rates depending on the size of the judgment and whether it involves a state or a political subdivision of the state is eliminated (but see section 2).

An exception is provided for cases involving a breach of an insurance policy; a separate recovery structure is provided for those cases in section 60A.0811.

- 2 Post-judgment interest.** Provides that the interest rate to be paid from the time a judgment is finally entered until it is finally paid is either:
 - (1) the rate paid under subdivision 1 (see section 1 of the bill) if the judgment or award is \$50,000 or less, or if the judgment (of any amount) involves the state or political subdivision of the state; or
 - (2) 10 percent per year, if the judgment is over \$50,000 and it does not involve the state or a political subdivision of the state.