

HOUSE RESEARCH

Bill Summary

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Overview

This bill removes a provision that allows for a ten percent post-judgment interest rate in certain civil cases and allows for certain exceptions to the standard interest rate that would be applicable to all civil judgments under the proposed law.

Section

- 1** **When owed; rate.** Removes the ten percent interest rate for judgments or awards of \$50,000 or more. This rate is currently applied to judgments and awards that are over \$50,000, except that it is not applied to states or political subdivisions of the state. It maintains the interest rate that is currently applied to judgments under \$50,000 which is an interest rate set by the court administrator based on the secondary market and calculated as a simple interest per year, but is no less than four percent. This section would give all state and nonstate civil judgments the same interest rate but would exempt cases where an insured person was awarded a judgment against some insurers for a failure to provide payment, which is set by statute at ten percent, Minn. Stat. 60A.0811.

Effective date. This section would apply to judgments and awards in civil law cases that are entered by the court on or after August 1, 2015.
- 2** **Interest after judgment.** Allows an exception to the statutory interest rate in section 1, for a post-judgment interest rate that is equal to the pre-judgment interest rate when a pre-judgment interest rate has been allowed. This section requires the post-judgment interest rate to be included in the court's order. The current statute allows pre-judgment interest to be awarded in the same manner as post-judgment interest but not in certain types of cases including workers compensation awards and for punitive and future damage awards. This

Section

section also allows for the court to partially or fully waive the interest rate in cases under this section.

Effective date. This section would apply to judgments and awards in civil law cases that are entered by the court on or after August 1, 2015.