

File Number: H.F. 1281
Version: Second engrossment

Date: March 2, 2017

Authors: Zerwas and others

Subject: Judgment interest in civil actions

Analyst: Mary Mullen
Ben Johnson

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Overview

This bill establishes that the pre-judgment interest rate in certain civil cases will be set by the court administrator regardless of the amount of the judgment.

Section

1 **When owed; rate.** Removes the ten percent interest rate from the period between commencement of suit and entry of judgment for judgments or awards of \$50,000 or more. Interest is added to civil judgements by looking at three time periods:

1. from commencement of the suit or claim until a verdict or award (paragraph (b));
2. from verdict or award until entry of judgment by a court (paragraph (a)); and
3. from entry of judgement until payment (paragraph (c)).

Under current law, the interest rate on judgements or awards of \$50,000 or more is ten percent for all three time periods, except that it is not applied to the state or political subdivisions of the state. The interest rate on judgments under \$50,000 is 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 judgements the same interest rate for the period from commencement of the suit or claim until the entry of judgment 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.

Section

Minn. Stat. § 60A.0811. The interest rate on judgements or awards of \$50,000 or more would remain ten percent for the period from entry of judgment until payment.

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, 2017.