

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

Date: February 23, 2017

Authors: Zerwas and others

Subject: Judgement interest in civil actions

Analyst: Mary Mullen

This publication can be made available in alternative formats upon request. Please call 651-296-6753 (voice); or the Minnesota State Relay Service at 1-800-627-3529 (TTY) for assistance. Summaries are also available on our website at: www.house.mn/hrd/.

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, 2017.