



Senate

General Assembly

File No. 633

January Session, 2003

Senate Bill No. 1002

Senate, May 5, 2003

The Committee on Judiciary reported through SEN. MCDONALD of the 27th Dist., Chairperson of the Committee on the part of the Senate, that the bill ought to pass.

AN ACT CONCERNING POSTJUDGMENT INTEREST.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 37-3a of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective October 1, 2003*):

3 [Except as provided in sections 37-3b, 37-3c and 52-192a,]
4 Prejudgment interest at the rate of ten per cent a year, and no more,
5 may be recovered and allowed in civil actions or arbitration
6 proceedings under chapter 909, including actions to recover money
7 loaned at a greater rate, as damages for the detention of money after it
8 becomes payable. Judgment may be given for the recovery of taxes
9 assessed and paid upon the loan, and the insurance upon the estate
10 mortgaged to secure the loan, whenever the borrower has agreed in
11 writing to pay such taxes or insurance or both. Whenever the maker of
12 any contract is a resident of another state or the mortgage security is
13 located in another state, any obligee or holder of such contract,
14 residing in this state, may lawfully recover any agreed rate of interest

15 or damages on such contract until it is fully performed, not exceeding
16 the legal rate of interest in the state where such contract purports to
17 have been made or such mortgage security is located.

18 Sec. 2. Section 37-3b of the general statutes is repealed and the
19 following is substituted in lieu thereof (*Effective October 1, 2003*):

20 (a) Except as provided in subsections (b) and (c) of this section, a
21 money judgment in any action includes postjudgment interest at the
22 rate of ten per cent a year on the amount of the judgment, computed
23 from the date the judgment is rendered until satisfaction of the
24 judgment.

25 (b) A money judgment in an action based upon a contract that
26 specified a rate of interest less than the rate under subsection (a) of this
27 section includes postjudgment interest at the rate specified in the
28 contract on the amount of the judgment, computed from the date the
29 judgment is rendered until satisfaction of the judgment.

30 [(a) For a cause of action] (c) A money judgment in an action arising
31 on or after May 27, 1997, to recover damages for injury to the person or
32 to real or personal property caused by negligence includes
33 postjudgment interest at the rate of ten per cent a year [, and no more,
34 shall be recovered and allowed in any action to recover damages for
35 injury to the person, or to real or personal property, caused by
36 negligence] on the amount of the judgment, computed from the date
37 that is twenty days after the date [of] the judgment is rendered or the
38 date that is ninety days after the date of verdict, whichever is earlier,
39 [upon the amount of the judgment] until satisfaction of the judgment.

40 [(b)] (d) If, after the verdict is entered or the judgment is rendered,
41 any plaintiff [in such action] files a postverdict or postjudgment
42 motion or an appeal, the recovery of interest by such plaintiff shall be
43 tolled and interest shall not be added to the judgment for the period
44 that such postverdict or postjudgment motion or appeal is pending
45 before the court, unless otherwise ordered by the court. The provisions
46 of this subsection shall not apply if the reason for the filing of a

47 postverdict or postjudgment motion or appeal by the plaintiff is to
48 reply to or answer a motion or appeal filed by a defendant.

49 Sec. 3. Section 52-350c of the general statutes is repealed and the
50 following is substituted in lieu thereof (*Effective October 1, 2003*):

51 The judges of the Superior Court may adopt any rules they deem
52 necessary to implement the provisions of sections 49-51, 52-350a, 52-
53 350c to 52-350f, inclusive, 52-351a, 52-351b, 52-352a, 52-352b, 52-353,
54 52-355a, 52-356a to 52-356d, inclusive, 52-361a, 52-361b, 52-380a, 52-
55 380d to 52-380g, inclusive, and 52-400a to 52-400d, inclusive. The rules
56 shall provide whether or not interrogatories under section 52-351b, or
57 notice thereof, are to be filed with the clerk of the court. The judges, or
58 their designee, shall prescribe any forms required to implement
59 sections 49-51, 52-350a, 52-350c to 52-350f, inclusive, 52-351a, 52-351b,
60 52-352a, 52-352b, 52-353, 52-355a, 52-356a to 52-356d, inclusive, 52-
61 361a, 52-361b, 52-380a, 52-380d to 52-380g, inclusive, and 52-400a to 52-
62 400d, inclusive. Such rules and forms shall provide for the inclusion of
63 postjudgment interest in money judgments and for the enforcement
64 thereof.

65 Sec. 4. Subsection (b) of section 52-192a of the general statutes is
66 repealed and the following is substituted in lieu thereof (*Effective*
67 *October 1, 2003*):

68 (b) After trial the court shall examine the record to determine
69 whether the plaintiff made an "offer of judgment" which the defendant
70 failed to accept. If the court ascertains from the record that the plaintiff
71 has recovered an amount equal to or greater than the sum certain
72 stated in the plaintiff's "offer of judgment", the court shall add to the
73 amount so recovered twelve per cent annual interest on said amount,
74 computed from the date such offer was filed in actions commenced
75 before October 1, 1981. In those actions commenced on or after October
76 1, 1981, the interest shall be computed from the date the complaint in
77 the civil action was filed with the court if the "offer of judgment" was
78 filed not later than eighteen months from the filing of such complaint.
79 If such offer was filed later than eighteen months from the date of

80 filing of the complaint, the interest shall be computed from the date the
81 "offer of judgment" was filed. Interest added in accordance with this
82 subsection shall be in addition to any prejudgment interest that may be
83 recovered and allowed under section 37-3a, as amended by this act.
84 The court may award reasonable attorney's fees in an amount not to
85 exceed three hundred fifty dollars, and shall render judgment
86 accordingly. This section shall not be interpreted to abrogate the
87 contractual rights of any party concerning the recovery of attorney's
88 fees in accordance with the provisions of any written contract between
89 the parties to the action.

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|--|------------------------|
| This act shall take effect as follows: | |
| Section 1 | <i>October 1, 2003</i> |
| Sec. 2 | <i>October 1, 2003</i> |
| Sec. 3 | <i>October 1, 2003</i> |
| Sec. 4 | <i>October 1, 2003</i> |

JUD *Joint Favorable*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

OFA Fiscal Note

State Impact:

| Agency Affected | Fund-Type | FY 04 \$ | FY 05 \$ |
|------------------------|------------------|-----------------|-----------------|
| Judicial Dept. | GF - None | None | None |

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill affects private parties involved in paying and receiving postjudgment interest and does not result in a fiscal impact.

OLR Bill Analysis

SB 1002

AN ACT CONCERNING POSTJUDGMENT INTEREST**SUMMARY:**

This bill:

1. requires the court to impose postjudgment interest (interest charged on an award after it is won in a lawsuit until it is paid) of 10% in non-negligence cases (current law requires interest in negligence cases and allows the court to impose it in other cases);
2. specifies that the postjudgment interest rate in a contract lawsuit, where the contract specified an interest rate below 10%, is the amount specified in the contract;
3. specifies that postjudgment interest is computed until satisfaction of the judgment;
4. specifies that in non-negligence actions, postjudgment interest is computed from the date of judgment (the bill does not change current law in negligence cases);
5. allows the court to order interest while the case is on appeal or post-verdict or post-judgment motions are pending (currently interest charges are tolled during this period);
6. requires judges to adopt court rules for including postjudgment interest in money judgments and for enforcement; and
7. makes the interest recoverable under the offer of judgment statute additional to any prejudgment interest the court may allow.

EFFECTIVE DATE: October 1, 2003

OFFERS OF JUDGMENT

By law, when a defendant does not accept a plaintiff's offer of judgment and the plaintiff later wins a judgment of at least the amount

in the offer, the court must add 12% interest from the date (1) the offer was filed or (2) the complaint was filed, if the offer was filed within 18 months of filing the complaint.

The bill provides that the interest under the offer of judgment provision is in addition to any prejudgment interest the court allows. By law, the court can impose prejudgment interest of 10% in any case.

COMMITTEE ACTION

Judiciary Committee

Joint Favorable Report

Yea 41 Nay 0