



General Assembly

January Session, 2003

Committee Bill No. 6131

LCO No. 3664

Referred to Committee on Judiciary

Introduced by:
(JUD)

AN ACT CONCERNING THE LEGAL RATE OF INTEREST.

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

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 Section 37-1 of the general statutes is repealed and the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

3 (a) The compensation for forbearance of property loaned at a fixed
4 valuation, or for money, shall, in the absence of any agreement to the
5 contrary, be at [the rate of eight per cent a year] an annual rate equal to
6 the coupon issue yield equivalent, as determined by the Secretary of
7 the Treasury of the United States, of the average accepted auction price
8 for the last auction of twenty-six-week United States treasury bills
9 settled immediately prior to the date of maturity of the debt; and, in
10 computing interest, three hundred and sixty days may be considered
11 to be a year.

12 (b) Unless otherwise provided by agreement, interest at the legal
13 rate from the date of maturity of a debt shall accrue as an addition to
14 the debt.

This act shall take effect as follows:	
Section 1	<i>October 1, 2003</i>

Statement of Purpose:

To make the legal rate of interest better reflect the interest rates prevalent in the current economy.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]

Co-Sponsors: REP. DILLON, 92nd Dist.

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