



General Assembly

January Session, 2013

***Raised Bill No. 1121***

LCO No. 4429



Referred to Committee on JUDICIARY

Introduced by:  
(JUD)

***AN ACT CONCERNING POSTJUDGMENT INTEREST.***

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

1 Section 1. Section 52-356d of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective October 1, 2013*):

3 (a) When a judgment is rendered against a natural person, the  
4 judgment creditor or judgment debtor may move the court for an  
5 order for installment payments in accordance with a money judgment.  
6 After hearing and consideration of the judgment debtor's financial  
7 circumstances, the court may order installment payments reasonably  
8 calculated to facilitate payment of the judgment.

9 (b) In the case of a consumer judgment, the court may provide that  
10 compliance with the installment payment order, other than with an  
11 order for nominal payments pursuant to subsection (c) of this section,  
12 shall stay any property execution or foreclosure pursuant to that  
13 judgment, provided such a stay is reasonable considering the nature of  
14 the debt and the financial circumstances of the judgment debtor. In the  
15 case of a judgment arising out of services provided at a hospital, the

16 court shall provide that compliance with the installment payment  
17 order shall stay any property execution or foreclosure pursuant to that  
18 judgment, including, but not limited to, execution on wages, execution  
19 on bank accounts, and execution on or foreclosure of real property.

20 (c) Notwithstanding the hearing requirement of subsection (a) of  
21 this section, on motion of the judgment creditor for an order of  
22 nominal payments, the court shall issue ex parte, without hearing, an  
23 order for nominal installment payments. The amount which shall  
24 constitute an order of nominal payments shall be set by the judges of  
25 the Superior Court. Such an order for nominal payments may be  
26 modified on motion of either party after hearing and consideration of  
27 the judgment debtor's financial circumstances.

28 (d) An installment payment order shall not be enforced by contempt  
29 proceedings, but on the judgment debtor's default on payments  
30 thereon, the judgment creditor may apply for a wage execution  
31 pursuant to section 52-361a.

32 (e) Interest on a money judgment at the rate of ten per cent a year,  
33 and no more, shall [continue to] be recovered and allowed and shall  
34 accrue under any installment payment order on such portion of the  
35 judgment as remains unpaid.

36 (f) On motion of either party and after notice and hearing or  
37 pursuant to a stipulation, the court may make such modification of an  
38 installment payment order as is reasonable.

39 Sec. 2. Section 37-1 of the general statutes is repealed and the  
40 following is substituted in lieu thereof (*Effective October 1, 2013*):

41 (a) The compensation for forbearance of property loaned at a fixed  
42 valuation, or for money, shall, in the absence of any agreement to the  
43 contrary [,] and, subject to the provisions of subsection (e) of section  
44 52-356d, as amended by this act, be at the rate of eight per cent a year;  
45 and, in computing interest, three hundred and sixty days may be

46 considered to be a year.

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

50 Sec. 3. Section 37-3a of the general statutes is repealed and the  
51 following is substituted in lieu thereof (*Effective October 1, 2013*):

52 (a) Except as provided in sections 37-3b, 37-3c and 52-192a and  
53 subsection (e) of section 52-356d, as amended by this act, interest at the  
54 rate of ten per cent a year, and no more, may be recovered and allowed  
55 in civil actions or arbitration proceedings under chapter 909, including  
56 actions to recover money loaned at a greater rate, as damages for the  
57 detention of money after it becomes payable. Judgment may be given  
58 for the recovery of taxes assessed and paid upon the loan, and the  
59 insurance upon the estate mortgaged to secure the loan, whenever the  
60 borrower has agreed in writing to pay such taxes or insurance or both.  
61 Whenever the maker of any contract is a resident of another state or  
62 the mortgage security is located in another state, any obligee or holder  
63 of such contract, residing in this state, may lawfully recover any  
64 agreed rate of interest or damages on such contract until it is fully  
65 performed, not exceeding the legal rate of interest in the state where  
66 such contract purports to have been made or such mortgage security is  
67 located.

68 (b) In the case of a debt arising out of services provided at a  
69 hospital, prejudgment and postjudgment interest shall be no more  
70 than five per cent per year. The awarding of interest in such cases is  
71 discretionary.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2013</i>	52-356d
Sec. 2	<i>October 1, 2013</i>	37-1

Sec. 3	October 1, 2013	37-3a
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**Statement of Purpose:**

To provide that whenever the court orders installment payments in accordance with a money judgment, postjudgment interest shall be automatically granted and shall accrue on any portion of the judgment that remains unpaid.

*[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.]*