

**Second Regular Session
Sixty-eighth General Assembly
STATE OF COLORADO**

PREAMENDED

*This Unofficial Version Includes Committee
Amendments Not Yet Adopted on Second Reading*

LLS NO. 12-0814.01 Jerry Barry x4341

HOUSE BILL 12-1305

HOUSE SPONSORSHIP

Gardner B.,

SENATE SPONSORSHIP

(None),

House Committees
Judiciary

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING STATUTORY RATES OF INTEREST.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://www.leg.state.co.us/billsummaries>.)

Currently, if no interest rate is specified, creditors are entitled to receive interest at a rate of 8% per annum compounded annually. The bill changes this statutory interest rate to a rate equal to 2 percentage points above the discount rate that the federal reserve bank of Kansas City charges commercial banks as of January 2 of the year in which the moneys become due. The secretary of state will certify the interest rate each January 2.

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
*Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.*

Currently, the secretary of state certifies the interest rate for judgments that are appealed and for damages for personal injuries on December 31 for the following year. The bill changes the date of certification to January 2 for each year.

The bill clarifies language on interest recoverable for damages in a personal injury action.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2

3 **SECTION 1.** In Colorado Revised Statutes, 5-12-106, **amend** (2)
4 as follows:

5 **5-12-106. Rate of interest on judgments that are appealed.**

6 (2) (a) The SECRETARY OF STATE SHALL CERTIFY THE rate of interest ~~shall~~
7 ~~be certified~~ on each ~~January 1~~ by the secretary of state JANUARY 2 to be
8 two percentage points above the discount rate, which discount rate shall
9 be the rate of interest a commercial bank pays to the federal reserve bank
10 of Kansas City using a government bond or other eligible paper as
11 security, and shall be rounded to the nearest full percent. ~~Such~~ THE
12 SECRETARY OF STATE SHALL SO ESTABLISH THE annual rate of interest
13 ~~shall be so established~~ as of ~~December 31, 1982~~ JANUARY 2, 2013, to
14 ~~become~~ BE effective AS OF January 1, ~~1983~~ 2013. Thereafter, as of
15 ~~December 31~~ JANUARY 2 of each year, the SECRETARY OF STATE SHALL
16 ESTABLISH THE annual rate of interest ~~shall be established~~ in the same
17 manner, to become effective ~~on~~ AS OF January 1 of the ~~following~~ SAME
18 year.

19 (b) ~~Notwithstanding any other provision of this subsection (2),~~
20 ~~the rate of interest shall be no lower than the percentage authorized in~~
21 ~~section 5-12-102 (4) (b).~~

22 **SECTION 2.** In Colorado Revised Statutes, 13-21-101, **amend**

1 (1) and (3) as follows:

2 **13-21-101. Interest on damages.** (1) In all actions brought to
3 recover damages for personal injuries sustained by any person resulting
4 from or occasioned by the tort of any other person, corporation,
5 association, or partnership, whether by negligence or by willful intent of
6 such other person, corporation, association, or partnership and whether
7 such injury has resulted fatally or otherwise, it is lawful for the plaintiff
8 in the complaint to claim interest on the damages ~~alleged from the date~~
9 ~~said suit is filed; and, on and after July 1, 1979, it is lawful for the~~
10 ~~plaintiff in the complaint to claim interest on the damages~~ claimed from
11 the date the action accrued. When such interest is so claimed, it is the
12 duty of the court in entering judgment for the plaintiff in such action to
13 add to the amount of damages assessed by the verdict of the jury, or found
14 by the court, interest on such amount calculated ~~at the rate of nine percent~~
15 ~~per annum on actions filed on or after July 1, 1975, and at the legal rate~~
16 ~~on actions filed prior to such date, and calculated from the date such suit~~
17 ~~was filed to the date of satisfying the judgment and to include the same~~
18 ~~in said judgment as a part thereof. On actions filed on or after July 1,~~
19 ~~1979, the calculation shall include compounding of interest annually from~~
20 ~~the date such suit was filed. On and after January 1, 1983, if a judgment~~
21 ~~for money in an action brought to recover damages for personal injuries~~
22 ~~is appealed by the judgment debtor, interest, whether prejudgment or~~
23 ~~postjudgment, shall be calculated on such sum at the rate set forth in~~
24 subsections (3) and (4) of this section from the date the action accrued
25 and shall include compounding of interest annually from the date such
26 suit was filed.

27 (3) The SECRETARY OF STATE SHALL CERTIFY THE rate of interest

1 ~~shall be certified on each January 1 by the secretary of state~~ JANUARY 2
2 to be two percentage points above the discount rate, which discount rate
3 shall be the rate of interest a commercial bank pays to the federal reserve
4 bank of Kansas City using a government bond or other eligible paper as
5 security and shall be rounded to the nearest full percent. Such annual rate
6 of interest shall be ~~so established as of December 31, 1982, to become~~
7 ~~effective January 1, 1983. Thereafter, as of December 31~~ JANUARY 2 of
8 each year ~~the annual rate of interest shall be established in the same~~
9 ~~manner, to become effective on~~ AS OF January 1 of the ~~following~~ SAME
10 year.

11 **SECTION 3. Act subject to petition - effective date -**
12 **applicability.** (1) This act takes effect January 1, 2013; except that, if a
13 referendum petition is filed pursuant to section 1 (3) of article V of the
14 state constitution against this act or an item, section, or part of this act
15 within the ninety-day period after final adjournment of the general
16 assembly, then the act, item, section, or part will not take effect unless
17 approved by the people at the general election to be held in November
18 2012 and, in such case, will take effect on January 1, 2013, or on the date
19 of the official declaration of the vote thereon by the governor, whichever
20 is later.

21 (2) The provisions of this act apply to moneys coming due and
22 causes of action accruing on or after the applicable effective date of this
23 act.