

1 HB278
2 156707-1
3 By Representatives Beckman, Scott and Coleman-Evans
4 RFD: Judiciary
5 First Read: 16-JAN-14

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8 SYNOPSIS: Under existing law, judgments for the
9 payment of money based on a contract action bear
10 interest from the day of the cause of action at the
11 same rate of interest as stated in the contract.

12 This bill would provide that those judgments
13 would bear interest from the date judgment is
14 signed and provide for a post-judgment interest on
15 contracts of up to 21 percent per annum.

16
17 A BILL
18 TO BE ENTITLED
19 AN ACT
20

21 To amend Section 8-8-10, Code of Alabama 1975,
22 relating to the interest on money judgments; to provide that
23 all money judgments would bear interest from the date judgment
24 is signed, at a rate not to exceed 21 percent per annum.

25 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

26 Section 1. Section 8-8-10, Code of Alabama 1975, is
27 amended to read as follows:

1 "§8-8-10.

2 "(a) Judgments for the payment of money, other than
3 costs, if based upon a contract action, bear interest from the
4 day of the cause of action, at ~~the same rate of interest as~~
5 ~~stated in the contract~~ a rate of 21 percent per annum, unless
6 a lower rate is set forth in the contract; all other judgments
7 shall bear interest from the date the judgment is signed at
8 the rate of 7.5 percent per annum, the provisions of Section
9 8-8-1 to the contrary notwithstanding; provided, that fees
10 allowed a trustee, executor, administrator, or attorney and
11 taxed as a part of the cost of the proceeding shall bear
12 interest at a like rate from the day of entry.

13 "(b) This section shall apply to all judgments
14 entered on and after September 1, 2011."

15 Section 2. This act shall become effective on the
16 first day of the third month following its passage and
17 approval by the Governor, or its otherwise becoming law.