

1 SB207
2 127075-1
3 By Senator Ward
4 RFD: Judiciary
5 First Read: 10-MAR-11

SYNOPSIS: Under existing law, post-judgment interest on money judgments bears interest at the rate of 12 percent.

This bill would provide that judgments, other than judgments based on a contract action, would bear interest from the date of entry of the judgment at a rate equal to the weekly average one-year constant maturity Treasury yield, as published by the Board of Governors of the Federal Reserve System, for the nearest calendar week preceding the date of judgment, and to provide that post-judgment interest would be computed daily to the date of payment, and compounded annually.

A BILL
TO BE ENTITLED
AN ACT

To amend Section 8-8-10, Code of Alabama 1975, relating to the interest on money judgments, to provide that

1 judgments, other than judgments based on a contract action,
2 would bear interest from the date of entry of the judgment at
3 a rate equal to the weekly average one-year constant maturity
4 Treasury yield, as published by the Board of Governors of the
5 Federal Reserve System, for the nearest calendar week
6 preceding the date of judgment; and to provide that
7 post-judgment interest would be computed daily to the date of
8 payment, and compounded annually.

9 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

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

12 "§8-8-10.

13 "(a) Judgments for the payment of money, other than
14 costs, if based upon a contract action, bear interest from the
15 day of the cause of action, at the same rate of interest as
16 stated in ~~said the~~ contract; ~~all other judgments shall bear~~
17 ~~interest at the rate of 12 percent per annum, the provisions~~
18 ~~of Section 8-8-1 to the contrary notwithstanding; provided,~~
19 ~~that fees.~~

20 "(b) The provisions of Section 8-8-1 to the contrary
21 notwithstanding, all other judgments shall bear interest from
22 the date of the entry of the judgment at a rate equal to the
23 weekly average one-year constant maturity Treasury yield, as
24 published by the Board of Governors of the Federal Reserve
25 System, for the nearest calendar week preceding the date of
26 judgment. Post-judgment interest shall be computed daily to
27 the date of payment, and compounded annually. Fees allowed a

1 trustee, executor, administrator, or attorney and taxed as a
2 part of the cost of the proceeding shall bear interest at a
3 like rate from the day of entry.

4 "(c) This section shall apply to all judgments
5 entered on and after the effective date of the act adding this
6 subsection."

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