MEASURE NUMBER:SB 629STATUS: A EngrossedSUBJECT:Prevents interest from accruing while defendant is incarcerated for crime for which
monetary obligation is imposed.GOVERNMENT UNIT AFFECTED:Oregon Judicial DepartmentPREPARED BY:Tim WalkerREVIEWED BY:Robin LaMonteDATE:April 4, 2007

<u>2007-2009</u>

<u>2009-2011</u>

EXPENDITURES:

See Comments

REVENUES: See Comments

EFFECTIVE DATE: On passage.

GOVERNOR'S BUDGET: This bill is not anticipated by the Governor's recommended budget.

LOCAL GOVERNMENT MANDATE: This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

COMMENTS: This bill would prevent interest from accruing while a defendant is incarcerated. Under Section 5, chapter 1064, Oregon Laws 1999, Oregon Judicial Department was to begin calculating interest on judgments by 7/1/2007. Under this law, interest would begin accruing from the date of judgment, at a rate of 12.5 percent per annum for the first five years and 4 percent per annum thereafter. This bill would delay the date at which the judgment starts accruing interest until the first day of the second full calendar month after the defendant's initial release from custody following the sentencing in which the monetary obligation was imposed. At that point the judgment would accrue interest at a rate of 12.5 percent for the first five years and 4 percent per annum thereafter.

Oregon Judicial Department (OJD) is not able to calculate interest with its existing computer systems. OJD has no plans to modify existing systems because the cost to modify existing systems outweighs any potential revenue that would be generated from charging interest. In addition, modifications of this nature could potentially put the existing system at risk of failure. The current system is written in an older computer code and has been changed many times and is not flexible. Any changes could cause unintended consequences and may put the system at risk.