

REVENUE: No revenue impact
FISCAL: Fiscal statement issued

Action: Do Pass
Vote: 9 - 0 - 0
Yeas: Barker, Bonamici, Cameron, Flores, Komp, Krieger, Read, Whisnant, Macpherson
Nays: 0
Exc.: 0
Prepared By: Darian Stanford, Counsel
Meeting Dates: 5/11, 5/17, 5/31

WHAT THE MEASURE DOES: Establishes that money judgments against incarcerated persons do not accrue interest until person is out of custody. Establishes that once person is released from custody, interest accrues at 9 percent annually. Declares emergency; act takes effect on July 1, 2007.

ISSUES DISCUSSED:

- Reconciling bill with HB 2311 A, which is presently in the Senate and which states that criminal judgments bear interest for a maximum of 20 years after judgment is entered
- Concern that an incarcerated defendant should face full 20 years of interest accumulation (*i.e.*, defendant sentenced to 10 years in prison should not only face 10 years of interest before 20-year time period runs)
- Amendment was drafted for HB 2311 A to address above issue

EFFECT OF COMMITTEE AMENDMENT: No amendment.

BACKGROUND: ORS 137.183 provides that money judgments in criminal actions accrue interest at the rate of 12.5 percent annually for the first five years from the date the judgment is entered, and then at 4 percent for each subsequent year. It is presently irrelevant whether a defendant is sentenced to prison—the same rules apply.

SB 629 A amends ORS 137.183 to provide that interest does not accrue on any money judgment while the defendant is incarcerated. Once the defendant is released, interest would then accrue beginning on the first day of the second full calendar month following sentencing at the flat statutory rate (9 percent).

SB 629 A applies only to judgments entered after July 1, 2007, which is also the effective date of the act.