

REVENUE: No revenue impact

FISCAL: Fiscal statement issued

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<b>Action:</b>	Do Pass as Amended and Be Printed Engrossed
<b>Vote:</b>	3 - 0 - 2
<b>Yeas:</b>	Beyer, Walker, Burdick
<b>Nays:</b>	0
<b>Exc.:</b>	Kruse, Prozanski
<b>Prepared By:</b>	Darian Stanford, Counsel
<b>Meeting Dates:</b>	2/28, 4/3

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**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 12.5 percent annually for first five years and then 4 percent annually each subsequent year. Declares emergency and that act takes effect on July 1, 2007.

**ISSUES DISCUSSED:**

- Possible conflict with House Bill 2311, which may change the rate of interest and other rules relating to the rate of interest in ORS 82.010
- Interest continues to accrue when someone is released from original sentence, but then goes back into custody

**EFFECT OF COMMITTEE AMENDMENT:** Changes rate of interest from 12.5 percent annually for first five years and then 4 percent annually for remaining time to a flat statutory rate of 9 percent. Clarifies that interest does not accrue on person sentenced to prison until first day of second full calendar month following sentencing in which monetary obligation was imposed.

**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 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, the same rules apply: 12.5 percent for the first five years and then 4 percent for each subsequent year.

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