

**A-Engrossed**  
**Senate Bill 516**

Ordered by the Senate May 3  
Including Senate Amendments dated May 3

Sponsored by Senator DINGFELDER (Pre-session filed.)

**SUMMARY**

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure.

Provides that nine percent rate of interest applies to judgments for payment of money, to awards in *[arbitration proceedings that court mandates]* **court-mandated arbitration proceedings that are related to consumer contracts** and to mediated agreements **that are related to consumer contracts and** that are subject to judgment for failure to comply with agreement.

**A BILL FOR AN ACT**

1  
2 Relating to a legal rate of interest; creating new provisions; and amending ORS 82.010.

3 **Be It Enacted by the People of the State of Oregon:**

4 **SECTION 1.** ORS 82.010 is amended to read:

5 82.010. (1) *[The rate of interest for the following transactions,]* If *[the]* parties **to a contract or**  
6 **agreement** have not otherwise agreed to a rate of interest, *[is]* **a rate of** nine percent per annum  
7 **applies to** and is payable on:

8 (a) All moneys after *[they]* **the moneys** become due[;], but open accounts bear interest from the  
9 date of the last item *[thereof]* **listed in the open account.**

10 (b) Money *[received to the use of another and retained]* **that a person receives for the person's**  
11 **own use and retains** beyond a reasonable time without the owner's express or implied consent.

12 (c) Money *[due or to]* **that is or will** become due *[where there is]* **under** a contract to pay in-  
13 **terest [and no rate specified]** **that does not specify a rate.**

14 (2) Except as provided in this subsection, the rate of interest on judgments for the payment of  
15 money, **for awards in court-mandated arbitration proceedings that arise out of consumer**  
16 **contracts and for mediated agreements that are related to consumer contracts and that are**  
17 **subject to a judgment for a failure to comply with the agreement** is nine percent per annum.

18 The following apply as described:

19 (a) Interest on a judgment under this subsection accrues from the date *[of the entry of]* **on which**  
20 **the judgment is entered** unless the judgment specifies another date.

21 (b) Interest on a judgment under this subsection is simple interest, unless *[otherwise provided*  
22 *by]* **a contract provides otherwise.**

23 (c) Interest *[accruing]* **that accrues** from the date *[of the entry of]* **on which** a judgment **is en-**  
24 **tered also accrues** *[shall also accrue]* on interest that accrued before the date *[of entry of a]* **on**  
25 **which the judgment was entered.**

26 (d) Interest under this subsection *[shall also accrue]* **also accrues** on attorney fees and costs  
27 entered as part of the judgment.

**NOTE:** Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 (e) **Except for a loan described in subsection (3) of this section**, a judgment on a contract  
2 [bearing] **that bears** more than nine percent interest shall bear interest at [*the same rate provided*  
3 *in the contract*] **nine percent** as of the date of entry of the judgment, **of the arbitration award in**  
4 **a proceeding that arises out of a consumer contract or of the mediated agreement that is**  
5 **related to a consumer contract and that is subject to a judgment for a failure to comply with**  
6 **the agreement.**

7 (f) The rate of interest on a judgment rendered in favor of a plaintiff in a civil action to recover  
8 damages for injuries resulting from the professional negligence of a person [*licensed by*] the Oregon  
9 Medical Board **licenses** under ORS chapter 677 or the Oregon State Board of Nursing **licenses**  
10 under ORS 678.010 to 678.410 is the lesser of five percent per annum or three percent in excess of  
11 the discount rate in effect at the Federal Reserve Bank in the Federal Reserve district where the  
12 injuries occurred.

13 (3) Except as provided in ORS 82.025, [*no*] a person [*shall*] **may not**:

14 (a) Make a business or agricultural loan of \$50,000 or less at an annual rate of interest [*ex-*  
15 *ceeding*] **that exceeds** the greater of 12 percent[,] or five [*percent*] **percentage points** in excess of  
16 the discount rate, including any surcharge on the discount rate, on 90-day commercial paper in ef-  
17 fect at the Federal Reserve Bank in the Federal Reserve district where the person [*making*] **that**  
18 **makes** the loan is located, on the date the **person makes the** loan or the initial advance of funds  
19 under the loan [*is made*]; or

20 (b) Make a loan of \$50,000 or less, except a loan made under paragraph (a) of this subsection,  
21 at an annual rate of interest [*exceeding*] **that exceeds** the greater of 12 percent[,] or five [*percent*]  
22 **percentage points** in excess of the discount rate on 90-day commercial paper in effect at the Fed-  
23 eral Reserve Bank in the Federal Reserve district where the person [*making*] **that makes** the loan  
24 is located, on the date the **person makes the** loan or the initial advance of funds under the loan  
25 [*is made*].

26 (4) [*Any person who*] **A person that** violates subsection (3) of this section [*shall forfeit*] **forfeits**  
27 the right to collect or receive [*any*] interest upon [*any*] a loan for which **the person charges,**  
28 **contracts for or receives** a greater rate of interest or consideration than is permitted by sub-  
29 section (3) of this section [*has been charged, contracted for or received*]. The borrower upon [*such*]  
30 **the** loan [*shall be*] **is** required to repay only the principal amount borrowed.

31 (5) **As used in this section, “consumer contract” means a contract that an individual**  
32 **enters into to purchase goods or services for the individual’s personal, family or household**  
33 **purposes.**

34 **SECTION 2. The amendments to ORS 82.010 by section 1 of this 2011 Act apply to con-**  
35 **tracts that are entered into, renegotiated, renewed, extended, sold, assigned or otherwise**  
36 **transferred on or after the effective date of this 2011 Act.**