

House Bill 2556

Introduced and printed pursuant to House Rule 12.00. Presession filed (at the request of House Interim Committee on Judiciary)

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 **as introduced**.

Provides that rate of interest on judgments that exceed \$1 million is lesser of five percent per annum or three percentage points more than discount rate in effect at Federal Reserve Bank in Federal Reserve district that includes Oregon.

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 transaction**
6 have not otherwise agreed to a rate of interest, *[is]* **a rate of** nine percent per annum **applies to**
7 and is payable on:

8 (a) All *[moneys after they become due;]* **money after the money becomes due**, but open ac-
9 counts bear interest from the 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 is nine percent per annum. The following apply as described:

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

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

20 (c) Interest *[accruing]* **that accrues** from the date *[of the entry of]* **on which** a judgment *[shall*
21 *also accrue]* **is entered also accrues** on interest that accrued before the date *[of entry of a]* **on**
22 **which the judgment is entered**.

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

25 (e) A judgment on a contract bearing more than nine percent interest shall bear interest at the
26 same rate provided in the contract as of the date *[of entry of]* **on which** the judgment **is entered**.

27 (f) The rate of interest on a judgment rendered in favor of a plaintiff in a civil action to recover
28 damages for injuries resulting from the professional negligence of a person *[licensed by]* the Oregon
29 Medical Board **licenses** under ORS chapter 677 or the Oregon State Board of Nursing **licenses**
30 under ORS 678.010 to 678.410 is the lesser of five percent per annum or three *[percent in excess of]*

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 **percentage points more than** the discount rate in effect at the Federal Reserve Bank in the Fed-
 2 eral Reserve district where the injuries occurred.

3 **(g) Unless the judgment is otherwise subject to this section, the rate of interest on a**
 4 **judgment of more than \$1 million rendered in favor of a plaintiff in a civil action is the lesser**
 5 **of five percent per annum or three percentage points more than the discount rate in effect**
 6 **at the Federal Reserve Bank in the Federal Reserve district that includes Oregon.**

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

8 (a) Make a business or agricultural loan of \$50,000 or less at an annual rate of interest *[ex-*
 9 *ceeding]* **that exceeds** the greater of 12 percent, or five *[percent in excess of]* **percentage points**
 10 **more than** the discount rate, including any surcharge on the discount rate, on 90-day commercial
 11 paper in effect at the Federal Reserve Bank in the Federal Reserve district where the person
 12 *[making]* **that makes** the loan is located, on the date the **person makes the** loan or the initial
 13 advance of funds under the loan *[is made]*; or

14 (b) Make a loan of \$50,000 or less, except a loan made under paragraph (a) of this subsection,
 15 at an annual rate of interest *[exceeding]* **that exceeds** the greater of 12 percent, or five *[percent in*
 16 *excess of]* **percentage points more than** the discount rate on 90-day commercial paper in effect at
 17 the Federal Reserve Bank in the Federal Reserve district where the person *[making]* **that makes**
 18 the loan is located, on the date the **person makes the** loan or the initial advance of funds under
 19 the loan *[is made]*.

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

25 **SECTION 2. The amendments to ORS 82.010 by section 1 of this 2013 Act apply to judg-**
 26 **ments rendered on or after the effective date of this 2013 Act.**

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