

MAR 8 1995

JUDICIARY

HOUSE FILE 280
BY GRUBBS

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to the rate of interest charged on court
2 judgments and decrees.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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HF 280

1 Section 1. Section 535.3, Code 1995, is amended to read as
2 follows:

3 535.3 INTEREST ON JUDGMENTS AND DECREES.

4 1. Interest shall be allowed on all money due on judgments
5 and decrees of courts at the rate of ~~ten percent per year~~
6 equal to the coupon issue yield equivalent, as determined by
7 the United States secretary of the treasury, of the average
8 accepted auction price for the last auction of fifty-two week
9 United States treasury bills settled immediately prior to the
10 date of the judgment, unless a different rate is fixed by the
11 contract on which the judgment or decree is rendered, in which
12 case the judgment or decree shall draw interest at the rate
13 expressed in the contract, not exceeding the maximum
14 applicable rate permitted by the provisions of section 535.2,
15 which rate must be expressed in the judgment or decree. The
16 interest shall accrue from the date of the ~~commencement of the~~
17 action judgment entry or decree.

18 ~~This section does not apply to the award of interest for~~
19 ~~judgments and decrees subject to section 668.13.~~

20 2. The state court administrator shall distribute notice
21 monthly of the rate established in subsection 1 and any
22 changes to that rate to all district courts.

23 EXPLANATION

24 This bill provides that the rate of interest on court
25 judgments or decrees, currently fixed at 10 percent, shall be
26 a floating amount based on the coupon issue yield equivalent
27 of the average accepted auction price for the 52 week United
28 States treasury bills. The state court administrator is
29 responsible for providing this information to the district
30 courts. The bill also provides that interest accrues from the
31 date of the judgment or decree instead of from the date of
32 commencement of the action.

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