



**Colorado
Legislative
Council
Staff**

SB17-191

FISCAL NOTE

FISCAL IMPACT: State Local Statutory Public Entity Conditional No Fiscal Impact

Drafting Number: LLS 17-0908

Date: February 24, 2017

Prime Sponsor(s): Sen. Tate
Rep. Wist; Willett

Bill Status: Senate Judiciary

Fiscal Analyst: Kerry White (303-866-3469)

BILL TOPIC: MARKET-BASED INTEREST RATES ON JUDGMENTS

Fiscal Impact Summary	FY 2017-2018	FY 2018-2019
State Revenue		
State Expenditures	Reduction - see State Expenditures section.	
Appropriation Required: None.		
Future Year Impacts: Ongoing reduction in state expenditures.		

Summary of Legislation

Beginning on January 1, 2018, this bill eliminates the minimum post-judgment interest rate. It also requires that the interest rate on damages for personal injuries caused by tort be the same rate in statute as the post-judgment interest rate. It changes the date by which the Secretary of State is to establish the annual rate of post-judgment interest from December 21 to January 2 of each year.

Background

Post-judgment interest is a rate of interest applied between the date of a court's award to the date payment is received. Under current law, the rate is two percent over the Kansas City discount rate, with a minimum of eight percent. The current rate for personal injury damages caused by a tort is nine percent. The Secretary of State certifies the rate of interest on appealed judgments.

State Expenditures

Overall, this bill is expected to reduce state expenditures. By removing the floor for interest rates on post-judgment interest and interest on damages for personal injuries caused by tort, this bill could reduce the amount of interest paid by the state to another party. Such impacts are speculative and have not been estimated. The bill may also increase workload for courts by a minimal amount to address questions about the new calculations. This impact does not require any adjustments in appropriations for the Judicial Department.

Local Government and Statutory Public Entity Impact

Similar to the state, this bill could reduce local government and statutory public entity expenditures for interest payments on awards to individuals in affected cases. These impacts have not been estimated.

Effective Date

The bill takes effect January 1, 2018, if no referendum petition is filed, and applies to judgments entered and causes of action accruing on or after this date.

State and Local Government Contacts

Information Technology
Secretary of State

Judicial

Law