



**Colorado
Legislative
Council
Staff**

SB16-184

**FINAL
FISCAL NOTE**

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

Drafting Number: LLS 16-1062 **Date:** May 23, 2016
Prime Sponsor(s): Sen. Cadman; Scheffel **Bill Status:** Postponed Indefinitely
 Rep. Willett **Fiscal Analyst:** Kerry White (303-866-3469)

BILL TOPIC: MARKET-BASED INTEREST RATES ON JUDGMENTS

Fiscal Impact Summary	FY 2016-2017	FY 2017-2018
State Revenue		
State Expenditures	Reduction.	
Appropriation Required: None.		
Future Year Impacts: Ongoing reduction in state expenditures.		

NOTE: This bill was not enacted into law; therefore, the impacts identified in this analysis do not take effect.

Summary of Legislation

Beginning on January 1, 2017, this bill eliminates the minimum amount of post-judgment interest. It also requires that interest on damages for personal injuries caused by tort be the same rate as post-judgment interest. It changes the date by which the Secretary of State is to establish the annual rate of post-judgment interest from December 31 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 related to any lowering of interest awarded to individuals for affected cases. These impacts have not been estimated.

Effective Date

The bill was postponed indefinitely by the House State, Veterans, and Military Affairs Committee on May 9, 2016.

State and Local Government Contacts

Information Technology

Judicial

Law

Secretary of State