

THE HOUSE OF REPRESENTATIVES  
Thursday, February 25, 2010

House Bill No. 2664

HOUSE BILL NO. 2664 - By: SULLIVAN of the House.

An Act relating to civil procedure; amending Section 7, Chapter 368, O.S.L. 2004, as amended by Section 7, Chapter 228, O.S.L. 2009 (12 O.S. Supp. 2009, Section 727.1), which relates to postjudgment and prejudgment interest; modifying certain date; and declaring an emergency.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

1 SECTION 1. AMENDATORY Section 7, Chapter 368, O.S.L. 2004, as amended  
2 by Section 7, Chapter 228, O.S.L. 2009 (12 O.S. Supp. 2009, Section 727.1), is amended to  
3 read as follows:

4 Section 727.1

5 POSTJUDGMENT INTEREST

6 A. 1. Except as otherwise provided by this section, all judgments of courts of  
7 record, including costs and attorney fees authorized by statute or otherwise and allowed  
8 by the court, shall bear interest at a rate prescribed pursuant to this section.

9 2. Costs and attorney fees allowed by the court shall bear interest from the earlier  
10 of the date the judgment or order is pronounced, if expressly stated in the written  
11 judgment or order awarding the costs and attorney fees, or the date the judgment or  
12 order is filed with the court clerk.

1           B. Judgments, including costs and attorney fees authorized by statute or otherwise  
2 and allowed by the court, against this state or its political subdivisions, including  
3 counties, municipalities, school districts, and public trusts of which this state or a  
4 political subdivision of this state is a beneficiary, shall bear interest during the term of  
5 judgment at a rate prescribed pursuant to this section from the date of rendition. No  
6 judgment against this state or its political subdivisions, including counties,  
7 municipalities, school districts, and public trusts of which this state or a political  
8 subdivision of this state is a beneficiary, inclusive of postjudgment interest, shall exceed  
9 the total amount of liability of the governmental entity pursuant to The Governmental  
10 Tort Claims Act.

11           C. The postjudgment interest authorized by subsection A or subsection B of this  
12 section shall accrue from the earlier of the date the judgment is rendered as expressly  
13 stated in the judgment, or the date the judgment is filed with the court clerk, and shall  
14 initially accrue at the rate in effect for the calendar year during which the judgment is  
15 rendered until the end of the calendar year in which the judgment was rendered, or until  
16 the judgment is paid, whichever first occurs. Beginning on January 1 of the next  
17 succeeding calendar year until the end of that calendar year, or until the judgment is  
18 paid, whichever first occurs, the judgment, together with postjudgment interest  
19 previously accrued, shall bear interest at the rate in effect for judgments rendered during  
20 that calendar year as certified by the Administrative Director of the Courts pursuant to  
21 subsection I of this section. For each succeeding calendar year, or part of a calendar  
22 year, during which a judgment remains unpaid, the judgment, together with

1 postjudgment interest previously accrued, shall bear interest at the rate in effect for  
2 judgments rendered during that calendar year as certified by the Administrative  
3 Director of the Courts pursuant to subsection I of this section. A separate computation  
4 using the interest rate in effect for judgments as provided by subsection I of this section  
5 shall be made for each calendar year, or part of a calendar year, during which the  
6 judgment remains unpaid in order to determine the total amount of interest for which  
7 the judgment debtor is liable. The postjudgment interest rate for each calendar year or  
8 part of a calendar year a judgment remains unpaid shall be multiplied by the original  
9 amount of the judgment, including any prejudgment interest, together with  
10 postjudgment interest previously accrued. Interest shall accrue on a judgment in the  
11 manner prescribed by this subsection until the judgment is satisfied or released.

12 D. If a rate of interest is specified in a contract, the rate specified shall apply and  
13 be stated in the journal entry of judgment. The rate of interest shall not exceed the  
14 lawful rate for that obligation. Postjudgment interest shall be calculated and accrued in  
15 the same manner as prescribed in subsection C of this section.

#### 16 PREJUDGMENT INTEREST

17 E. Except as provided by subsection F of this section, beginning November 1, 2009,  
18 if a verdict for damages by reason of personal injuries or injury to personal rights  
19 including, but not limited to, injury resulting from bodily restraint, personal insult,  
20 defamation, invasion of privacy, injury to personal relations, or detriment due to an act  
21 or omission of another is accepted by the trial court, the court in rendering judgment  
22 shall add interest on the verdict at a rate prescribed pursuant to subsection I of this

1 section from the date which is twenty-four (24) months after the suit resulting in the  
2 judgment was commenced to the earlier of the  
3 date the verdict is accepted by the trial court as expressly stated in the judgment, or the  
4 date the judgment is filed with the court clerk. No prejudgment interest shall begin to  
5 accrue until twenty-four (24) months after the suit resulting in the judgment was  
6 commenced. The interest rate for computation of prejudgment interest shall begin with  
7 the rate prescribed by subsection I of this section which is in effect for the calendar year  
8 which is twenty-four (24) months after the suit resulting in the judgment was  
9 commenced. This rate shall be in effect until the end of the calendar year in which  
10 interest begins to accrue or until the date judgment is filed, whichever first occurs.  
11 Beginning on January 1 of the next succeeding calendar year until the end of that  
12 calendar year, or until the date the judgment is filed, whichever first occurs, and for each  
13 succeeding calendar year thereafter, the prejudgment interest rate shall be the rate in  
14 effect for judgments rendered during each calendar year as certified by the  
15 Administrative Director of the Courts pursuant to subsection I of this section. After the  
16 computation of all prejudgment interest has been completed, the total amount of  
17 prejudgment interest shall be added to the amount of the judgment rendered pursuant to  
18 the trial of the action, and the total amount of the resulting judgment shall become the  
19 amount upon which postjudgment interest is computed pursuant to subsection A of this  
20 section.

21 F. If a verdict of the type described by subsection E of this section is rendered  
22 against this state or its political subdivisions, including counties, municipalities, school

1 districts, and public trusts of which this state or a political subdivision of this state is a  
2 beneficiary, the judgment shall bear interest at the rate prescribed pursuant to  
3 subsection I of this section from the date the suit was commenced to the earlier of the  
4 date the verdict is accepted by the trial court as expressly stated in the judgment or the  
5 date the judgment is filed with the court clerk. The interest rate for computation of  
6 prejudgment interest shall begin with the rate prescribed by subsection I of this section  
7 which is in effect for the calendar year in which the suit resulting in the judgment is  
8 commenced. This rate shall be in effect until the end of the calendar year in which the  
9 suit resulting in judgment was filed or until the date the judgment is rendered as  
10 expressly stated in the judgment, whichever first occurs. Beginning on January 1 of the  
11 next succeeding calendar year until the end of that calendar year, or until the date  
12 judgment is rendered, whichever first occurs, and for each succeeding calendar year  
13 thereafter, the prejudgment interest rate shall be the rate in effect for judgments  
14 rendered during each calendar year as certified by the Administrative Director of the  
15 Courts pursuant to subsection I of this section. After the computation of prejudgment  
16 interest has been completed, the amount shall be added to the amount of the judgment  
17 rendered pursuant to the trial of the action, and the total amount of the resulting  
18 judgment shall become the amount upon which postjudgment interest is computed  
19 pursuant to subsection B of this section. No award of prejudgment interest against this  
20 state or its political subdivisions, including counties, municipalities, school districts, and  
21 public trusts of which this state or a political subdivision of this state is a beneficiary,  
22 including the amount of the judgment awarded pursuant to trial of the action, shall

1 exceed the total amount of liability of the governmental entity pursuant to The  
2 Governmental Tort Claims Act.

3 G. If exemplary or punitive damages are awarded in an action for personal injury  
4 or injury to personal rights including, but not limited to, injury resulting from bodily  
5 restraint, personal insult, defamation, invasion of privacy, injury to personal relations, or  
6 detriment due to an act or omission of another, the interest on that award shall begin to  
7 accrue from the earlier of the date the judgment is rendered as expressly stated in the  
8 judgment, or the date the judgment is filed with the court clerk.

9 H. If a judgment is rendered establishing the existence of a lien against property  
10 and no rate of interest exists, the court shall allow prejudgment interest at a rate  
11 prescribed pursuant to subsection I of this section from the date the lien is filed to the  
12 date of verdict.

13 I. For purposes of computing postjudgment interest as authorized by this section,  
14 interest shall be the prime rate, as listed in the first edition of the Wall Street Journal  
15 published for each calendar year and as certified to the Administrative Director of the  
16 Courts by the State Treasurer on the first regular business day following publication in  
17 January of each year, plus two percent (2%). For purposes of computing prejudgment  
18 interest as authorized by this section, interest shall be determined using a rate equal to  
19 the average United States Treasury Bill rate of the preceding calendar year as certified  
20 to the Administrative Director of the Courts by the State Treasurer on the first regular  
21 business day in January of each year.

1 J. For purposes of computing postjudgment interest, the provisions of this section  
2 shall be applicable to all judgments of the district courts rendered on or after January 1,  
3 2005. Effective January 1, 2005, the method for computing postjudgment interest  
4 prescribed by this section shall be applicable to all judgments remaining unpaid rendered  
5 prior to January 1, 2005.

6 K. For purposes of computing prejudgment interest, the provisions of this section  
7 shall be applicable to all actions which are filed in the district courts on or after ~~January~~  
8 ~~1, 2010~~ November 1, 2009, for which an award of prejudgment interest is authorized by  
9 the provisions of this section.

10 SECTION 2. It being immediately necessary for the preservation of the public  
11 peace, health and safety, an emergency is hereby declared to exist, by reason whereof  
12 this act shall take effect and be in full force from and after its passage and approval.

13 COMMITTEE REPORT BY: COMMITTEE ON ECONOMIC DEVELOPMENT AND  
14 FINANCIAL SERVICES, dated 02-24-10 - DO PASS.