

1 STATE OF OKLAHOMA

2 1st Extraordinary Session of the 54th Legislature (2013)

3 HOUSE BILL 1012

By: Shannon of the House

4 and

5 Bingman and Sykes of the  
6 Senate

7  
8 AS INTRODUCED

9  
10 An Act relating to interest on judgments; repealing  
11 Section 7, Chapter 228, O.S.L. 2009, which relates to  
12 interest on judgments; repealing Section 7, Chapter  
13 390, O.S.L. 2003 (63 O.S. Supp. 2008, Section 1-  
14 1708.1G), which relates to prejudgment interest in  
15 certain actions; amending 12 O.S. 2011, Section  
16 727.1, as amended by Section 1, Chapter 48, O.S.L.  
17 2013, which relates to interest on judgments;  
18 modifying time of accrual of prejudgment interest;  
19 modifying method of computing prejudgment interest;  
20 amending 12 O.S. 2011, Section 727.1, as last amended  
21 by Section 3 of this act, which relates to interest  
22 on judgments; modifying time of accrual of  
23 prejudgment interest; modifying method of computing  
24 prejudgment interest; providing for construction of  
act; providing for noncodification; and declaring an  
emergency.

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

21 SECTION 1. REPEALER Section 7, Chapter 228, O.S.L. 2009,  
22 is hereby repealed.

23 SECTION 2. REPEALER Section 7, Chapter 390, O.S.L. 2003  
24 (63 O.S. Supp. 2008, Section 1-1708.1G), is hereby repealed.

1 SECTION 3. AMENDATORY 12 O.S. 2011, Section 727.1, as  
2 amended by Section 1, Chapter 48, O.S.L. 2013, is amended to read as  
3 follows:

4 Section 727.1

5 POSTJUDGMENT INTEREST

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

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

15 B. Judgments, including costs and attorney fees authorized by  
16 statute or otherwise and allowed by the court, against this state or  
17 its political subdivisions, including counties, municipalities,  
18 school districts, and public trusts of which this state or a  
19 political subdivision of this state is a beneficiary, shall bear  
20 interest during the term of judgment at a rate prescribed pursuant  
21 to this section from the date of rendition. No judgment against  
22 this state or its political subdivisions, including counties,  
23 municipalities, school districts, and public trusts of which this  
24 state or a political subdivision of this state is a beneficiary,

1 inclusive of postjudgment interest, shall exceed the total amount of  
2 liability of the governmental entity pursuant to The Governmental  
3 Tort Claims Act.

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

1 shall be made for each calendar year, or part of a calendar year,  
2 during which the judgment remains unpaid in order to determine the  
3 total amount of interest for which the judgment debtor is liable.  
4 The postjudgment interest rate for each calendar year or part of a  
5 calendar year a judgment remains unpaid shall be multiplied by the  
6 original amount of the judgment, including any prejudgment interest,  
7 together with postjudgment interest previously accrued. Interest  
8 shall accrue on a judgment in the manner prescribed by this  
9 subsection until the judgment is satisfied or released.

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

#### 16 PREJUDGMENT INTEREST

17 E. Except as provided by subsection F of this section,  
18 ~~beginning November 1, 2009~~ or Section 1-1708.1G of Title 63 of the  
19 Oklahoma Statutes, if a verdict for damages by reason of personal  
20 injuries or injury to personal rights including, but not limited to,  
21 injury resulting from bodily restraint, personal insult, defamation,  
22 invasion of privacy, injury to personal relations, or detriment due  
23 to an act or omission of another is accepted by the trial court, the  
24 court in rendering judgment shall add interest on the verdict at a

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

1 become the amount upon which postjudgment interest is computed  
2 pursuant to subsection A of this section.

3 F. If a verdict of the type described by subsection E of this  
4 section is rendered against this state or its political  
5 subdivisions, including counties, municipalities, school districts,  
6 and public trusts of which this state or a political subdivision of  
7 this state is a beneficiary, the judgment shall bear interest at the  
8 rate prescribed pursuant to subsection I of this section from the  
9 date the suit was commenced to the earlier of the date the verdict  
10 is accepted by the trial court as expressly stated in the judgment  
11 or the date the judgment is filed with the court clerk. The  
12 interest rate for computation of prejudgment interest shall begin  
13 with the rate prescribed by subsection I of this section which is in  
14 effect for the calendar year in which the suit resulting in the  
15 judgment is commenced. This rate shall be in effect until the end  
16 of the calendar year in which the suit resulting in judgment was  
17 filed or until the date the judgment is rendered as expressly stated  
18 in the judgment, whichever first occurs. Beginning on January 1 of  
19 the next succeeding calendar year until the end of that calendar  
20 year, or until the date judgment is rendered, whichever first  
21 occurs, and for each succeeding calendar year thereafter, the  
22 prejudgment interest rate shall be the rate in effect for judgments  
23 rendered during each calendar year as certified by the  
24 Administrative Director of the Courts pursuant to subsection I of

1 this section. After the computation of prejudgment interest has  
2 been completed, the amount shall be added to the amount of the  
3 judgment rendered pursuant to the trial of the action, and the total  
4 amount of the resulting judgment shall become the amount upon which  
5 postjudgment interest is computed pursuant to subsection B of this  
6 section. No award of prejudgment interest against this state or its  
7 political subdivisions, including counties, municipalities, school  
8 districts, and public trusts of which this state or a political  
9 subdivision of this state is a beneficiary, including the amount of  
10 the judgment awarded pursuant to trial of the action, shall exceed  
11 the total amount of liability of the governmental entity pursuant to  
12 The Governmental Tort Claims Act.

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

21 H. If a judgment is rendered establishing the existence of a  
22 lien against property and no rate of interest exists, the court  
23 shall allow prejudgment interest at a rate prescribed pursuant to  
24

1 subsection I of this section from the date the lien is filed to the  
2 date of verdict.

3 I. For purposes of computing either postjudgment interest or  
4 prejudgment interest as authorized by this section, interest shall  
5 be the prime rate, as listed in the first edition of the Wall Street  
6 Journal published for each calendar year and as certified to the  
7 Administrative Director of the Courts by the State Treasurer on the  
8 first regular business day following publication in January of each  
9 year, plus two percent (2%). ~~For purposes of computing prejudgment~~  
10 ~~interest as authorized by this section, interest shall be determined~~  
11 ~~using a rate equal to the average United States Treasury Bill rate~~  
12 ~~of the preceding calendar year as certified to the Administrative~~  
13 ~~Director of the Courts by the State Treasurer on the first regular~~  
14 ~~business day in January of each year.~~

15 J. For purposes of computing postjudgment interest, the  
16 provisions of this section shall be applicable to all judgments of  
17 the district courts rendered on or after January 1, 2005. Effective  
18 January 1, 2005, the method for computing postjudgment interest  
19 prescribed by this section shall be applicable to all judgments  
20 remaining unpaid rendered prior to January 1, 2005.

21 K. For purposes of computing prejudgment interest, the  
22 provisions of this section shall be applicable to all actions which  
23 are filed in the district courts on or after January 1, ~~2010~~ 2005,

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1 for which an award of prejudgment interest is authorized by the  
2 provisions of this section.

3 SECTION 4. AMENDATORY 12 O.S. 2011, Section 727.1, as  
4 last amended by Section 3 of this act, is amended to read as  
5 follows:

6 Section 727.1

7 POSTJUDGMENT INTEREST

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

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

17 B. Judgments, including costs and attorney fees authorized by  
18 statute or otherwise and allowed by the court, against this state or  
19 its political subdivisions, including counties, municipalities,  
20 school districts, and public trusts of which this state or a  
21 political subdivision of this state is a beneficiary, shall bear  
22 interest during the term of judgment at a rate prescribed pursuant  
23 to this section from the date of rendition. No judgment against  
24 this state or its political subdivisions, including counties,

1 municipalities, school districts, and public trusts of which this  
2 state or a political subdivision of this state is a beneficiary,  
3 inclusive of postjudgment interest, shall exceed the total amount of  
4 liability of the governmental entity pursuant to The Governmental  
5 Tort Claims Act.

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

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

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

18 PREJUDGMENT INTEREST

19 E. Except as provided by subsection F of this section ~~or~~  
20 ~~Section 1-1708.1C of Title 63 of the Oklahoma Statutes, beginning on~~  
21 the effective date of this act if a verdict for damages by reason of  
22 personal injuries or injury to personal rights including, but not  
23 limited to, injury resulting from bodily restraint, personal insult,  
24 defamation, invasion of privacy, injury to personal relations, or

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

1 completed, the total amount of prejudgment interest shall be added  
2 to the amount of the judgment rendered pursuant to the trial of the  
3 action, and the total amount of the resulting judgment shall become  
4 the amount upon which postjudgment interest is computed pursuant to  
5 subsection A of this section.

6 F. If a verdict of the type described by subsection E of this  
7 section is rendered against this state or its political  
8 subdivisions, including counties, municipalities, school districts,  
9 and public trusts of which this state or a political subdivision of  
10 this state is a beneficiary, the judgment shall bear interest at the  
11 rate prescribed pursuant to subsection I of this section from the  
12 date the suit was commenced to the earlier of the date the verdict  
13 is accepted by the trial court as expressly stated in the judgment  
14 or the date the judgment is filed with the court clerk. The  
15 interest rate for computation of prejudgment interest shall begin  
16 with the rate prescribed by subsection I of this section which is in  
17 effect for the calendar year in which the suit resulting in the  
18 judgment is commenced. This rate shall be in effect until the end  
19 of the calendar year in which the suit resulting in judgment was  
20 filed or until the date the judgment is rendered as expressly stated  
21 in the judgment, whichever first occurs. Beginning on January 1 of  
22 the next succeeding calendar year until the end of that calendar  
23 year, or until the date judgment is rendered, whichever first  
24 occurs, and for each succeeding calendar year thereafter, the

1 prejudgment interest rate shall be the rate in effect for judgments  
2 rendered during each calendar year as certified by the  
3 Administrative Director of the Courts pursuant to subsection I of  
4 this section. After the computation of prejudgment interest has  
5 been completed, the amount shall be added to the amount of the  
6 judgment rendered pursuant to the trial of the action, and the total  
7 amount of the resulting judgment shall become the amount upon which  
8 postjudgment interest is computed pursuant to subsection B of this  
9 section. No award of prejudgment interest against this state or its  
10 political subdivisions, including counties, municipalities, school  
11 districts, and public trusts of which this state or a political  
12 subdivision of this state is a beneficiary, including the amount of  
13 the judgment awarded pursuant to trial of the action, shall exceed  
14 the total amount of liability of the governmental entity pursuant to  
15 The Governmental Tort Claims Act.

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

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

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

18 J. For purposes of computing postjudgment interest, the  
19 provisions of this section shall be applicable to all judgments of  
20 the district courts rendered on or after January 1, 2005. Effective  
21 January 1, 2005, the method for computing postjudgment interest  
22 prescribed by this section shall be applicable to all judgments  
23 remaining unpaid rendered prior to January 1, 2005.

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1 K. For purposes of computing prejudgment interest, the  
2 provisions of this section shall be applicable to all actions which  
3 are filed in the district courts on or after ~~January 1, 2005~~ the  
4 effective date of this act, for which an award of prejudgment  
5 interest is authorized by the provisions of this section.

6 SECTION 5. NEW LAW A new section of law not to be  
7 codified in the Oklahoma Statutes reads as follows:

8 The amendatory provisions contained in Section 3 of this act  
9 conform the statute to the holding in *Douglas v. Cox Retirement*  
10 *Properties, Inc.*, 2013 OK 37, 302 P.2d 789 (Okla. 2013). The  
11 amendatory provisions contained in Section 4 of this act conform the  
12 statute to the amendatory provisions of Enrolled House Bill No. 1603  
13 of the 1st Session of the 52nd Oklahoma Legislature, c. 228, O.S.L.  
14 2009.

15 SECTION 6. It being immediately necessary for the preservation  
16 of the public peace, health and safety, an emergency is hereby  
17 declared to exist, by reason whereof this act shall take effect and  
18 be in full force from and after its passage and approval.

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20 54-1EX-50020 SD 08/29/13  
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