



Legislative
Council Staff

Nonpartisan Services for Colorado's Legislature

FINAL FISCAL NOTE

Drafting Number:	LLS 18-0154	Date:	May 17, 2018
Prime Sponsors:	Sen. Tate; Zenzinger Rep. Hooton; Thurlow	Bill Status:	Signed into Law
		Fiscal Analyst:	Kerry White 303-866-3469 Kerry.White@state.co.us

Bill Topic: UNCONSTITUTIONAL LANGUAGE INTEREST ON DAMAGES

Summary of Fiscal Impact:

<input type="checkbox"/> State Revenue	<input type="checkbox"/> TABOR Refund
<input checked="" type="checkbox"/> State Expenditure (<i>minimal</i>)	<input type="checkbox"/> Local Government
<input type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

This bill aligns state statute concerning interest on damages with a 1996 Colorado Supreme Court decision. The bill may result in a minimal workload increase for the trial courts in FY 2018-19 and future fiscal years.

Appropriation Summary: No appropriation is required.

Fiscal Note Status: The fiscal note reflects the enacted bill.

Summary of Legislation

Under current law, statutorily prescribed compounding interest rates apply to prejudgment and postjudgment interest awards in personal injury cases. This bill removes prejudgment interest in order to align with a 1996 decision by the Colorado Supreme Court.

Under the bill, postjudgment interest for appeals for actions brought to recover damages for personal injuries must be calculated from the date of judgment through the date of satisfying the judgment and must include compounding interest annually. If the appealed judgment is affirmed, postjudgment interest is payable from the date of judgment through the date of satisfying the judgment. If the judgment is modified or reversed with a direction that a judgment for money be entered in the trial court, postjudgment interest is payable from the date of judgment through the date of satisfying the judgment. This postjudgment interest is payable on the amount of the final judgment.

Under current law, the rate of interest is two percentage points above the discount rate. Under Senate Bill 18-098, the discount rate used for calculating postjudgment interest must be the rate of interest a commercial bank pays to the federal reserve bank of Kansas City.

Background

In *Rodriguez v. Schutt* (1996), the Colorado Supreme Court ruled that the prejudgment interest provisions of section 13-21-101 (1), C.R.S., violate constitutional equal protection by creating an arbitrary distinction between classes of judgment creditors and of judgment debtors.

State Expenditures

To the extent that a debtor who was assigned prejudgment interest and is entitled relief under this bill files a motion to request a hearing, court workload will increase in the Judicial Department. Because these cases are thought to be rare, any increase in workload for the courts is anticipated to be minimal and does not require an increase in appropriations for the Judicial Department.

Effective Date

The bill was signed into law by the Governor on April 2, 2018, and takes effect August 8, 2018, assuming no referendum petition is filed.

State and Local Government Contacts

Information Technology Judicial Law Personnel