



Colorado  
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SB16-184

FISCAL NOTE

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

Drafting Number: LLS 16-1062 Date: April 15, 2016  
Prime Sponsor(s): Sen. Cadman; Scheffel Bill Status: Senate Judiciary  
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.		

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 takes effect January 1, 2017, if no referendum petition is filed.

### **State and Local Government Contacts**

Information Technology  
Law

Judicial  
Secretary of State