

AMENDED IN SENATE AUGUST 20, 2013

AMENDED IN SENATE JULY 8, 2013

AMENDED IN SENATE JUNE 18, 2013

AMENDED IN ASSEMBLY MAY 6, 2013

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

**ASSEMBLY BILL**

**No. 748**

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**Introduced by Assembly Member Eggman**

February 21, 2013

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An act to amend Section 3287 of the Civil Code, and to amend Sections 965.5 and 970.1 of the Government Code, relating to judgments.

LEGISLATIVE COUNSEL'S DIGEST

AB 748, as amended, Eggman. Judgments against the state: interest.

Existing law authorizes a person to collect interest on damages prior to entry of judgment in the action, including an action against a public entity, as specified.

The California Constitution requires the Legislature to set the rate of interest upon a judgment rendered in any court of this state at not more than 10% per annum. In the absence of the setting of such a rate by the Legislature, the California Constitution provides that the rate of interest on any judgment rendered in a court is 7% per annum.

This bill would provide that, unless another provision of law provides a different interest rate, interest accrues in a tax or fee claim against a public entity that results in a judgment against the public entity at a rate equal to the weekly average one year constant maturity United States Treasury yield, not to exceed 7% per annum. The bill would also provide

that, when the judgment becomes enforceable pursuant to ~~existing law specified statutes also proposed to be amended in this bill~~, interest accrues at an annual rate equal to the weekly average one year constant maturity United States Treasury yield at the time of the judgment plus 2%, but not to exceed 7% per annum.

Existing law provides that no interest is payable on the amount allowed by the California Victim Compensation and Government Claims Board on a claim if payment of the claim is subject to approval of an appropriation by the Legislature. However, if the appropriation is made, interest on the amount appropriated for the payment of the claim commences to accrue 180 days after the effective date of the law by which the appropriation is enacted.

~~Existing law requires the Treasurer to invest or make deposits in banks and savings and loan associations of revenues in the Pooled Money Investment Account in accordance with designations specified by the Pooled Money Investment Board.~~

This bill would, *except for claims approved by the California Victim Compensation and Government Claims Board*, require interest on the amount of a judgment or settlement for the payment of moneys against the state to accrue 180 days from the date of the final judgment or settlement. It would also, *subject to the exception for claims approved by the board* provide that, unless another provision of law provides a different interest rate, interest on a tax or fee judgment or settlement for the payment of moneys against the state ~~commences to accrue 180 days from the date of the final judgment or settlement and~~ *or a local entity* accrues at a rate equal to the weekly average one year constant maturity United States Treasury yield at the time of the judgment or settlement plus 2%, but not to exceed 7% per annum.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. Section 3287 of the Civil Code is amended to
- 2 read:
- 3 3287. (a) A person who is entitled to recover damages certain,
- 4 or capable of being made certain by calculation, and the right to
- 5 recover which is vested in the person upon a particular day, is
- 6 entitled also to recover interest thereon from that day, except when
- 7 the debtor is prevented by law, or by the act of the creditor from

1 paying the debt. This section is applicable to recovery of damages  
2 and interest from any debtor, including the state or any county,  
3 city, city and county, municipal corporation, public district, public  
4 agency, or any political subdivision of the state.

5 (b) Every person who is entitled under any judgment to receive  
6 damages based upon a cause of action in contract where the claim  
7 was unliquidated, may also recover interest thereon from a date  
8 prior to the entry of judgment as the court may, in its discretion,  
9 fix, but in no event earlier than the date the action was filed.

10 (c) Unless another statute provides a different interest rate, in  
11 a tax or fee claim against a public entity that results in a judgment  
12 against the public entity, interest shall accrue at a rate equal to the  
13 weekly average one year constant maturity United States Treasury  
14 yield, but shall not exceed 7 percent per annum. That rate shall  
15 control until the judgment becomes enforceable under Section  
16 965.5 or 970.1 of the Government Code, at which time interest  
17 shall accrue at an annual rate equal to the weekly average one year  
18 constant maturity United States Treasury yield at the time of the  
19 judgment plus 2 percent, but shall not exceed 7 percent per annum.

20 SEC. 2. Section 965.5 of the Government Code is amended to  
21 read:

22 965.5. (a) A judgment for the payment of money against the  
23 state or a state agency is enforceable until 10 years after the time  
24 the judgment becomes final or, if the judgment is payable in  
25 installments, until 10 years after the final installment becomes due.

26 (b) A judgment for the payment of money against the state or  
27 a state agency is not enforceable under Title 9 (commencing with  
28 Section 680.010) of Part 2 of the Code of Civil Procedure, but is  
29 enforceable under this chapter.

30 ~~(c) Unless another statute provides a different interest rate,~~  
31 ~~interest on a tax or fee—~~*Interest on the amount of a* judgment or  
32 settlement for the payment of moneys against the state shall  
33 commence to accrue 180 days from the date of the final judgment  
34 ~~or settlement and settlement.~~

35 *(d) Unless another statute provides a different interest rate,*  
36 *interest on a tax or fee judgment or settlement for the payment of*  
37 *moneys against the state* shall accrue at a rate equal to the weekly  
38 average one year constant maturity United States Treasury yield  
39 at the time of the judgment or settlement plus 2 percent, but shall  
40 not exceed 7 percent per annum. ~~This subdivision does~~

1 (e) Subdivisions (c) and (d) shall not apply to any claim  
2 approved by the California Victim Compensation and Government  
3 Claims Board.

4 SEC. 3. Section 970.1 of the Government Code is amended to  
5 read:

6 970.1. (a) A judgment is enforceable until 10 years after the  
7 time the judgment becomes final or, if the judgment is payable in  
8 installments, until 10 years after the final installment becomes due.

9 (b) A judgment, whether or not final, is not enforceable under  
10 Title 9 (commencing with Section 680.010) of Part 2 of the Code  
11 of Civil Procedure but is enforceable under this article after it  
12 becomes final.

13 (c) Unless another statute provides a different interest rate,  
14 interest on a tax or fee judgment or settlement against a local public  
15 entity shall accrue at a rate equal to the weekly average one year  
16 constant maturity United States Treasury yield at the time of the  
17 judgment or settlement plus 2 percent, but shall not exceed 7  
18 percent per annum.