

AMENDED IN SENATE AUGUST 30, 2013

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

Introduced by Assembly Member Eggman

February 21, 2013

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~~: *a public entity*: interest.

Existing law ~~authorizes~~ *provides that a person who is entitled to collect certain damages is also entitled to collect interest on the damages prior to entry of judgment in the action, including an action against from that day, except as specified. Existing law provides that this requirement applies to the collection of interest from a public entity, as specified.* *entity. Existing law prohibits, in an action to recover damages for a personal injury resulting from or occasioned by the tort of another, a public entity and a public employee whose action or condition was within the scope of employment from being liable for interest.*

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~~, *require*, unless another provision of law provides a different interest rate, interest ~~accrues to accrue~~ 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 a tax or fee judgment against a local public entity or against the state or a state agency, except for a claim approved by the California Victim Compensation Government Claims Board~~, becomes enforceable pursuant to 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.~~

~~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 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
8 paying the debt. This section is applicable to recovery of damages
9 and interest from any debtor, including the state or any county,
10 city, city and county, municipal corporation, public district, public
11 agency, or any political subdivision of the state.

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

17 (c) Unless another statute provides a different interest rate, in
18 a tax or fee claim against a public entity that results in a judgment
19 against the public entity, interest shall accrue at a rate equal to the
20 weekly average one year constant maturity United States Treasury
21 yield, but shall not exceed 7 percent per annum. That rate shall
22 control until the judgment becomes enforceable under Section
23 965.5 or 970.1 of the Government Code, at which time interest
24 shall accrue at an annual rate equal to the weekly average one year
25 constant maturity United States Treasury yield at the time of the
26 judgment plus 2 percent, but shall not exceed 7 percent per annum.

27 SEC. 2. Section 965.5 of the Government Code is amended to
28 read:

29 965.5. (a) A judgment for the payment of money against the
30 state or a state agency is enforceable until 10 years after the time
31 the judgment becomes final or, if the judgment is payable in
32 installments, until 10 years after the final installment becomes due.

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

1 (c) Interest on the amount of a judgment or settlement for the
2 payment of moneys against the state shall commence to accrue
3 180 days from the date of the final judgment or settlement.

4 (d) Unless another statute provides a different interest rate,
5 interest on a tax or fee judgment ~~or settlement~~ for the payment of
6 moneys against the state shall accrue at a rate equal to the weekly
7 average one year constant maturity United States Treasury yield
8 at the time of the judgment ~~or settlement~~ plus 2 percent, but shall
9 not exceed 7 percent per annum.

10 (e) Subdivisions (c) and (d) shall not apply to any claim
11 approved by the California Victim Compensation and Government
12 Claims Board.

13 SEC. 3. Section 970.1 of the Government Code is amended to
14 read:

15 970.1. (a) A judgment is enforceable until 10 years after the
16 time the judgment becomes final or, if the judgment is payable in
17 installments, until 10 years after the final installment becomes due.

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

22 (c) Unless another statute provides a different interest rate,
23 interest on a tax or fee judgment ~~or settlement~~ against a local public
24 entity shall accrue at a rate equal to the weekly average one year
25 constant maturity United States Treasury yield at the time of the
26 judgment ~~or settlement~~ plus 2 percent, but shall not exceed 7
27 percent per annum.