

ASSEMBLY BILL

No. 1007

Introduced by Assembly Member Wagner

February 22, 2013

An act to amend Section 685.010 of the Code of Civil Procedure, and to amend Section 965.5 of the Government Code, relating to claims against the state, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 1007, as introduced, Wagner. State government: payment of claims against the state.

Existing law authorizes a procedure for the payment of claims against the state. Existing law requires interest on the amount of a judgment or settlement for the payment of money against the state to commence to accrue 180 days from the date of the final judgment or settlement at the rate of 10% per annum.

The Sales and Use Tax Law, and other laws by reference to that law, provide that interest is paid by a taxpayer or feepayer with respect to the overpayment of various taxes, surcharges, and fees, as determined in accordance with a specified federal statute, which requires that the rate paid on overpayments be based on the rate of 13-week treasury bills, as specified.

This bill would require the interest on the amount of a claim, judgment, or settlement against the State of California to be calculated based on the same rate that applies to the overpayment of taxes, surcharges, and fees to the state, as specified. The bill would also make clarifying changes.

This bill would declare that it is to take effect immediately as an urgency statute.

Vote: 2/3. 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 685.010 of the Code of Civil Procedure
2 is amended to read:

3 685.010. (a) Interest accrues at the rate of 10 percent per
4 annum on the principal amount of a money judgment remaining
5 unsatisfied, *except as provided in Section 965.5 of the Government*
6 *Code.*

7 (b) The Legislature reserves the right to change the rate of
8 interest provided in subdivision (a) at any time to a rate of less
9 than 10 percent per annum, regardless of the date of entry of the
10 judgment or the date any obligation upon which the judgment is
11 based was incurred. A change in the rate of interest may be made
12 applicable only to the interest that accrues after the operative date
13 of the statute that changes the rate.

14 SEC. 2. Section 965.5 of the Government Code is amended to
15 read:

16 965.5. (a) A judgment for the payment of money against the
17 state or a state agency is enforceable until 10 years after the time
18 the judgment becomes final or, if the judgment is payable in
19 installments, until 10 years after the final installment becomes due.

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

24 (c) Interest on the amount of a judgment or settlement for the
25 payment of money against the state shall commence to accrue 180
26 days from the date of the final judgment or settlement. This
27 subdivision does not apply to any claim approved by the California
28 Victim Compensation and Government Claims Board.

29 (d) *Interest on the amount of a judgment or settlement, including*
30 *any claim approved by the California Victim Compensation and*
31 *Government Claims Board, shall be calculated based on the same*
32 *rate set forth in paragraph (2) of subdivision (a) of Section 6591.5*
33 *of the Revenue and Taxation Code that applies to the overpayment*

1 *of a tax, surcharge, or fee to the state. This subdivision applies*
2 *only to judgments and settlements entered into on or after the*
3 *effective date of the act adding this subdivision.*

4 SEC. 3. This act is an urgency statute necessary for the
5 immediate preservation of the public peace, health, or safety within
6 the meaning of Article IV of the Constitution and shall go into
7 immediate effect. The facts constituting the necessity are:

8 In order to pay judgment and settlement claims against the state
9 and end hardship to claimants as quickly as possible, and make
10 interest rates more equitable at the earliest possible time, it is
11 necessary for this act to take effect immediately.

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