



HOUSE BILL No. 4437

March 4, 1993, Introduced by Rep. Profit and referred to the Committee on Judiciary.

A bill to amend section 6013 of Act No. 236 of the Public Acts of 1961, entitled as amended
"Revised judicature act of 1961,"
as amended by Act No. 50 of the Public Acts of 1987, being
section 600.6013 of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 6013 of Act No. 236 of the Public Acts
2 of 1961, as amended by Act No. 50 of the Public Acts of 1987,
3 being section 600.6013 of the Michigan Compiled Laws, is amended
4 to read as follows:

5 Sec. 6013. (1) Interest shall be allowed on a money judgment
6 recovered in a civil action, as provided in this section, except
7 that for complaints filed on or after October 1, 1986, interest
8 shall not be allowed on future damages from the date of filing
9 the complaint to the date of entry of the judgment. As used in

1 this subsection, "future damages" means that term as defined in
2 section 6301.

3 (2) For complaints filed before June 1, 1980, in an action
4 involving other than a written instrument having a rate of inter-
5 est exceeding 6% per year, the interest on the judgment shall be
6 calculated from the date of filing the complaint to June 1, 1980,
7 at the rate of 6% per year and on and after June 1, 1980, to the
8 date of satisfaction of the judgment at the rate of 12% per year
9 compounded annually.

10 (3) For complaints filed before June 1, 1980, in an action
11 involving a written instrument having a rate of interest exceed-
12 ing 6% per year, the interest on the judgment shall be calculated
13 from the date of filing the complaint to the date of satisfaction
14 of the judgment at the rate specified in the instrument if the
15 rate was legal at the time the instrument was executed. However,
16 the rate after the date judgment is entered shall not exceed the
17 following:

18 (a) Seven percent per year compounded annually for any
19 period of time between the date judgment is entered and the date
20 of satisfaction of the judgment which elapses before June 1,
21 1980.

22 (b) Thirteen percent per year compounded annually for any
23 period of time between the date judgment is entered and the date
24 of satisfaction of the judgment which elapses after May 31,
25 1980.

26 (4) For complaints filed on or after June 1, 1980, but
27 before January 1, 1987, interest shall be calculated from the

1 date of filing the complaint to the date of satisfaction of the
2 judgment at the rate of 12% per year compounded annually unless
3 the judgment is rendered on a written instrument having a higher
4 rate of interest. In that case interest shall be calculated at
5 the rate specified in the instrument if the rate was legal at the
6 time the instrument was executed. The rate shall not exceed 13%
7 per year compounded annually after the date judgment is entered.

8 (5) ~~For~~ EXCEPT AS OTHERWISE PROVIDED IN THIS SUBSECTION,
9 FOR complaints filed on or after January 1, 1987, BUT BEFORE
10 JANUARY 1, 1994, if a judgment is rendered on a written instru-
11 ment, interest shall be calculated from the date of filing the
12 complaint to the date of satisfaction of the judgment at the rate
13 of 12% per year compounded annually, unless the instrument has a
14 higher rate of interest. In that case interest shall be calcu-
15 lated at the rate specified in the instrument if the rate was
16 legal at the time the instrument was executed. The rate shall
17 not exceed 13% per year compounded annually after the date judg-
18 ment is entered. BEGINNING JANUARY 1, 1994, INTEREST ON THE BAL-
19 ANCE OF A JUDGMENT DESCRIBED IN THIS SUBSECTION REMAINING UNSAT-
20 ISFIED SHALL BE CALCULATED IN THE MANNER PRESCRIBED IN SUBSECTION
21 (7).

22 (6) Except as otherwise provided in THIS SUBSECTION AND sub-
23 section (5), for complaints filed on or after January 1, 1987,
24 BUT BEFORE JANUARY 1, 1994, interest on a money judgment recov-
25 ered in a civil action shall be calculated at 6-month intervals
26 from the date of filing the complaint at a rate of interest which
27 is equal to 1% plus the average interest rate paid at auctions of

1 5-year United States treasury notes during the 6 months
2 immediately preceding July 1 and January 1, as certified by the
3 state treasurer, and compounded annually, pursuant to this
4 section. BEGINNING JANUARY 1, 1994, INTEREST ON THE BALANCE OF A
5 MONEY JUDGMENT DESCRIBED IN THIS SUBSECTION REMAINING UNSATISFIED
6 SHALL BE CALCULATED IN THE MANNER PRESCRIBED IN SUBSECTION (7).

7 (7) FOR COMPLAINTS FILED ON OR AFTER JANUARY 1, 1994, INTER-
8 EST SHALL BE CALCULATED FROM THE DATE OF FILING THE COMPLAINT TO
9 THE DATE OF SATISFACTION OF THE JUDGMENT AT THE RATE OF 10% PER
10 YEAR COMPOUNDED ANNUALLY UNLESS THE JUDGMENT IS RENDERED ON A
11 WRITTEN INSTRUMENT HAVING A HIGHER RATE OF INTEREST. IN THAT
12 CASE INTEREST SHALL BE CALCULATED AT THE RATE SPECIFIED IN THE
13 INSTRUMENT IF THE RATE WAS LEGAL AT THE TIME THE INSTRUMENT WAS
14 EXECUTED, BUT THE RATE SHALL NOT EXCEED 13% PER YEAR COMPOUNDED
15 ANNUALLY AFTER THE DATE JUDGMENT IS ENTERED.

16 (8) ~~(7)~~ If a bona fide, reasonable written offer of set-
17 tlement in a civil action based on tort is made by the party
18 against whom the judgment is subsequently rendered, the court
19 shall order that interest shall not be allowed beyond the date
20 the written offer of settlement which is made and rejected by the
21 plaintiff, and is filed with the court.

22 (9) ~~(8)~~ Except as otherwise provided in subsection (1), if
23 a bona fide, reasonable written offer of settlement in a civil
24 action based on tort is not made by the party against whom the
25 judgment is subsequently rendered, or is made and that offer is
26 not filed with the court, the court shall order that interest be

1 calculated from the date of filing the complaint to the date of
2 satisfaction of the judgment.

3 (10) ~~-(9)-~~ Except as otherwise provided in subsection (1),
4 if a bona fide, reasonable written offer of settlement in a civil
5 action based on tort is made by a plaintiff for whom the judgment
6 is subsequently rendered and that offer is rejected and the offer
7 is filed with the court, the court shall order that interest be
8 calculated from the date of the rejection of the offer to the
9 date of satisfaction of the judgment at a rate of interest equal
10 to 2% plus the rate of interest computed under subsection (6) OR
11 (7).

12 (11) ~~-(10)-~~ An offer made pursuant to this section which is
13 not accepted within 21 days after the offer is made shall be con-
14 sidered rejected. A rejection, under this subsection or other-
15 wise, does not preclude a later offer by either party.

16 (12) ~~-(11)-~~ As used in this section:

17 (a) "Bona fide, reasonable written offer of settlement"
18 means:

19 (i) With respect to an offer of settlement made by a
20 defendant against whom judgment is subsequently rendered, an
21 offer of settlement that is not less than 90% of the amount actu-
22 ally received by the plaintiff in the action through judgment.

23 (ii) With respect to an offer of settlement made by a plain-
24 tiff, an offer of settlement that is not more than 110% of the
25 amount actually received by the plaintiff in the action through
26 judgment.

1 (b) "Defendant" means a defendant, a counter-defendant, or a
2 cross-defendant.

3 (c) "Party" means a plaintiff or a defendant.

4 (d) "Plaintiff" means a plaintiff, a counter-plaintiff, or a
5 cross-plaintiff.