



# HOUSE BILL No. 5713

March 27, 1996, Introduced by Rep. Profit and referred to the Committee on Judiciary and Civil Rights.

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. 78 of the Public Acts of 1993, 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. 78 of the Public Acts of 1993,  
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.

7 However, for complaints filed on or after October 1, 1986,  
8 interest shall not be allowed on future damages from the date of  
9 filing the complaint to the date of entry of the judgment. As

1 used in this subsection, "future damages" means that term as  
2 defined in 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 that 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 that elapses after May 31, 1980.

25 (4) For complaints filed on or after June 1, 1980, but  
26 before January 1, 1987, interest shall be calculated from the  
27 date of filing the complaint to the date of satisfaction of the

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

7 (5) For complaints filed on or after January 1, 1987, if a  
8 judgment is rendered on a written instrument, interest shall be  
9 calculated from the date of filing the complaint to the date of  
10 satisfaction of the judgment at the rate of 12% per year com-  
11 pounded annually, unless the instrument has a higher rate of  
12 interest. In that case interest shall be calculated at the rate  
13 specified in the instrument if the rate was legal at the time the  
14 instrument was executed. The rate shall not exceed 13% per year  
15 compounded annually after the date judgment is entered.

16 (6) Except as otherwise provided in subsection (5) and  
17 subject to subsection ~~(11)~~ (12), for complaints filed on or  
18 after January 1, 1987, interest on a money judgment recovered in  
19 a civil action shall be calculated AS FOLLOWS:

20 (A) FOR JUDGMENTS OF \$3,000.00 OR LESS, AT MONTHLY INTERVALS  
21 FROM THE DATE OF FILING THE COMPLAINT AT 1%.

22 (B) FOR JUDGMENTS OF MORE THAN \$3,000.00, at 6-month inter-  
23 vals from the date of filing the complaint at a rate of interest  
24 that is equal to 1% plus the average interest rate paid at auc-  
25 tions of 5-year United States treasury notes during the 6 months  
26 immediately preceding July 1 and January 1, as certified by the

1 state treasurer, and compounded annually, pursuant to this  
2 section.

3 (7) Interest under ~~this~~ subsection (6) shall be calculated  
4 on the entire amount of the money judgment, including attorney  
5 fees and other costs. However, the amount of interest attribut-  
6 able to that part of the money judgment from which attorney fees  
7 are paid shall be retained by the plaintiff, and not paid to the  
8 plaintiff's attorney.

9 (8) ~~(7)~~ If a bona fide, reasonable written offer of set-  
10 tlement in a civil action based on tort is made by the party  
11 against whom the judgment is subsequently rendered and is  
12 rejected by the plaintiff, the court shall order that interest  
13 not be allowed beyond the date the bona fide, reasonable written  
14 offer of settlement is filed with the court.

15 (9) ~~(8)~~ Except as otherwise provided in subsection (1) and  
16 subject to subsections ~~(9)~~ (10) and ~~(10)~~ (11), if a bona  
17 fide, reasonable written offer of settlement in a civil action  
18 based on tort is not made by the party against whom the judgment  
19 is subsequently rendered, or is made and is not filed with the  
20 court, the court shall order that interest be calculated from the  
21 date of filing the complaint to the date of satisfaction of the  
22 judgment.

23 (10) ~~(9)~~ If a civil action is based on medical malpractice  
24 and the defendant in the medical malpractice action failed to  
25 allow access to medical records as required under section  
26 ~~2912B(6)~~ 2912B(5), the court shall order that interest be

1 calculated from the date notice was given in compliance with  
2 section 2912b to the date of satisfaction of the judgment.

3 (11) ~~(+0)~~ If a civil action is based on medical malprac-  
4 tice and the plaintiff in the medical malpractice action failed  
5 to allow access to medical records as required under section  
6 ~~2912b(6)~~ 2912B(5), the court shall order that interest be cal-  
7 culated from 182 days after the date the complaint was filed to  
8 the date of satisfaction of the judgment.

9 (12) ~~(+1)~~ Except as otherwise provided in subsection (1),  
10 if a bona fide, reasonable written offer of settlement in a civil  
11 action based on tort is made by a plaintiff for whom the judgment  
12 is subsequently rendered and that offer is rejected and the offer  
13 is filed with the court, the court shall order that interest be  
14 calculated from the date of the rejection of the offer to the  
15 date of satisfaction of the judgment at a rate of interest equal  
16 to 2% plus the rate of interest computed under subsection (6).

17 (13) ~~(+2)~~ A bona fide, reasonable written offer of settle-  
18 ment made pursuant to this section that is not accepted within 21  
19 days after the offer is made is rejected. A rejection under this  
20 subsection or otherwise does not preclude a later offer by either  
21 party.

22 (14) ~~(+3)~~ As used in this section:

23 (a) "Bona fide, reasonable written offer of settlement"  
24 means:

25 (i) With respect to an offer of settlement made by a  
26 defendant against whom judgment is subsequently rendered, a  
27 written offer of settlement that is not less than 90% of the

1 amount actually received by the plaintiff in the action through  
2 judgment.

3 (ii) With respect to an offer of settlement made by a plain-  
4 tiff, a written offer of settlement that is not more than 110% of  
5 the amount actually received by the plaintiff in the action  
6 through judgment.

7 (b) "Defendant" means a defendant, a counter-defendant, or a  
8 cross-defendant.

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

10 (d) "Plaintiff" means a plaintiff, a counter-plaintiff, or a  
11 cross-plaintiff.