



SENATE BILL No. 1068

July 3, 1996, Introduced by Senator HOFFMAN 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. 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~~ DAMAGES AWARDED IN A CIVIL ACTION THAT
3 THE TRIER OF FACT FINDS WILL ACCRUE AFTER THE DAMAGE FINDINGS ARE
4 MADE.

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

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

20 (a) Seven percent per year compounded annually for any
21 period of time between the date judgment is entered and the date
22 of satisfaction of the judgment that elapses before June 1,
23 1980.

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

1 (4) For complaints filed on or after June 1, 1980, but
2 before January 1, 1987, interest shall be calculated from the
3 date of filing the complaint to the date of satisfaction of the
4 judgment at the rate of 12% per year compounded annually unless
5 the judgment is rendered on a written instrument having a higher
6 rate of interest. In that case interest shall be calculated at
7 the rate specified in the instrument if the rate was legal at the
8 time the instrument was executed. The rate shall not exceed 13%
9 per year compounded annually after the date judgment is entered.

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

19 (6) Except as otherwise provided in subsection (5) and
20 subject to subsection (11), for complaints filed on or after
21 January 1, 1987, interest on a money judgment recovered in a
22 civil action shall be calculated at 6-month intervals from the
23 date of filing the complaint at a rate of interest that is equal
24 to 1% plus the average interest rate paid at auctions of 5-year
25 United States treasury notes during the 6 months immediately pre-
26 ceding July 1 and January 1, as certified by the state treasurer,
27 and compounded annually, pursuant to this section. Interest

1 under this subsection shall be calculated on the entire amount of
2 the money judgment, including attorney fees and other costs.
3 However, the amount of interest attributable to that part of the
4 money judgment from which attorney fees are paid shall be
5 retained by the plaintiff, and not paid to the plaintiff's
6 attorney.

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

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

20 (9) If a civil action is based on medical malpractice and
21 the defendant in the medical malpractice action failed to allow
22 access to medical records as required under section ~~2912b(6)~~
23 2912B(5), the court shall order that interest be calculated from
24 the date notice was given in compliance with section 2912b to the
25 date of satisfaction of the judgment.

26 (10) If a civil action is based on medical malpractice and
27 the plaintiff in the medical malpractice action failed to allow

1 access to medical records as required under section ~~2912b(6)~~
2 2912B(5), the court shall order that interest be calculated from
3 182 days after the date the complaint was filed to the date of
4 satisfaction of the judgment.

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

13 (12) A bona fide, reasonable written offer of settlement
14 made pursuant to this section that is not accepted within 21 days
15 after the offer is made is rejected. A rejection under this sub-
16 section or otherwise does not preclude a later offer by either
17 party.

18 (13) As used in this section:

19 (a) "Bona fide, reasonable written offer of settlement"
20 means:

21 (i) With respect to an offer of settlement made by a
22 defendant against whom judgment is subsequently rendered, a writ-
23 ten offer of settlement that is not less than 90% of the amount
24 actually received by the plaintiff in the action through
25 judgment.

26 (ii) With respect to an offer of settlement made by a
27 plaintiff, a written offer of settlement that is not more than

1 110% of the amount actually received by the plaintiff in the
2 action through judgment.

3 (b) "Defendant" means a defendant, a counter-defendant, or a
4 cross-defendant.

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

6 (d) "Plaintiff" means a plaintiff, a counter-plaintiff, or a
7 cross-plaintiff.