

SENATE BILL No. 1203

April 6, 2000, Introduced by Senator EMMONS and referred to the Committee on Judiciary.

A bill to amend 1961 PA 236, entitled
"Revised judicature act of 1961,"
by amending section 6013 (MCL 600.6013), as amended by 1993 PA
78.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 6013. (1) Interest shall be allowed on a money judgment
2 recovered in a civil action, as provided in this section.
3 However, for complaints filed on or after October 1, 1986, inter-
4 est shall not be allowed on future damages from the date of
5 filing the complaint to the date of entry of the judgment. As
6 used in this subsection, "future damages" means that term as
7 defined in section 6301.

8 (2) For complaints filed before June 1, 1980, in an action
9 involving other than a written instrument having a rate of
10 interest exceeding 6% per year, the interest on the judgment

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1 shall be calculated from the date of filing the complaint to June
2 1, 1980, at the rate of 6% per year and on and after June 1,
3 1980, to the date of satisfaction of the judgment at the rate of
4 12% per year compounded annually.

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

13 (a) Seven percent per year compounded annually for any
14 period of time between the date judgment is entered and the date
15 of satisfaction of the judgment that elapses before June 1,
16 1980.

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

20 (4) For complaints filed on or after June 1, 1980, but
21 before January 1, 1987, interest shall be calculated from the
22 date of filing the complaint to the date of satisfaction of the
23 judgment at the rate of 12% per year compounded annually unless
24 the judgment is rendered on a written instrument having a higher
25 rate of interest. In that case interest shall be calculated at
26 the rate specified in the instrument if the rate was legal at the

1 time the instrument was executed. The rate shall not exceed 13%
2 per year compounded annually after the date judgment is entered.

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

13 (6) Except as otherwise provided in subsection (5) and
14 subject to subsection (11), for complaints filed on or after
15 January 1, 1987, interest on a money judgment recovered in a
16 civil action shall be calculated at 6-month intervals from the
17 date of filing the complaint at a rate of interest that is equal
18 to 1% plus the average interest rate paid at auctions of 5-year
19 United States treasury notes during the 6 months immediately pre-
20 ceding July 1 and January 1, as certified by the state treasurer,
21 and compounded annually, pursuant to this section. Interest
22 under this subsection shall be calculated on the entire amount of
23 the money judgment, including attorney fees and other costs.
24 However, the amount of interest attributable to that part of the
25 money judgment from which attorney fees are paid shall be
26 retained by the plaintiff, and not paid to the plaintiff's
27 attorney.

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

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

14 (9) If a civil action is based on medical malpractice and
15 the defendant in the medical malpractice action failed to allow
16 access to medical records as required under section ~~2912b(6)~~
17 2912B(5), the court shall order that interest be calculated from
18 the date notice was given in compliance with section 2912b to the
19 date of satisfaction of the judgment.

20 (10) If a civil action is based on medical malpractice and
21 the plaintiff 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
24 182 days after the date the complaint was filed to the date of
25 satisfaction of the judgment.

26 (11) Except as otherwise provided in subsection (1), if a
27 bona fide, reasonable written offer of settlement in a civil

1 action based on tort is made by a plaintiff for whom the judgment
2 is subsequently rendered and that offer is rejected and the offer
3 is filed with the court, the court shall order that interest be
4 calculated from the date of the rejection of the offer to the
5 date of satisfaction of the judgment at a rate of interest equal
6 to 2% plus the rate of interest computed under subsection (6).

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

12 (13) As used in this section:

13 (a) "Bona fide, reasonable written offer of settlement"
14 means:

15 (i) With respect to an offer of settlement made by a
16 defendant against whom judgment is subsequently rendered, a writ-
17 ten offer of settlement that is not less than 90% of the amount
18 actually received by the plaintiff in the action through
19 judgment.

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

24 (b) "Defendant" means a defendant, a counter-defendant, or a
25 cross-defendant.

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

1 (d) "Plaintiff" means a plaintiff, a counter-plaintiff, or a
2 cross-plaintiff.