

SENATE BILL No. 1417

October 5, 2000, Introduced by Senator HOFFMAN and referred to the Committee on Judiciary.

A bill to amend 1961 PA 236, entitled
"Revised judicature act of 1961,"
by amending sections 6013 and 6301 (MCL 600.6013 and 600.6301),
section 6013 as amended by 1993 PA 78 and section 6301 as added
by 1986 PA 178.

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~~ DAMAGES AWARDED IN A CIVIL ACTION THAT
8 THE TRIER OF FACT FINDS WILL ACCRUE AFTER THE DAMAGE FINDINGS ARE
9 MADE.

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

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

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

20 (b) Thirteen 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 after May 31, 1980.

23 (4) For complaints filed on or after June 1, 1980, but
24 before January 1, 1987, interest shall be calculated from the
25 date of filing the complaint to the date of satisfaction of the
26 judgment at the rate of 12% per year compounded annually unless
27 the judgment is rendered on a written instrument having a higher

1 rate of interest. In that case interest shall be calculated at
2 the rate specified in the instrument if the rate was legal at the
3 time the instrument was executed. The rate shall not exceed 13%
4 per year compounded annually after the date judgment is entered.

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

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

1 retained by the plaintiff, and not paid to the plaintiff's
2 attorney.

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

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

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

22 (10) If a civil action is based on medical malpractice and
23 the plaintiff in the medical malpractice action failed to allow
24 access to medical records as required under section ~~2912b(6)~~
25 2912B, the court shall order that interest be calculated from 182
26 days after the date the complaint was filed to the date of
27 satisfaction of the judgment.

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

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

14 (13) As used in this section:

15 (a) "Bona fide, reasonable written offer of settlement"
16 means:

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

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

26 (b) "Defendant" means a defendant, a counter-defendant, or a
27 cross-defendant.

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

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

4 Sec. 6301. As used in this chapter:

5 (a) "Future damages" means damages ~~arising from personal~~
6 ~~injury which~~ AWARDED IN A CIVIL ACTION THAT the trier of fact
7 finds will accrue after the damage findings are made. ~~and~~
8 ~~includes damages for medical treatment, care and custody, loss of~~
9 ~~earnings, loss of earning capacity, loss of bodily function, and~~
10 ~~pain and suffering.~~

11 (b) "Personal injury" means bodily harm, sickness, disease,
12 death, or emotional harm resulting from bodily harm.

13 Enacting section 1. Sections 6013 and 6301 of the revised
14 judicature act of 1961, 1961 PA 236, MCL 600.6013 and 600.6301,
15 as amended by this amendatory act, do not apply to a civil action
16 filed before the effective date of this amendatory act.