

REPRINT

SUBSTITUTE FOR

HOUSE BILL NO. 4448

(As passed the House, May 24, 2001)

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~~ IS allowed on a money
2 judgment recovered in a civil action, as provided in this
3 section. However, for complaints filed on or after October 1,
4 1986, interest ~~shall~~ IS not ~~be~~ allowed on future damages from
5 the date of filing the complaint to the date of entry of the
6 judgment. As used in this subsection, "future damages" means
7 that term as 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~~ IS calculated from the date of filing the complaint to
2 June 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~~ A COMPLAINT filed before June 1, 1980,
6 in an action involving a written instrument having a rate of
7 interest exceeding 6% per year, the interest on the judgment
8 ~~shall be~~ IS calculated from the date of filing the complaint to
9 the date of satisfaction of the judgment at the rate specified in
10 the instrument if the rate was legal at the time the instrument
11 was executed. However, the rate after the date judgment is
12 entered shall not exceed EITHER OF the following:

13 (a) Seven percent per year compounded annually for ~~any~~ A
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 A period of time between the date judgment is entered and the
19 date of satisfaction of the judgment that elapses after May 31,
20 1980.

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

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

4 (5) ~~For complaints~~ EXCEPT AS PROVIDED IN SUBSECTION (6),
5 FOR A COMPLAINT filed on or after January 1, 1987 BUT BEFORE
6 JULY 1, 2001, if a judgment is rendered on a written instrument,
7 interest ~~shall be~~ IS calculated from the date of filing the
8 complaint to the date of satisfaction of the judgment at the rate
9 of 12% per year compounded annually, unless the instrument has a
10 higher rate of interest. In that case, interest shall be calcu-
11 lated at the rate specified in the instrument if the rate was
12 legal at the time the instrument was executed. The rate shall
13 not exceed 13% per year compounded annually after the date judg-
14 ment is entered.

15 (6) FOR A COMPLAINT FILED ON OR AFTER JANUARY 1, 1987 BUT
16 BEFORE JULY 1, 2001, IF THE CIVIL ACTION HAS NOT RESULTED IN A
17 FINAL, NONAPPEALABLE JUDGMENT AS OF JULY 1, 2001, AND IF A JUDG-
18 MENT IS OR HAS BEEN RENDERED ON A WRITTEN INSTRUMENT THAT DOES
19 NOT EVIDENCE INDEBTEDNESS WITH A SPECIFIED INTEREST RATE, INTER-
20 EST IS CALCULATED AS PROVIDED IN SUBSECTION (8).

21 (7) FOR A COMPLAINT FILED ON OR AFTER JULY 1, 2001, IF A
22 JUDGMENT IS RENDERED ON A WRITTEN INSTRUMENT EVIDENCING INDEBTED-
23 NESS WITH A SPECIFIED INTEREST RATE, INTEREST IS CALCULATED FROM
24 THE DATE OF FILING THE COMPLAINT TO THE DATE OF SATISFACTION OF
25 THE JUDGMENT AT THE RATE SPECIFIED IN THE INSTRUMENT IF THE RATE
26 WAS LEGAL AT THE TIME THE INSTRUMENT WAS EXECUTED. THE RATE

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1 SHALL NOT EXCEED 13% PER YEAR COMPOUNDED ANNUALLY AFTER THE DATE
2 JUDGMENT IS ENTERED.

3 (8) ~~-(6)-~~ Except as otherwise provided in ~~subsection (5)-~~
4 SUBSECTIONS (5) AND (7) and subject to subsection ~~-(11)-~~ (13),
5 for complaints filed on or after January 1, 1987, interest on a
6 money judgment recovered in a civil action ~~shall be~~ IS calcu-
7 lated at 6-month intervals from the date of filing the complaint
8 at a rate of interest ~~that is~~ equal to 1% plus the average
9 interest rate paid at auctions of 5-year United States treasury
10 notes during the 6 months immediately preceding July 1 and
11 January 1, as certified by the state treasurer, and compounded
12 annually, ~~pursuant~~ ACCORDING to this section. Interest under
13 this subsection ~~shall be~~ IS calculated on the entire amount of
14 the money judgment, including attorney fees and other costs.
15 ~~However, the~~ THE amount of interest attributable to that part
16 of the money judgment from which attorney fees are paid ~~shall~~
17 ~~be~~ IS retained by the plaintiff, and not paid to the plaintiff's
18 attorney.

19 (9) ~~-(7)-~~ If a bona fide, reasonable written offer of set-
20 tlement in a civil action based on tort is made by the party
21 against whom the judgment is subsequently rendered and is
22 rejected by the plaintiff, the court shall order that interest IS
23 not ~~be~~ allowed beyond the date the bona fide, reasonable writ-
24 ten offer of settlement is filed with the court.

25 (10) ~~-(8)-~~ Except as otherwise provided in subsection (1)
26 and subject to subsections ~~-(9)- and -(10)-~~ (11) AND (12), if a
27 bona fide, reasonable written offer of settlement in a civil

1 action based on tort is not made by the party against whom the
2 judgment is subsequently rendered, or is made and is not filed
3 with the court, the court shall order that interest be calculated
4 from the date of filing the complaint to the date of satisfaction
5 of the judgment.

6 (11) ~~-(9)-~~ If a civil action is based on medical malpractice
7 and the defendant in the medical malpractice action failed to
8 allow access to medical records as required under section
9 ~~2912b(6)-~~ 2912B(5), the court shall order that interest be cal-
10 culated from the date notice was given in compliance with section
11 2912b to the date of satisfaction of the judgment.

12 (12) ~~-(10)-~~ If a civil action is based on medical malprac-
13 tice and the plaintiff in the medical malpractice action failed
14 to allow access to medical records as required under section
15 ~~2912b(6)-~~ 2912B(5), the court shall order that interest be cal-
16 culated from 182 days after the date the complaint was filed to
17 the date of satisfaction of the judgment.

18 (13) ~~-(11)-~~ Except as otherwise provided in subsection (1),
19 if a bona fide, reasonable written offer of settlement in a civil
20 action based on tort is made by a plaintiff for whom the judgment
21 is subsequently rendered and that offer is rejected and the offer
22 is filed with the court, the court shall order that interest be
23 calculated from the date of the rejection of the offer to the
24 date of satisfaction of the judgment at a rate of interest equal
25 to 2% plus the rate of interest computed under subsection ~~-(6)-~~
26 (8).

1 (14) ~~—(12)—~~ A bona fide, reasonable written offer of
2 settlement made ~~—pursuant—~~ ACCORDING to this section that is not
3 accepted within 21 days after the offer is made is rejected. A
4 rejection under this subsection or otherwise does not preclude a
5 later offer by either party.

6 (15) ~~—(13)—~~ As used in this section:

7 (a) "Bona fide, reasonable written offer of settlement"
8 means EITHER OF THE FOLLOWING:

9 (i) With respect to an offer of settlement made by a
10 defendant against whom judgment is subsequently rendered, a writ-
11 ten offer of settlement that is not less than 90% of the amount
12 actually received by the plaintiff in the action through
13 judgment.

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

18 (b) "Defendant" means a defendant, a counter-defendant, or a
19 cross-defendant.

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

21 (d) "Plaintiff" means a plaintiff, a counter-plaintiff, or a
22 cross-plaintiff.