

REPRINT

SUBSTITUTE FOR

HOUSE BILL NO. 5585

(As passed the House, February 13, 2002)

A bill to amend 1961 PA 236, entitled
"Revised judicature act of 1961,"
by amending section 6013 (MCL 600.6013), as amended by 2001
PA 175.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

- 1 Sec. 6013. (1) Interest is 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 is not allowed on future damages from the date of filing the
5 complaint to the date of entry of the judgment. As used in this
6 subsection, "future damages" means that term as defined in
7 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 is

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

5 (3) For a complaint 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 is calculated from
8 the date of filing the complaint to the date of satisfaction of
9 the judgment at the rate specified in the instrument if the rate
10 was legal at the time the instrument was executed. However, the
11 rate after the date judgment is entered shall not exceed either
12 of the following:

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

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

19 (4) For a complaint filed on or after June 1, 1980, but
20 before January 1, 1987, interest is calculated from the date of
21 filing the complaint to the date of satisfaction of the judgment
22 at the rate of 12% per year compounded annually unless the judg-
23 ment is rendered on a written instrument having a higher rate of
24 interest. In that case interest is calculated at the rate speci-
25 fied in the instrument if the rate was legal at the time the
26 instrument was executed. The rate shall not exceed 13% per year
27 compounded annually after the date judgment is entered.

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1 (5) Except as provided in subsection (6), for a complaint
2 filed on or after January 1, 1987, but before July 1, ~~2001~~
3 2002, if a judgment is rendered on a written instrument, interest
4 is calculated from the date of filing the complaint to the date
5 of satisfaction of the judgment at the rate of 12% per year com-
6 pounded annually, unless the instrument has a higher rate of
7 interest. In that case, interest shall be calculated at the rate
8 specified in the instrument if the rate was legal at the time the
9 instrument was executed. The rate shall not exceed 13% per year
10 compounded annually after the date judgment is entered.

11 (6) For a complaint filed on or after January 1, 1987, but
12 before July 1, ~~2001~~ 2002, if the civil action has not resulted
13 in a final, nonappealable judgment as of July 1, ~~2001~~ 2002, and
14 if a judgment is or has been rendered on a written instrument
15 that does not evidence indebtedness with a specified interest
16 rate, interest is calculated as provided in subsection (8).

17 (7) For a complaint filed on or after July 1, ~~2001~~ 2002,
18 if a judgment is rendered on a written instrument evidencing
19 indebtedness with a specified interest rate, interest is calcu-
20 lated from the date of filing the complaint to the date of satis-
21 faction of the judgment at the rate specified in the instrument
22 if the rate was legal at the time the instrument was executed.
23 IF THE RATE IN THE WRITTEN INSTRUMENT IS A VARIABLE RATE, INTER-
24 EST SHALL BE FIXED AT THE RATE IN EFFECT UNDER THE INSTRUMENT AT
25 THE TIME THE COMPLAINT IS FILED. The rate UNDER THIS SUBSECTION
26 shall not exceed 13% per year compounded annually. ~~after the~~
27 ~~date judgment is entered.~~

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1 (8) Except as otherwise provided in subsections (5) and (7)
2 and subject to subsection (13), for complaints filed on or after
3 January 1, 1987, interest on a money judgment recovered in a
4 civil action is calculated at 6-month intervals from the date of
5 filing the complaint at a rate of interest equal to 1% plus the
6 average interest rate paid at auctions of 5-year United States
7 treasury notes during the 6 months immediately preceding July 1
8 and January 1, as certified by the state treasurer, and com-
9 pounded annually, according to this section. Interest under this
10 subsection is calculated on the entire amount of the money judg-
11 ment, including attorney fees and other costs. The amount of
12 interest attributable to that part of the money judgment from
13 which attorney fees are paid is retained by the plaintiff, and
14 not paid to the plaintiff's attorney.

15 (9) If a bona fide, reasonable written offer of settlement
16 in a civil action based on tort is made by the party against whom
17 the judgment is subsequently rendered and is rejected by the
18 plaintiff, the court shall order that interest is not allowed
19 beyond the date the bona fide, reasonable written offer of set-
20 tlement is filed with the court.

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

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1 (11) If a civil action is based on medical malpractice and
2 the defendant in the medical malpractice action failed to allow
3 access to medical records as required under section 2912b(5), the
4 court shall order that interest be calculated from the date
5 notice was given in compliance with section 2912b to the date of
6 satisfaction of the judgment.

7 (12) If a civil action is based on medical malpractice and
8 the plaintiff in the medical malpractice action failed to allow
9 access to medical records as required under section 2912b(5), the
10 court shall order that interest be calculated from 182 days after
11 the date the complaint was filed to the date of satisfaction of
12 the judgment.

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

22 (14) A bona fide, reasonable written offer of settlement
23 made according to this section that is not accepted within 21
24 days after the offer is made is rejected. A rejection under this
25 subsection or otherwise does not preclude a later offer by either
26 party.

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1 (15) As used in this section:

2 (a) "Bona fide, reasonable written offer of settlement"

3 means either of the following:

4 (i) With respect to an offer of settlement made by a
5 defendant against whom judgment is subsequently rendered, a writ-
6 ten offer of settlement that is not less than 90% of the amount
7 actually received by the plaintiff in the action through
8 judgment.

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

13 (b) "Defendant" means a defendant, a counter-defendant, or a
14 cross-defendant.

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

16 (d) "Plaintiff" means a plaintiff, a counter-plaintiff, or a
17 cross-plaintiff.