1852 AMH SMIN KOEP 007

**HB 1852** - H AMD **894**

By Representative Smith

**WITHDRAWN 02/09/2012**

On page 1, at the beginning of line 9, strike "fixed by resolution at eight percent per annum from the date due until paid" and insert "((~~fixed by resolution at eight percent per annum from the date due until paid~~)). For the purposes of this section, the rate of interest to be charged shall be the lesser of an average of the federal short-term rate as defined in 26 U.S.C. Sec. 1274(d) as it existed on the effective date of this section, plus two percentage points or eight percent. The rate set for each new year shall be computed by taking an arithmetical average to the nearest percentage point of the federal short-term rate, compounded annually. That average shall be calculated using the rates from four months: January, April, and July of the calendar year immediately preceding the new year, and October of the previous preceding year"

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|  | EFFECT: Sets the interest rate for delinquent sewerage charges at either the average of the federal short-term interest rate as defined in 26 U.S.C. Sec 1274(d) plus two percentage points, or eight percent, whichever is lesser. Provides for a process of calculating the rate set for each new year. |

**--- END ---**