

SHB 1852 - H AMD 896

By Representative Smith

FAILED 02/09/2012

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

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.

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