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ENGROSSED SUBSTITUTE HOUSE BILL 1412

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State of Washington

53rd Legislature

1993 Regular Session

By House Committee on Judiciary (originally sponsored by Representatives R. Meyers, Padden, Dellwo and Scott)

Read first time 02/26/93.

1 AN ACT Relating to prejudgment interest; amending RCW 4.56.110 and  
2 4.56.115; adding a new section to chapter 4.56 RCW; and creating a new  
3 section.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 **Sec. 1.** RCW 4.56.110 and 1989 c 360 s 19 are each amended to read  
6 as follows:

7 Interest on judgments shall accrue as follows:

8 (1) Judgments founded on written contracts, providing for the  
9 payment of interest until paid at a specified rate, shall bear interest  
10 at the rate specified in the contracts: PROVIDED, That said interest  
11 rate is set forth in the judgment.

12 (2) All judgments for unpaid child support that have accrued under  
13 a superior court order or an order entered under the administrative  
14 procedure act shall bear interest at the rate of twelve percent.

15 (3) Except as provided under RCW 19.52.010, 82.32.060, and  
16 subsections (1) and (2) of this section, judgments shall bear interest  
17 from the date of ((~~entry~~)) notice at the maximum rate permitted under  
18 RCW 19.52.020 on the date of ((~~entry thereof~~)) notice: PROVIDED, That  
19 in any case where:

1       (a) A court is directed on review to enter judgment on a verdict or  
2 in any case where a judgment entered on a verdict is wholly or partly  
3 affirmed on review, then interest on the judgment or on that portion of  
4 the judgment affirmed shall date back to and shall accrue from the date  
5 ((the verdict was rendered)) of notice;

6       (b) Any portion of a claim is paid to a plaintiff or to a third  
7 party on behalf of the plaintiff by a defendant prior to the entry of  
8 the judgment, then prejudgment interest shall accrue on the amount of  
9 the claim paid from the date of notice to the date of payment;

10       (c) At least one hundred and twenty days before trial the judgment  
11 debtor has made a written settlement offer that is not accepted by the  
12 judgment creditor within thirty days and the offer equals or exceeds  
13 the judgment amount, then no prejudgment interest shall accrue on the  
14 judgment;

15       (d) Any portion of a judgment is found to be future damages or is  
16 found to be noneconomic damages, then no prejudgment interest shall  
17 accrue on that portion of the judgment;

18       (e) An established trial date is continued on the motion or request  
19 of the plaintiff whether or not the defendant joined in the motion or  
20 concurrent with the request, then prejudgment interest shall not be  
21 applied during the period of the continuance; and

22       (f) If the judgment amount differs from the amount claimed in the  
23 notice, then prejudgment interest shall accrue on the judgment amount.

24       (4) "Date of notice" as used in subsection (3) of this section  
25 means:

26       (a) The date a claimant gives written notice of a claim to a  
27 potential defendant, which notice may be given by personal service or  
28 by registered mail to the potential defendant at the potential  
29 defendant's last known address. Written notice of the claim shall  
30 include the identification, amount, nature, and elements known at the  
31 time of claim; or

32       (b) The date a lawsuit is initiated, either by filing or personal  
33 service, if prior written notice of a claim has not otherwise been  
34 given to the defendant.

35       (5) "Noneconomic damages" as used in subsection (3) of this section  
36 means subjective, nonmonetary losses, including, but not limited to  
37 pain, suffering, inconvenience, mental anguish, disability or  
38 disfigurement incurred by the injured party, emotional distress, loss

1 of society and companionship, loss of consortium, injury to reputation  
2 and humiliation, and destruction of the parent-child relationship.

3 NEW SECTION. **Sec. 2.** A new section is added to chapter 4.56 RCW  
4 to read as follows:

5 Any attorney for a plaintiff or claimant shall not receive as  
6 compensation any portion of the prejudgment interest awarded under RCW  
7 4.56.110(3).

8 **Sec. 3.** RCW 4.56.115 and 1983 c 147 s 2 are each amended to read  
9 as follows:

10 Judgments founded on the tortious conduct of the state of  
11 Washington or of the political subdivisions, municipal corporations,  
12 and quasi municipal corporations of the state, whether acting in their  
13 governmental or proprietary capacities, shall bear interest ((~~from the~~  
14 ~~date of entry at the maximum rate permitted under RCW 19.52.020 on the~~  
15 ~~date of entry thereof:~~ PROVIDED, That in any case where a court is  
16 directed on review to enter judgment on a verdict or in any case where  
17 a judgment entered on a verdict is wholly or partly affirmed on review,  
18 interest on the judgment or on that portion of the judgment affirmed  
19 shall date back to and shall accrue from the date the verdict was  
20 rendered)) in accordance with the provisions of RCW 4.56.110.

21 NEW SECTION. **Sec. 4.** Section 1 of this act applies to any  
22 judgment entered after the effective date of this act.

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