**1058 AMS HASE S2699.2 - NOT FOR FLOOR USE**

**HB 1058** - S AMD TO LAW COMM AMD (S-2350.2/17) **263**

By Senator Hasegawa

**NOT ADOPTED 04/12/2017**

On page 7, after line 13 of the amendment, insert the following:

"**Sec.**  RCW 10.82.090 and 2015 c 265 s 23 are each amended to read as follows:

(1) Except as provided in subsection (2) of this section, financial obligations imposed in a judgment shall bear interest from the date of the judgment until payment, at the rate ((~~applicable to civil judgments~~)) specified in RCW 4.56.110(4). All nonrestitution interest retained by the court shall be split twenty-five percent to the state treasurer for deposit in the state general fund, twenty-five percent to the state treasurer for deposit in the judicial information system account as provided in RCW 2.68.020, twenty-five percent to the county current expense fund, and twenty-five percent to the county current expense fund to fund local courts. The rate of interest specified in this subsection applies to the accrual of interest as of the date of entry of judgment with respect to a judgment that is entered on or after the effective date of this section, and applies to the accrual of interest as of the effective date of this section with respect to a judgment that was entered before the effective date of this section and is still accruing interest on the effective date of this section.

(2) The court may, on motion by the offender, following the offender's release from total confinement, reduce or waive the interest on legal financial obligations levied as a result of a criminal conviction as follows:

(a) The court shall waive all interest on the portions of the legal financial obligations that are not restitution that accrued during the term of total confinement for the conviction giving rise to the financial obligations, provided the offender shows that the interest creates a hardship for the offender or his or her immediate family;

(b) The court may reduce interest on the restitution portion of the legal financial obligations only if the principal has been paid in full;

(c) The court may otherwise reduce or waive the interest on the portions of the legal financial obligations that are not restitution if the offender shows that he or she has personally made a good faith effort to pay and that the interest accrual is causing a significant hardship. For purposes of this section, "good faith effort" means that the offender has either (i) paid the principal amount in full; or (ii) made at least fifteen monthly payments within an eighteen-month period, excluding any payments mandatorily deducted by the department of corrections;

(d) For purposes of (a) through (c) of this subsection, the court may reduce or waive interest on legal financial obligations only as an incentive for the offender to meet his or her legal financial obligations. The court may grant the motion, establish a payment schedule, and retain jurisdiction over the offender for purposes of reviewing and revising the reduction or waiver of interest.

(3) This section only applies to adult offenders.

**Sec.**  RCW 4.56.110 and 2010 c 149 s 1 are each amended to read as follows:

Interest on judgments shall accrue as follows:

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

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

(3)(a) Judgments founded on the tortious conduct of a "public agency" as defined in RCW 42.30.020 shall bear interest from the date of entry at two percentage points above the equivalent coupon issue yield, as published by the board of governors of the federal reserve system, of the average bill rate for twenty-six week treasury bills as determined at the first bill market auction conducted during the calendar month immediately preceding the date of entry. In any case where a court is directed on review to enter judgment on a verdict or in any case where a judgment entered on a verdict is wholly or partly affirmed on review, interest on the judgment or on that portion of the judgment affirmed shall date back to and shall accrue from the date the verdict was rendered.

(b) Except as provided in (a) of this subsection, judgments founded on the tortious conduct of individuals or other entities, whether acting in their personal or representative capacities, shall bear interest from the date of entry at two percentage points above the prime rate, as published by the board of governors of the federal reserve system on the first business day of the calendar month immediately preceding the date of entry. In any case where a court is directed on review to enter judgment on a verdict or in any case where a judgment entered on a verdict is wholly or partly affirmed on review, interest on the judgment or on that portion of the judgment affirmed shall date back to and shall accrue from the date the verdict was rendered.

(4) Legal financial obligations imposed in judgments pertaining to offenders referred to in RCW 10.82.090 shall bear interest from the date of entry at the rate of two percentage points above the equivalent coupon issue yield, as published by the board of governors of the federal reserve system, of the average bill rate for twenty-six week treasury bills as determined at the first bill market auction conducted in the month of December immediately preceding the date of entry. The interest rate on all judgments for legal financial obligations of offenders referred to in RCW 10.82.090 shall be readjusted annually on the first day of January of each year to reflect the current interest rate and shall accrue at that rate during the succeeding calendar year.

(5) Except as provided under subsections (1)((~~, (2), and (3)~~)) through (4) of this section, judgments shall bear interest from the date of entry at the maximum rate permitted under RCW 19.52.020 on the date of entry thereof. In any case where a court is directed on review to enter judgment on a verdict or in any case where a judgment entered on a verdict is wholly or partly affirmed on review, interest on the judgment or on that portion of the judgment affirmed shall date back to and shall accrue from the date the verdict was rendered. ((~~The method for determining an interest rate prescribed by this subsection is also the method for determining the "rate applicable to civil judgments" for purposes of RCW 10.82.090.~~))"

**HB 1058** - S AMD TO LAW COMM AMD (S-2350.2/17) **263**

By Senator Hasegawa

**NOT ADOPTED 04/12/2017**

On page 7, beginning on line 15 of the title amendment, after "10.01.170" strike "and 9.94A.760" and insert ", 9.94A.760, 10.82.090, and 4.56.110"

EFFECT: Changes the interest rate for legal financial obligations from the rate applicable to civil judgments (currently 12%) to two points above the 26-week U.S. Treasury rate.