

HB 1058 - S AMD TO LAW COMM AMD (S-2350.2/17) 263
By Senator Hasegawa

NOT ADOPTED 04/12/2017

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

2 "Sec. 4. RCW 10.82.090 and 2015 c 265 s 23 are each amended to
3 read as follows:

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

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

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

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

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

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

19 (3) This section only applies to adult offenders.

20 **Sec. 5.** RCW 4.56.110 and 2010 c 149 s 1 are each amended to read
21 as follows:

22 Interest on judgments shall accrue as follows:

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

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

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

1 affirmed on review, interest on the judgment or on that portion of
2 the judgment affirmed shall date back to and shall accrue from the
3 date the verdict was rendered.

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

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

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

NOT ADOPTED 04/12/2017

1 On page 7, beginning on line 15 of the title amendment, after
2 "10.01.170" strike "and 9.94A.760" and insert ", 9.94A.760,
3 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.

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