

SENATE BILL REPORT

SB 5059

As of January 20, 2023

Title: An act relating to prejudgment interest.

Brief Description: Concerning prejudgment interest.

Sponsors: Senators Kuderer, Trudeau, Conway, Nobles, Pedersen, Stanford, Valdez and Wellman.

Brief History:

Committee Activity: Law & Justice: 1/24/23.

Brief Summary of Bill

- Modifies the accrual date for interest on tort judgments for tortious conduct of public agencies, individuals, and other entities to the date the cause of action accrues.

SENATE COMMITTEE ON LAW & JUSTICE

Staff: Ryan Giannini (786-7285)

Background: Torts Generally. A tort is a civil wrong in which a plaintiff seeks monetary compensation for harm to the plaintiff's person or property. Tort law includes actions based on negligence, intentional conduct, and strict liability. Damages that may be awarded to an injured plaintiff include both economic damages, such as lost earnings and medical expenses, and noneconomic damages, such as pain and suffering, and emotional distress.

Post-Judgment Interest. Under state law, interest on tort judgments accrues from the date of entry of the judgment at a rate specified in statute. In a case where a court is directed on review to enter judgment on a verdict, or 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 dates back and accrues from the date the verdict was rendered.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.

For the tortious conduct of a public agency, the post-judgment interest rate is 2 percent above the equivalent coupon issue yield of the average bill rate for 26 weeks of treasury bills.

For the tortious conduct of individuals and entities, the post judgment interest rate is 2 percent above the prime rate.

Prejudgment Interest. Prejudgment interest is intended to make a plaintiff whole by compensating for the use value of damages incurred from the time of the loss until the date of judgment.

Summary of Bill: Interest on judgments for tortious conduct of public agencies, individuals, and other entities is modified to run from the date on which the cause of action accrues. This prejudgment interest applies only to arbitration awards and judgments entered following a trial of the matter. All other judgments founded on tortious conduct bear interest from the date of entry.

Interest on judgments for tortious conduct that occurred while a plaintiff was a minor begins to run from the date the action is commenced, or the date the minor turns 18 years old, whichever is earlier, at the same rates as currently provided in statute.

Appropriation: None.

Fiscal Note: Requested on January 19, 2023.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.