

MAINE STATE LEGISLATURE

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SECOND REGULAR SESSION

ONE HUNDRED AND NINTH LEGISLATURE

Legislative Document

No. 1795

H. P. 1687

House of Representatives, January 10, 1980

Referred to the Committee on Judiciary. Sent up for concurrence and ordered printed.

EDWIN H. PERT, Clerk of the House

Presented by Mr. Joyce of Portland.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED AND EIGHTY

AN ACT to Increase Interest Rates on Judgment Debts.

Be it enacted by the People of the State of Maine, as follows:

14 MRSA § 1602, as last repealed and replaced by PL 1977, c. 147, is amended to read:

§ 1602. Interest on judgments

In all civil actions, except those actions involving a contract or note which contract or note contains a provision relating to interest, interest shall be assessed **at the rate of 10% per year** from the date on which the complaint is filed in court, provided that if the prevailing party at any time requests and obtains a continuance for a period in excess of 30 days, interest will be suspended for the duration of the continuance. From and after the date of entry of an order for judgment, including the period of the pendency of an appeal, interest shall be allowed at the rate of ~~10%~~ **15%** per year.

STATEMENT OF FACT

Under current law, interest on ultimate recoveries in lawsuits is allowed at 6% over the time from filing a complaint through obtaining a judgment. Thereafter, during pendency of an appeal to the Law Court, this rate is increased to 10%. This structure has been in place since 1969. With the current prime rate of interest in

excess of 15%, it seems appropriate and equitable to adjust these interest rates on judgments so that those rates more accurately reflect market rates so that those deemed entitled to relief by our courts receive just compensation for the delay.