

MAINE STATE LEGISLATURE

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FIRST REGULAR SESSION

ONE HUNDRED AND TENTH LEGISLATURE

Legislative Document

No. 900

H. P. 763

House of Representatives, February 18, 1981

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

EDWIN H. PERT, Clerk

Presented by Representative Soule of Westport.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED AND EIGHTY-ONE

AN ACT to Impose Reasonable Interest Charges on Judgment Debtors.

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

14 MRSA § 1602, as amended by PL 1979, c. 655, § 1, is repealed and the following enacted in its place:

§ 1602. Interest on judgments

In all civil actions, except those actions involving a contract or note containing a provision relating to interest, interest at a rate determined by the judge to be commercially reasonable shall be assessed from the date when payment should have been made or when the action arose, and in no event from later than 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 18% per year.

STATEMENT OF FACT

This bill is designed to reflect commercial reality with respect to interest on contested amounts in lawsuits. It would allow a judge to impose interest at a reasonable rate from the date the action arose. Interest at 18% would be imposed from and after entry of judgment.