

MAINE STATE LEGISLATURE

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1 (New Draft of H.P. 1049, L.D. 1393)
2 (New Title)

3 FIRST REGULAR SESSION
4

5 ONE HUNDRED AND ELEVENTH LEGISLATURE
6

7 Legislative Document

No. 1670

9 H.P. 1257

House of Representatives, May 24, 1983

10 Reported by Representative Soule from the Committee on Judiciary and
11 printed under Joint Rule 2.

12 Original bill presented by Representative Mitchell of Vassalboro.

Cosponsored by Representative Benoit of So. Portland, Representative Paradis
of Augusta and Senator Wood of York.

EDWIN H. PERT, Clerk

14 STATE OF MAINE
15

16 IN THE YEAR OF OUR LORD
17 NINETEEN HUNDRED AND EIGHTY-THREE
18

19 AN ACT to Require the Payment of
20 Prejudgment Interest at Prevailing Market
21 Rates on all Judgments, Dating
22 from the Time of Written Notice
23 to the Defendant of the Cause
24 of Action.
25

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

28 Sec. 1. 14 MRSA §1602, as amended by PL 1981, c.
29 162, §§1 and 2, is repealed and the following enacted
30 in its place:

31 §1602. Interest before judgments

1 1. Prejudgment interest; rate; avoidance. In
2 all civil actions, except those actions involving a
3 contract or note which contains a provision relating
4 to interest, prejudgment interest shall be assessed
5 at the rate of 8% per year.

6 Prejudgment interest shall accrue from the time of
7 notice of claim setting forth under oath the cause of
8 action, served personally or by registered or certi-
9 fied mail upon the defendant until the date on which
10 an order of judgment is entered. If the prevailing
11 party at any time requests and obtains a continuance
12 for a period in excess of 30 days, interest shall be
13 suspended for the duration of the continuance. On
14 petition of the nonprevailing party and on a showing
15 of good cause, the trial court may order that inter-
16 est awarded by this section shall be fully or par-
17 tially waived.

18 2. Effect on post-judgment interest. This
19 section shall not affect post-judgment interest
20 imposed by section 1602-A. Prejudgment interest
21 shall not be added to the judgment amount in deter-
22 mining the sum upon which post-judgment interest
23 shall accrue.

24 3. Limitation. Subsection one shall not apply
25 to judgments of less than \$5,000. For those judg-
26 ments, interest shall accrue only from the date on
27 which the complaint is filed and at a fixed rate of
28 8% per year.

29 Sec. 2. 14 MRSA §1602-A is enacted to read:

30 §1602-A. Interest after judgment

31 From and after the date of entry on an order of
32 judgment, including the period of the pendency of an
33 appeal, interest shall be allowed at the rate of 15%
34 per year. If the prevailing party at any time
35 requests and obtains a continuance for a period in
36 excess of 30 days, interest shall be suspended for
37 the duration of the continuance. On petition of the
38 nonprevailing party and on a showing of good cause,
39 the trial court may order that interest awarded by
40 this section shall be fully or partially waived.

