

1 HB236  
2 127075-1  
3 By Representatives Canfield, Fincher, Gaston and McClendon  
4 RFD: Judiciary  
5 First Read: 10-MAR-11

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8 SYNOPSIS: Under existing law, post-judgment interest  
9 on money judgments bears interest at the rate of 12  
10 percent.

11 This bill would provide that judgments,  
12 other than judgments based on a contract action,  
13 would bear interest from the date of entry of the  
14 judgment at a rate equal to the weekly average  
15 one-year constant maturity Treasury yield, as  
16 published by the Board of Governors of the Federal  
17 Reserve System, for the nearest calendar week  
18 preceding the date of judgment, and to provide that  
19 post-judgment interest would be computed daily to  
20 the date of payment, and compounded annually.

21  
22 A BILL  
23 TO BE ENTITLED  
24 AN ACT

25  
26 To amend Section 8-8-10, Code of Alabama 1975,  
27 relating to the interest on money judgments, to provide that

1 judgments, other than judgments based on a contract action,  
2 would bear interest from the date of entry of the judgment at  
3 a rate equal to the weekly average one-year constant maturity  
4 Treasury yield, as published by the Board of Governors of the  
5 Federal Reserve System, for the nearest calendar week  
6 preceding the date of judgment; and to provide that  
7 post-judgment interest would be computed daily to the date of  
8 payment, and compounded annually.

9 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

10 Section 1. Section 8-8-10, Code of Alabama 1975, is  
11 amended to read as follows:

12 "§8-8-10.

13 "(a) Judgments for the payment of money, other than  
14 costs, if based upon a contract action, bear interest from the  
15 day of the cause of action, at the same rate of interest as  
16 stated in ~~said the~~ contract; ~~all other judgments shall bear~~  
17 ~~interest at the rate of 12 percent per annum, the provisions~~  
18 ~~of Section 8-8-1 to the contrary notwithstanding; provided,~~  
19 ~~that fees.~~

20 "(b) The provisions of Section 8-8-1 to the contrary  
21 notwithstanding, all other judgments shall bear interest from  
22 the date of the entry of the judgment at a rate equal to the  
23 weekly average one-year constant maturity Treasury yield, as  
24 published by the Board of Governors of the Federal Reserve  
25 System, for the nearest calendar week preceding the date of  
26 judgment. Post-judgment interest shall be computed daily to  
27 the date of payment, and compounded annually. Fees allowed a

1 trustee, executor, administrator, or attorney and taxed as a  
2 part of the cost of the proceeding shall bear interest at a  
3 like rate from the day of entry.

4 "(c) This section shall apply to all judgments  
5 entered on and after the effective date of the act adding this  
6 subsection."

7 Section 2. This act shall become effective on the  
8 first day of the third month following its passage and  
9 approval by the Governor, or its otherwise becoming law.