

IN THE SENATE

SENATE BILL NO. 1282

BY COMMERCE AND HUMAN RESOURCES COMMITTEE

AN ACT

1
2 RELATING TO LEGAL RATE OF INTEREST; AMENDING SECTION 28-22-104, IDAHO CODE,
3 TO ESTABLISH PROVISIONS RELATING TO THE CALCULATION OF PREJUDGMENT IN-
4 TEREST.

5 Be It Enacted by the Legislature of the State of Idaho:

6 SECTION 1. That Section 28-22-104, Idaho Code, be, and the same is
7 hereby amended to read as follows:

8 28-22-104. LEGAL RATE OF INTEREST. (1) When there is no express con-
9 tract in writing fixing a different rate of interest, interest is allowed at
10 the rate of twelve cents (12¢) on the hundred by the year on:

- 11 1. Money due by express contract.
12 2. Money after the same becomes due.
13 3. Money lent.
14 4. Money received to the use of another and retained beyond a reasonable
15 time without the owner's consent, express or implied.
16 5. Money due on the settlement of mutual accounts from the date the bal-
17 ance is ascertained.
18 6. Money due upon open accounts after three (3) months from the date of
19 the last item.

20 (2) The legal rate of interest on money due on the judgment of any com-
21 petent court or tribunal shall be the rate of five percent (5%) plus the base
22 rate in effect at the time of entry of the judgment. The base rate shall be
23 determined on July 1 of each year by the Idaho state treasurer and shall be
24 the weekly average yield on United States treasury securities as adjusted to
25 a constant maturity of one (1) year and rounded up to the nearest one-eighth
26 percent (1/8%). The base rate shall be determined by the Idaho state trea-
27 surer utilizing the published interest rates during the second week in June
28 of the year in which such interest is being calculated. The legal rate of
29 interest as announced by the treasurer on July 1 of each year shall oper-
30 ate as the rate applying for the succeeding twelve (12) months to all judg-
31 ments declared during such succeeding twelve (12) month period. The pay-
32 ment of interest and principal on each judgment shall be calculated accord-
33 ing to a three hundred sixty-five (365) day year. Notwithstanding subsec-
34 tion (1) of this section, the legal rate of prejudgment interest awarded by
35 a court of competent jurisdiction at the time of entry of judgment shall be
36 calculated identically as the postjudgment interest calculations contained
37 in this subsection.