

Original sponsor: Judiciary Committee

Offered: 5/28/80

1 IN THE HOUSE

BY THE FREE CONFERENCE COMMITTEE

2 FREE CONFERENCE CS FOR HOUSE BILL NO. 546

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to offers of judgment and to prejudg-  
7 ment and post-judgment interest rates; and providing  
8 for an effective date."

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

10 \* Section 1. AS 09.30.070 is amended to read:

11 Sec. 09.30.070. INTEREST ON JUDGMENTS. The rate of interest on  
12 judgments and decrees for the payment of money is 10.5 [EIGHT] percent a  
13 year, except that a judgment or decree founded on a contract in writing,  
14 providing for the payment of interest until paid at a specified rate not  
15 exceeding the legal rate of interest for that type of contract, bears  
16 interest at the rate specified in the contract if the interest rate is  
17 set out in the judgment or decree [, BUT IN NO EVENT MAY IT BE MORE THAN  
18 10 PERCENT A YEAR].

19 \* Sec. 2. AS 45.45.010(a) is amended to read:

20 (a) The rate of interest in the state is 10.5 [EIGHT] percent a  
21 year and no more on money after it is due except as provided in (b) of  
22 this section. [THE RATE OF INTEREST IN THE STATE IS SIX PERCENT A YEAR  
23 AND NO MORE ON (1) MONEY RECEIVED TO THE USE OF ANOTHER AND RETAINED  
24 BEYOND A REASONABLE TIME WITHOUT THE OWNER'S EXPRESS OR IMPLIED CONSENT;  
25 (2) MONEY DUE UPON THE SETTLEMENT OF MATURED ACCOUNTS FROM THE DAY THE  
26 BALANCE IS ASCERTAINED; OR (3) MONEY DUE OR TO BECOME DUE WHEN THERE IS  
27 A CONTRACT TO PAY INTEREST AND NO RATE IS SPECIFIED.]

28 \* Sec. 3. AS 45.45.010 is amended by adding a new subsection to read:

29 (1) On or before the 60th day following the filing of an answer in

1 a civil action, and on the fifth day following the day discovery closes  
2 as ordered by the court, either the party making a claim or the party  
3 defending against a claim may serve upon the adverse party an offer to  
4 allow judgment to be entered in complete satisfaction of the claim for  
5 the money or property or to the effect specified in his offer, with  
6 costs then accrued. If within 10 days after the service of the offer  
7 the adverse party serves written notice that the offer is accepted,  
8 either party may then file the offer and notice of acceptance together  
9 with proof of service, and the clerk shall enter judgment. An offer not  
10 accepted within 10 days is considered withdrawn and evidence of that  
11 offer is not admissible except in a proceeding to determine the form of  
12 judgment after verdict. If the judgment finally entered on the claim as  
13 to which an offer has been made under this section is more favorable to  
14 the offeree than the offer, the interest awarded under (a) of this  
15 section and accrued up to the date judgment is entered shall be adjusted  
16 as follows:

17 (1) if the offeree is the party making the claim, the in-  
18 terest rate shall be increased by two percent a year;

19 (2) if the offeree is the party defending against the claim,  
20 the interest rate shall be reduced by two percent a year.

21 \* Sec. 4. The interest rate provided in sec. 1 of this Act applies only  
22 to those judgments rendered after the effective date of this Act. The in-  
23 terest rate provided in sec. 2 of this Act applies only to cases filed after  
24 the effective date of this Act.

25 \* Sec. 5. This Act does not amend Rule 68 of the Alaska Rules of Civil  
26 Procedure.

27 \* Sec. 6. This Act takes effect July 1, 1980.  
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