

HOUSE BILL NO. 226

IN THE LEGISLATURE OF THE STATE OF ALASKA

EIGHTEENTH LEGISLATURE - FIRST SESSION

BY THE HOUSE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

Introduced: 3/12/93

Referred: State Affairs, Judiciary, Finance

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to interest rates and calculation of interest under certain
2 judgments and decrees and on refunds of certain taxes, royalties, or net profit
3 shares; and providing for an effective date."

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

5 * Section 1. AS 09.30.070 is repealed and reenacted to read:

6 Sec. 09.30.070. INTEREST. (a) Interest shall accrue on a money judgment
7 in a civil case. Interest shall be calculated from the date of entry of the judgment, at
8 a rate equal to the coupon issue yield equivalent (as determined by the secretary of the
9 United States Treasury) of the average accepted auction price for the last auction of
10 fifty-two week United States Treasury bills settled immediately before the date of the
11 judgment, except that a judgment or decree founded on a contract in writing, providing
12 for an interest rate not exceeding the legal rate of interest for that type of contract,
13 bears interest at the rate specified in the contract if the interest rate is set out in the
14 judgment or decree.

1 (b) Except when the court finds that the parties have agreed otherwise,
2 prejudgment interest shall be awarded on a money judgment in a civil case.
3 Prejudgment interest accrues from the date process is served on the defendant or a
4 counterclaim or crossclaim is served on the opposing party if no summons is issued
5 until the entry of judgment. Prejudgment interest shall be calculated at a rate equal
6 to the coupon issue yield equivalent (as determined by the secretary of the United
7 States Treasury) of the average accepted auction price for the last auction of fifty-two
8 week United States Treasury bills settled immediately before the issuance of the
9 summons or filing of the counterclaim or crossclaim.

10 (c) Interest shall be computed daily to the date of payment and may not be
11 compounded.

12 (d) The Alaska Court System shall periodically distribute notice of the interest
13 rate under this section and any changes in it.

14 * Sec. 2. AS 38.05.135(e) is repealed and reenacted to read:

15 (e) If a royalty or net profit share payment to which the state is entitled under
16 AS 38.05.135 - 38.05.181 is overpaid, the amount overpaid bears interest in a calendar
17 quarter at the rate of two percentage points above the annual rate charged member
18 banks for advances by the 12th Federal Reserve District as of the first day of that
19 calendar quarter, compounded quarterly as of the last day of that quarter. However,
20 if the overpayment is the result of a correction made by the department, the amount
21 overpaid bears interest at the rate and in the manner provided in (d) of this section.

22 * Sec. 3. AS 43.05.280(a) is repealed and reenacted to read:

23 (a) If a tax levied under this title is overpaid, the amount overpaid bears
24 interest in a calendar quarter at the rate of two percentage points above the annual rate
25 charged member banks for advances by the 12th Federal Reserve District as of the first
26 day of that calendar quarter, compounded quarterly as of the last day of that quarter.
27 However, if the overpayment is the result of the correction of an assessment or return
28 made by the department, the amount overpaid bears interest at the rate and in the
29 manner provided in AS 43.05.225(1).

30 * Sec. 4. Beginning on the effective date of this Act, postjudgment interest accrues under
31 judgments or decrees in civil cases entered on or after the effective date of this Act, at the rate

1 and in the manner specified in AS 09.30.070 as repealed and reenacted by sec. 1 of this Act.
2 Postjudgment interest accrues under judgments or decrees in civil cases entered before the
3 effective date of this Act at the rate and in the manner specified under law in effect at the
4 time that judgment or decree was entered.

5 * Sec. 5. For claims or causes of action in civil cases for which judgment has not been
6 entered before the effective date of this Act, prejudgment interest accrues before the effective
7 date of this Act at the rate and in the manner specified under law in effect at the time that
8 claim or cause of action occurred. After the effective date of this Act, prejudgment interest
9 accrues on that claim or cause of action at the rate and in the manner specified in
10 AS 09.30.070 as repealed and reenacted by sec. 1 of this Act.

11 * Sec. 6. Beginning on the effective date of this Act, interest accrues on overpayments of
12 royalties, net profit share payments, taxes, and on any interest accrued on them before the
13 effective date of this Act, at the rates and in the manner specified in AS 38.05.135(e) as
14 repealed and reenacted by sec. 2 of this Act and in AS 43.05.280(a) as repealed and reenacted
15 by sec. 3 of this Act.

16 * Sec. 7. This Act takes effect immediately under AS 01.10.070(c).