



1995 ASSEMBLY BILL 1027

March 14, 1996 - Introduced by Representatives GREEN, LEHMAN, SCHNEIDERS, GOETSCH, NASS, ALBERS, MUSSER, FREESE, JENSEN, LADWIG, HAHN, DUFF, SKINDRUD, LAZICH, VRAKAS, OWENS and GROTHMAN, cosponsored by Senators HUELSMAN, RUDE, DARLING and ROSENZWEIG. Referred to Committee on Judiciary.

1 **AN ACT** *to renumber and amend* 807.01 (4) and 814.04 (4); *to amend* 815.05
2 (8); and *to create* 807.01 (4) (b) and 814.04 (4) (b) of the statutes; **relating to:**
3 changing the interest rate applicable to court judgments.

Analysis by the Legislative Reference Bureau

Under current law, a party in a lawsuit is entitled to interest on the amount of money recovered in a judgment. The interest rate on the amount of money recovered is 12% per year. This bill changes the interest rate to the average interest rate for 6-month U.S. treasury bills in all cases, except that the interest rate remains at 12% per year from the date of entry of judgement unless an appeal is taken. If an appeal is taken, the 12% per year rate applies from the date of final disposition of the case. The state treasurer is required to determine that rate annually and certify that rate to the director of state courts on the first business day in January.

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

4 **SECTION 1.** 807.01 (4) of the statutes is renumbered 807.01 (4) (a) and amended
5 to read:
6 807.01 (4) (a) If there is an offer of settlement by a party under this section
7 which is not accepted and the party recovers a judgment which is greater than or
8 equal to the amount specified in the offer of settlement, the party is entitled to

1 interest at the annual rate of ~~12%~~ certified under par. (b) on the amount recovered
2 from the date of the offer of settlement until the amount is paid. Interest under this
3 section is in lieu of interest computed under ss. 814.04 (4) and 815.05 (8).

4 **SECTION 2.** 807.01 (4) (b) of the statutes is created to read:

5 807.01 (4) (b) The interest rate on the amount recovered under par. (a) shall
6 be equal to the average interest rate for 6-month U.S. treasury bills during the
7 calendar year preceding the year in which the offer is made, as certified to the
8 director of state courts by the state treasurer on the first business day in January of
9 each year.

10 **SECTION 3.** 814.04 (4) of the statutes is renumbered 814.04 (4) (a) and amended
11 to read:

12 814.04 (4) (a) Except as provided in s. 807.01 (4), if the judgment is for the
13 recovery of money, interest at the rate of ~~12% per year~~ certified under par. (b) from
14 the time of verdict, decision or report until judgment is entered shall be computed
15 by the clerk and added to the costs.

16 **SECTION 4.** 814.04 (4) (b) of the statutes is created to read:

17 814.04 (4) (b) The interest rate on the amount recovered under par. (a) shall
18 be equal to the average interest rate for 6-month U.S. treasury bills during the
19 calendar year preceding the year in which the decision, report or verdict is rendered,
20 as certified to the director of state courts by the state treasurer on the first business
21 day in January of each year.

22 **SECTION 5.** 815.05 (8) of the statutes is amended to read:

23 815.05 (8) Except as provided in this subsection and s. 807.01 (4), every
24 execution upon a judgment for the recovery of money shall direct the collection of
25 interest at the rate of 12% per year on the amount recovered from the date of the

1 entry thereof of judgment or, if an appeal is taken, from the date of the final
2 disposition, as defined in s. 893.13 (1), until paid. If appeal is taken, interest from
3 the date of entry of judgment until the date of the final disposition, as defined in s.
4 893.13 (1), shall be at the rate established under s. 814.04 (4) (b).

5 **SECTION 6. Nonstatutory provisions.**

6 (1) Notwithstanding sections 807.01 (4) (b) and 814.04 (4) (b) of the statutes,
7 as created by this act, on the first business day of the 2nd month beginning after the
8 effective date of this subsection, the state treasurer shall certify to the director of
9 state courts the average interest rate for 6-month U.S. treasury bills during the
10 preceding calendar year and that interest rate shall be used in sections 807.01 (4) (b)
11 and 814.04 (4) (b) of the statutes, as created by this act, until the first business day
12 of the January following the effective date of this subsection.

13 **SECTION 7. Initial applicability.**

14 (1) This act first applies to judgments granted on the effective date of this
15 subsection.

16 **SECTION 8. Effective dates.**This act takes effect on the first day of the 3rd
17 month beginning after publication, except as follows:

18 (1) SECTION 6 of this act takes effect on the day after publication.

19 (END)