

2013 DRAFTING REQUEST

Bill

Received: 10/11/2013 Received By: tkuczens
Wanted: As time permits Same as LRB:
For: Jeremy Thiesfeldt (608) 266-3156 By/Representing: Hariah Hutkowski
May Contact: Drafter: tkuczens
Subject: Courts - costs and fees Addl. Drafters:
Extra Copies:

Submit via email: YES
Requester's email: Rep.Thiesfeldt@legis.wi.gov
Carbon copy (CC) to: tracy.kuczenski@legis.wisconsin.gov

Pre Topic:

No specific pre topic given

Topic:

Interest rates on judgments in small claims actions

Instructions:

See attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	tkuczens 10/11/2013			_____			
/1		jdyer 10/11/2013	jfrantze 10/11/2013	_____	rose 10/11/2013	mbarman 10/11/2013	

FE Sent For:

Not Needed

<END>

2013 DRAFTING REQUEST

Bill

Received: **10/11/2013** Received By: **tkuczens**
 Wanted: **As time permits** Same as LRB:
 For: **Jeremy Thiesfeldt (608) 266-3156** By/Representing: **Hariah Hutkowski**
 May Contact: Drafter: **tkuczens**
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 Extra Copies:

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/?	tkuczens 10/11/2013			_____			
/1		jdyer 10/11/2013	jfrantze 10/11/2013	_____	srose 10/11/2013		

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/?	tkuczens	10/11 jld		10/11			

FE Sent For:

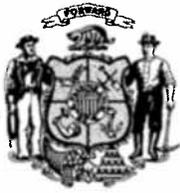
<END>

October 11, 2013

Rep. Thierferdt (Hrich)

→ modify 2011 Act 69 to reduce interest rate to 12 percent on judgments in small claim actions





State of Wisconsin
2013 - 2014 LEGISLATURE



LRB-3409/P 1
TKK:
RMR Jld

2013 BILL

~~PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION~~

10/11/13

Wanted 10/14/13

4
1

Gen

AN ACT ...; relating to: interest rates on judgments in small claims actions. ✓

Analysis by the Legislative Reference Bureau

on which

Under current law, interest accrues on a judgment involving the recovery of money at an annual rate of 1 percent plus the prime rate in effect on the day the judgment is entered, as reported by the Federal Reserve Board, until the amount is paid. Current law also provides that if an offer of settlement is made and rejected, the party making the offer of settlement prevails, and the judgment is greater than or equal to the offer of settlement, interest accrues on the amount recovered at the rate of 1 percent plus the prime rate in effect on the day the judgment is entered from the date the offer of settlement is made until the amount is paid. *

on which

in which

Current law establishes certain procedures to be followed in small claims actions brought in circuit court. Small claims actions include eviction actions, actions to recover earnest money given towards the purchase of real property, and certain other civil actions where the amount claimed is \$10,000 or less.

on which

This bill changes the interest rate on judgments for the recovery of money in small claims actions to 12 percent per year. This bill also changes the interest rate on amounts recovered by a party who prevails in a small claims action after that party made an offer of settlement that was rejected to 12 percent per year from the day the offer of settlement is made until the amount is paid.

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

1 **SECTION 1.** 807.01 (4) of the statutes is renumbered 807.01 (4) (a) and amended
2 to read:

3 807.01 (4) (a) ~~If Except as provided in par. (b)~~, if there is an offer of settlement
4 by a party under this section which is not accepted and the party recovers a judgment
5 which is greater than or equal to the amount specified in the offer of settlement, the
6 party is entitled to interest at an annual rate equal to 1 percent plus the prime rate
7 in effect on January 1 of the year in which the judgment is entered if the judgment
8 is entered on or before June 30 of that year or in effect on July 1 of the year in which
9 the judgment is entered if the judgment is entered after June 30 of that year, as
10 reported by the federal reserve board in federal reserve statistical release H. 15, on
11 the amount recovered from the date of the offer of settlement until the amount is
12 paid. Interest under this ~~section~~ paragraph is in lieu of interest computed under ss.
13 814.04 (4) and 815.05 (8).

14 History: Sup. Ct. Order, 67 Wis. 2d 585, 741 (1975); Sup. Ct. Order, 67 Wis. 2d vii (1975); 1975 c. 218; 1979 c. 271; 1981 c. 314; 1983 a. 253; 1985 a. 340; 2011 a. 69.

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

15 807.01 (4) (b) If, in an action under ch. 799, there is an offer of settlement by
16 a party under this section ^{stet} ~~which~~ is not accepted and the party recovers a judgment
17 which is greater than or equal to the amount specified in the offer of settlement, the
18 party is entitled to interest at an annual rate of 12 percent on the amount recovered
19 from the date of the offer of settlement until the amount is paid. Interest under this
20 paragraph is in lieu of interest computed under ss. 814.04 (4) and 815.05 (8).

21 **SECTION 3.** 814.04 (4) of the statutes is amended to read:

22 814.04 (4) INTEREST ON VERDICT. Except as provided in ~~s.~~ ss. 807.01 (4) and
23 815.05 (8), if the judgment is for the recovery of money, interest at an annual rate
24 equal to 1 percent plus the prime rate in effect on January 1 of the year in which the

1 judgment is entered if the judgment is entered on or before June 30 of that year or
2 in effect on July 1 of the year in which the judgment is entered if the judgment is
3 entered after June 30 of that year, as reported by the federal reserve board in federal
4 reserve statistical release H. 15, on the amount of the money judgment from the time
5 of verdict, decision, or report until judgment is entered shall be computed by the clerk
6 and added to the costs.

History: Sup. Ct. Order, 50 Wis. 2d vii (1971); 1971 c. 141; Sup. Ct. Order, 67 Wis. 2d 585, 761, 780 (1975); Stats. 1975 s. 814.04; 1977 c. 209; 1979 c. 110 s. 60 (13); 1979 c. 271, 355; 1981 c. 123, 317; 1985 a. 52, 311; 1987 a. 348; 1991 a. 39, 65, 189, 295; 1993 a. 98, 326, 486, 490, 491; 1995 a. 24, 27, 133, 149, 262, 417; 1997 a. 55, 164, 254; 1999 a. 32, 82, 122, 190; 2001 a. 6, 16; 2003 a. 138; Sup. Ct. Order No. 03-06A, 2005 WI 86, 280 Wis. 2d xiii; 2005 a. 155, 325; 2005 a. 443 s. 265; 2005 a. 458; 2007 a. 96; 2009 a. 20; 2011 a. 2, 69, 118, 219; s. 13.92 (2) (i).

7 **SECTION 4.** 815.05 (8) of the statutes is renumbered 815.05 (8) (a) and amended
8 to read:

9 815.05 (8) (a) Except as provided in par. (b) and s. 807.01 (4), every execution
10 upon a judgment for the recovery of money shall direct the collection of interest at
11 an annual rate equal to 1 percent plus the prime rate in effect on January 1 of the
12 year in which the judgment is entered if the judgment is entered on or before June
13 30 of that year or in effect on July 1 of the year in which the judgment is entered if
14 the judgment is entered after June 30 of that year, as reported by the federal reserve
15 board in federal reserve statistical release H. 15, on the amount recovered from the
16 date of the entry of the judgment until it is paid.

History: 1971 c. 141; Sup. Ct. Order, 67 Wis. 2d 585, 761, 781 (1975); Stats. 1975 s. 815.05; 1977 c. 305; 1979 c. 110 s. 60 (13); 1979 c. 271, 355; 1993 a. 486; 1995 a. 224; 1999 a. 85 ss. 153 to 155, 157; 1999 a. 186; 2011 a. 69.

17 **SECTION 5.** 815.05 (8) (b) of the statutes is created to read:

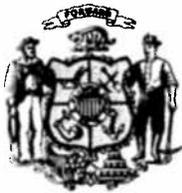
18 815.05 (8) (b) An execution upon a judgment for the recovery of money in an
19 action under ch. 799 shall direct the collection of interest at an annual rate of 12
20 percent on the amount recovered from the date of the entry of judgment until it is
21 paid.

22 **SECTION 6. Initial applicability.**

Barman, Mike

From: Hutkowski, Hariah
Sent: Friday, October 11, 2013 3:35 PM
To: LRB.Legal
Subject: Draft Review: LRB -3409/1 Topic: Interest rates on judgments in small claims actions

Please Jacket LRB -3409/1 for the ASSEMBLY.



2013 ASSEMBLY BILL 523

Before
changes

November 22, 2013 - Introduced by Representatives THIESFELDT, STROEBEL, BIES, MURPHY, MURTHA, BROOKS, NASS and T. LARSON. Referred to Committee on Judiciary.

- 1 **AN ACT to renumber and amend** 807.01 (4) and 815.05 (8); **to amend** 814.04
2 (4); and **to create** 807.01 (4) (b) and 815.05 (8) (b) of the statutes; **relating to:**
3 interest rates on judgments in small claims actions.

Analysis by the Legislative Reference Bureau

Under current law, interest accrues on a judgment involving the recovery of money at an annual rate of 1 percent plus the prime rate in effect on the day on which the judgment is entered, as reported by the Federal Reserve Board, until the amount is paid. Current law also provides that if an offer of settlement is made and rejected, the party making the offer of settlement prevails, and the judgment is greater than or equal to the offer of settlement, interest accrues on the amount recovered at the rate of 1 percent plus the prime rate in effect on the day on which the judgment is entered from the date on which the offer of settlement is made until the amount is paid.

Current law establishes certain procedures to be followed in small claims actions brought in circuit court. Small claims actions include eviction actions, actions to recover earnest money given towards the purchase of real property, and certain other civil actions on which the amount claimed is \$10,000 or less.

This bill changes the interest rate on judgments for the recovery of money in small claims actions to 12 percent per year. This bill also changes the interest rate on amounts recovered by a party who prevails in a small claims action after that

Kuczenski, Tracy

From: Karls-Ruplinger, Jessica
Sent: Wednesday, December 18, 2013 12:34 PM
To: Kuczenski, Tracy
Subject: AB 523

Hi Tracy,

I hope all is well with you. I noticed what appears to be an error in the LRB analysis on 2013 AB 523. The first paragraph of the analysis reads:

Under current law, interest accrues on a judgment involving the recovery of money at an annual rate of 1 percent plus the **prime rate in effect on the day on which the judgment is entered**, as reported by the Federal Reserve Board, until the amount is paid. Current law also provides that if an offer of settlement is made and rejected, the party making the offer of settlement prevails, and the judgment is greater than or equal to the offer of settlement, interest accrues on the amount recovered at the rate of 1 percent plus the **prime rate in effect on the day on which the judgment is entered** from the date on which the offer of settlement is made until the amount is paid.

However, under current law, the date used for determining the prime rate is January 1 of the year in which the judgment is entered if the judgment is entered on or before June 30 of that year or July 1 of the year in which the judgment is entered if the judgment is entered after June 30 of that year. The LRB analysis uses the prime rate in effect on the day on which the judgment is entered.

Jessica

Jessica Karls-Ruplinger
Senior Staff Attorney
Wisconsin Legislative Council
(608) 266-2230
Jessica.Karls@legis.wisconsin.gov



Corrected
copy



2013 ASSEMBLY BILL 523

November 22, 2013 - Introduced by Representatives THIESFELDT, STROEBEL, BIES, MURPHY, MURTHA, BROOKS, NASS and T. LARSON. Referred to Committee on Judiciary.

- 1 **AN ACT to renumber and amend** 807.01 (4) and 815.05 (8); **to amend** 814.04
- 2 (4); and **to create** 807.01 (4) (b) and 815.05 (8) (b) of the statutes; **relating to:**
- 3 interest rates on judgments in small claims actions.

Analysis by the Legislative Reference Bureau

Under current law, interest accrues on a judgment involving the recovery of money at an annual rate of 1 percent plus the prime rate in effect on the day on which the judgment is entered, as reported by the Federal Reserve Board, until the amount is paid. Current law also provides that if an offer of settlement is made and rejected, the party making the offer of settlement prevails, and the judgment is greater than or equal to the offer of settlement, interest accrues on the amount recovered at the rate of 1 percent plus the prime rate in effect on the day on which the judgment is entered from the date on which the offer of settlement is made until the amount is paid.

Current law establishes certain procedures to be followed in small claims actions brought in circuit court. Small claims actions include eviction actions, actions to recover earnest money given towards the purchase of real property, and certain other civil actions on which the amount claimed is \$10,000 or less.

This bill changes the interest rate on judgments for the recovery of money in small claims actions to 12 percent per year. This bill also changes the interest rate on amounts recovered by a party who prevails in a small claims action after that

2X January 1 of the year in which the judgment is entered if the judgment is entered on or before June 30 of that year or in effect on July 1 of the year the judgment is entered if entered after June 30 of that year

ASSEMBLY BILL 523

party made an offer of settlement that was rejected to 12 percent per year from the day on which the offer of settlement is made until the amount is paid.

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

1 **SECTION 1.** 807.01 (4) of the statutes is renumbered 807.01 (4) (a) and amended
2 to read:

3 807.01 (4) (a) If Except as provided in par. (b), if there is an offer of settlement
4 by a party under this section which is not accepted and the party recovers a judgment
5 which is greater than or equal to the amount specified in the offer of settlement, the
6 party is entitled to interest at an annual rate equal to 1 percent plus the prime rate
7 in effect on January 1 of the year in which the judgment is entered if the judgment
8 is entered on or before June 30 of that year or in effect on July 1 of the year in which
9 the judgment is entered if the judgment is entered after June 30 of that year, as
10 reported by the federal reserve board in federal reserve statistical release H. 15, on
11 the amount recovered from the date of the offer of settlement until the amount is
12 paid. Interest under this ~~section~~ paragraph is in lieu of interest computed under ss.
13 814.04 (4) and 815.05 (8).

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

15 807.01 (4) (b) If, in an action under ch. 799, there is an offer of settlement by
16 a party under this section which is not accepted and the party recovers a judgment
17 which is greater than or equal to the amount specified in the offer of settlement, the
18 party is entitled to interest at an annual rate of 12 percent on the amount recovered
19 from the date of the offer of settlement until the amount is paid. Interest under this
20 paragraph is in lieu of interest computed under ss. 814.04 (4) and 815.05 (8).

21 **SECTION 3.** 814.04 (4) of the statutes is amended to read:

ASSEMBLY BILL 523

1 814.04 (4) INTEREST ON VERDICT. Except as provided in ~~s.~~ ss. 807.01 (4) and
2 815.05 (8), if the judgment is for the recovery of money, interest at an annual rate
3 equal to 1 percent plus the prime rate in effect on January 1 of the year in which the
4 judgment is entered if the judgment is entered on or before June 30 of that year or
5 in effect on July 1 of the year in which the judgment is entered if the judgment is
6 entered after June 30 of that year, as reported by the federal reserve board in federal
7 reserve statistical release H. 15, on the amount of the money judgment from the time
8 of verdict, decision, or report until judgment is entered shall be computed by the clerk
9 and added to the costs.

10 **SECTION 4.** 815.05 (8) of the statutes is renumbered 815.05 (8) (a) and amended
11 to read:

12 815.05 (8) (a) Except as provided in par. (b) and s. 807.01 (4), every execution
13 upon a judgment for the recovery of money shall direct the collection of interest at
14 an annual rate equal to 1 percent plus the prime rate in effect on January 1 of the
15 year in which the judgment is entered if the judgment is entered on or before June
16 30 of that year or in effect on July 1 of the year in which the judgment is entered if
17 the judgment is entered after June 30 of that year, as reported by the federal reserve
18 board in federal reserve statistical release H. 15, on the amount recovered from the
19 date of the entry of the judgment until it is paid.

20 **SECTION 5.** 815.05 (8) (b) of the statutes is created to read:

21 815.05 (8) (b) An execution upon a judgment for the recovery of money in an
22 action under ch. 799 shall direct the collection of interest at an annual rate of 12
23 percent on the amount recovered from the date of the entry of judgment until it is
24 paid.

25 **SECTION 6. Initial applicability.**



2013 ASSEMBLY BILL 523

After
changes
12-18-2013

By
Kathy F.

November 22, 2013 - Introduced by Representatives THIESFELDT, STROEBEL, BIES, MURPHY, MURTHA, BROOKS, NASS and T. LARSON. Referred to Committee on Judiciary.

- 1 **AN ACT** *to renumber and amend* 807.01 (4) and 815.05 (8); *to amend* 814.04
2 (4); and *to create* 807.01 (4) (b) and 815.05 (8) (b) of the statutes; **relating to:**
3 interest rates on judgments in small claims actions.

Analysis by the Legislative Reference Bureau

Under current law, interest accrues on a judgment involving the recovery of money at an annual rate of 1 percent plus the prime rate in effect on January 1 of the year in which the judgment is entered if the judgment is entered on or before June 30 of that year or in effect on July 1 of the year the judgment is entered if entered after June 30 of that year, as reported by the Federal Reserve Board, until the amount is paid. Current law also provides that if an offer of settlement is made and rejected, the party making the offer of settlement prevails, and the judgment is greater than or equal to the offer of settlement, interest accrues on the amount recovered at the rate of 1 percent plus the prime rate in effect on January 1 of the year in which the judgment is entered if the judgment is entered on or before June 30 of that year or in effect on July 1 of the year the judgment is entered if entered after June 30 of that year from the date on which the offer of settlement is made until the amount is paid.

Current law establishes certain procedures to be followed in small claims actions brought in circuit court. Small claims actions include eviction actions, actions to recover earnest money given towards the purchase of real property, and certain other civil actions on which the amount claimed is \$10,000 or less.

This bill changes the interest rate on judgments for the recovery of money in small claims actions to 12 percent per year. This bill also changes the interest rate

ASSEMBLY BILL 523

on amounts recovered by a party who prevails in a small claims action after that party made an offer of settlement that was rejected to 12 percent per year from the day on which the offer of settlement is made until the amount is paid.

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1 **SECTION 1.** 807.01 (4) of the statutes is renumbered 807.01 (4) (a) and amended
2 to read:

3 807.01 (4) (a) ~~If Except as provided in par. (b), if~~ there is an offer of settlement
4 by a party under this section which is not accepted and the party recovers a judgment
5 which is greater than or equal to the amount specified in the offer of settlement, the
6 party is entitled to interest at an annual rate equal to 1 percent plus the prime rate
7 in effect on January 1 of the year in which the judgment is entered if the judgment
8 is entered on or before June 30 of that year or in effect on July 1 of the year in which
9 the judgment is entered if the judgment is entered after June 30 of that year, as
10 reported by the federal reserve board in federal reserve statistical release H. 15, on
11 the amount recovered from the date of the offer of settlement until the amount is
12 paid. Interest under this ~~section~~ paragraph is in lieu of interest computed under ss.
13 814.04 (4) and 815.05 (8).

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

15 807.01 (4) (b) If, in an action under ch. 799, there is an offer of settlement by
16 a party under this section which is not accepted and the party recovers a judgment
17 which is greater than or equal to the amount specified in the offer of settlement, the
18 party is entitled to interest at an annual rate of 12 percent on the amount recovered
19 from the date of the offer of settlement until the amount is paid. Interest under this
20 paragraph is in lieu of interest computed under ss. 814.04 (4) and 815.05 (8).

ASSEMBLY BILL 523

1 **SECTION 3.** 814.04 (4) of the statutes is amended to read:

2 814.04 (4) INTEREST ON VERDICT. Except as provided in ~~s.~~ ss. 807.01 (4) and
3 815.05 (8), if the judgment is for the recovery of money, interest at an annual rate
4 equal to 1 percent plus the prime rate in effect on January 1 of the year in which the
5 judgment is entered if the judgment is entered on or before June 30 of that year or
6 in effect on July 1 of the year in which the judgment is entered if the judgment is
7 entered after June 30 of that year, as reported by the federal reserve board in federal
8 reserve statistical release H. 15, on the amount of the money judgment from the time
9 of verdict, decision, or report until judgment is entered shall be computed by the clerk
10 and added to the costs.

11 **SECTION 4.** 815.05 (8) of the statutes is renumbered 815.05 (8) (a) and amended
12 to read:

13 815.05 (8) (a) Except as provided in par. (b) and s. 807.01 (4), every execution
14 upon a judgment for the recovery of money shall direct the collection of interest at
15 an annual rate equal to 1 percent plus the prime rate in effect on January 1 of the
16 year in which the judgment is entered if the judgment is entered on or before June
17 30 of that year or in effect on July 1 of the year in which the judgment is entered if
18 the judgment is entered after June 30 of that year, as reported by the federal reserve
19 board in federal reserve statistical release H. 15, on the amount recovered from the
20 date of the entry of the judgment until it is paid.

21 **SECTION 5.** 815.05 (8) (b) of the statutes is created to read:

22 815.05 (8) (b) An execution upon a judgment for the recovery of money in an
23 action under ch. 799 shall direct the collection of interest at an annual rate of 12
24 percent on the amount recovered from the date of the entry of judgment until it is
25 paid.

