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MEMORANDUM

To: House Committee on Judiciary
From: Office of Revisor of Statutes
Date: March 14, 2023
Subject: Bill Brief for SB 75

Senate Bill 75, As Amended by Senate Committee, provides a statutory interest rate for prejudgment interest in all civil tort actions.

The bill amends K.S.A. 16-201, the statute that sets a legal rate of interest for creditors when no other rate of interest is agreed upon. The current rate is fixed at 10% per annum. The bill provides an exception to that general rule by adding a new subsection (b) that provides in civil tort actions in which the court determines that prejudgment interest shall be awarded, the judgment creditor shall be allowed to receive interest at the rate per annum of two percentage points below the rate per annum specified in K.S.A. 16-204(e)(1)

That statute provides that the rate of interest on judgments rendered by courts of this state pursuant to the code of civil procedure shall be at a rate per annum that changes effective July 1 of each year and “is equal to an amount that is four percentage points above the discount rate (the charge on loans to depository institutions by the New York federal reserve bank as reported in the money rates column of the Wall Street Journal) as of July 1 preceding the date the judgment was rendered.” The secretary of state is required to publish notice of the interest rate not later than the second issue of the Kansas Register published in July of each year. The current published rate is 5.75% during the period of July 1, 2022, through June 30, 2023 (Kansas Register, Volume 41, Issue 27, July 7, 2022).