

HOUSE BILL NO. 443

INTRODUCED BY FEDA, BRAND, DONALDSON, NATHE,
ELLERD, PISTORIA

IN THE HOUSE

January 29, 1979	Introduced and referred to Committee on Judiciary.
February 2, 1979	Committee recommend bill do pass. Report adopted.
February 3, 1979	Printed and placed on members' desks.
February 5, 1979	Second reading, do pass.
February 6, 1979	Considered correctly engrossed.
February 7, 1979	Third reading, passed. Transmitted to second house.

IN THE SENATE

February 8, 1979	Introduced and referred to Committee on Judiciary.
March 3, 1979	Committee recommend bill be concurred in as amended. Report adopted.
March 6, 1979	Second reading, concurred in.
March 9, 1979	Third reading, concurred in as amended.

IN THE HOUSE

March 10, 1979	Returned from second house. Concurred in as amended.
March 14, 1979	Second reading, pass consideration.

March 16, 1979

Second reading, amendments
adopted.

March 17, 1979

Third reading, amendments
adopted. Sent to enrolling.

Reported correctly enrolled.

1 *House* BILL NO. *443*
 2 INTRODUCED BY *Paula Broad Nowell WATH*
 3 *Elder Patricia*

4 A BILL FOR AN ACT ENTITLED: "AN ACT TO PROVIDE THAT
 5 INTEREST ON A JUDGMENT INVOLVING A CONTRACTUAL OBLIGATION
 6 MUST BE PAID AT THE RATE SPECIFIED IN THE CONTRACTUAL
 7 OBLIGATION; AMENDING SECTIONS 31-1-107 AND 31-1-110, MCA."

8
 9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

10 Section 1. Section 31-1-110, MCA, is amended to read:
 11 "31-1-110. Interest -- judgment. (1) Interest Except
 12 as provided in subsection (2), interest is payable on
 13 judgments recovered in the courts of this state at the rate
 14 of 6% per annum and no greater rate. Such interest must not
 15 be compounded in any manner or form.

16 (2) Interest on a judgment recovered in the courts of
 17 this state involving a contractual obligation that specifies
 18 an interest rate must be paid at the rate specified in the
 19 contractual obligation."

20 Section 2. Section 31-1-107, MCA, is amended to read:

21 "31-1-107. Interest rate allowed by agreement. (1) On
 22 amounts up to \$150,000, parties may agree in writing for the
 23 payment of any rate of interest not more than 10% per annum
 24 or more than 4 percentage points in excess of the discount
 25 rate on 90-day commercial paper in effect at the federal

1 reserve bank in the ninth federal reserve district,
 2 whichever is greater, and such interest shall be allowed
 3 according to the terms of the agreement, ~~until the entry of~~
 4 ~~judgment.~~

5 (2) On amounts exceeding \$150,000 and up to \$300,000,
 6 parties may agree in writing for the payment of any rate of
 7 interest not more than 10% per annum or more than 5
 8 percentage points in excess of the discount rate on 90-day
 9 commercial paper in effect at the federal reserve bank in
 10 the ninth federal reserve district, whichever is greater,
 11 and such interest shall be allowed according to the terms
 12 of the agreement, ~~until the entry of judgment.~~

13 (3) On amounts exceeding \$300,000, parties may agree
 14 in writing to the payment of any rate of interest, without
 15 limitation, and such interest shall be allowed according to
 16 the terms of the agreement, ~~until the entry of judgment."~~

-End-

Approved by Committee
on Judiciary

1 HOUSE BILL NO. 443
2 INTRODUCED BY Frank Edward Novellum WATH
3 Elder Patricia

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 3 *Elder Patricia*

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-End-

-2- *H B 443*
 THIRD READING

HOUSE BILL NO. 443

INTRODUCED BY FEDEA, BRAND, DONALDSON, NATHE,

ELLERD, PISTORIA

A BILL FOR AN ACT ENTITLED: "AN ACT TO PROVIDE THAT INTEREST ON A JUDGMENT INVOLVING A CONTRACTUAL OBLIGATION MUST BE PAID AT THE RATE SPECIFIED IN THE CONTRACTUAL OBLIGATION; AMENDING SECTIONS 31-1-107 AND 31-1-110, MCA."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 31-1-110, MCA, is amended to read:

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~~(2) Interest on a judgment recovered in the courts of this state involving a contractual obligation that specifies an interest rate must be paid at the rate specified in the contractual obligation."~~

Section 2. Section 31-1-107, MCA, is amended to read:

"31-1-107. Interest rate allowed by agreement. (1) On amounts up to \$150,000, parties may agree in writing for the payment of any rate of interest not more than 10% per annum or more than 4 percentage points in excess of the discount

rate on 90-day commercial paper in effect at the federal reserve bank in the ninth federal reserve district, whichever is greater, and such interest shall be allowed according to the terms of the agreement, ~~until the entry of judgment.~~

(2) On amounts exceeding \$150,000 and up to \$300,000, parties may agree in writing for the payment of any rate of interest not more than 10% per annum or more than 5 percentage points in excess of the discount rate on 90-day commercial paper in effect at the federal reserve bank in the ninth federal reserve district, whichever is greater, and such interest shall be allowed according to the terms of the agreement, ~~until the entry of judgment.~~

(3) On amounts exceeding \$300,000, parties may agree in writing to the payment of any rate of interest, without limitation, and such interest shall be allowed according to the terms of the agreement, ~~until the entry of judgment."~~

SECTION 3. APPLICATION. THIS ACT APPLIES ONLY TO JUDGMENTS ENTERED AFTER JUNE 30, 1979.

-End-

March 3, 1979

SENATE STANDING COMMITTEE REPORT
(Judiciary)

That House Bill No. 443 be amended as follows:

1. Page 2.

Following: line 16

Insert: "Section 3. Application. This act applies only to
judgments entered after June 30, 1979."