

Representative Kraig Powell proposes the following substitute bill:

INTEREST RATE AMENDMENTS

2016 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Kraig Powell

Senate Sponsor: _____

LONG TITLE

General Description:

This bill modifies interest rate provisions.

Highlighted Provisions:

This bill:

- ▶ addresses the application of a legal interest rate for a contract or other chose of action prior to judgment; and
- ▶ makes technical changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides revisor instructions.

Utah Code Sections Affected:

AMENDS:

15-1-1, as last amended by Laws of Utah 1989, Chapter 79

Utah Code Sections Affected by Revisor Instructions:

15-1-1, as last amended by Laws of Utah 1989, Chapter 79

Be it enacted by the Legislature of the state of Utah:



26 Section 1. Section 15-1-1 is amended to read:

27 **15-1-1. Interest rates -- Contracted rate -- Legal rate.**

28 (1) The parties to a lawful contract may agree upon any rate of interest for [~~the loan or~~
29 ~~forbearance of any money, goods, or chose in action that is~~] the subject of their contract.

30 (2) [~~Unless~~] (a) If a right to interest exists as a matter of law, but parties to a lawful
31 contract [specify] have not specified a different rate of interest, the legal rate of interest for [the
32 loan or forbearance of any money, goods, or] the contract or other chose in action [shall be] is
33 10% per annum unless otherwise provided by law.

34 (b) The legal rate under Subsection (2)(a) at the time that a contract is made or other
35 chose in action accrues, shall remain the interest rate for the duration of the contract or other
36 chose in action.

37 (3) (a) Nothing in this section may be construed in any way to affect any penalty or
38 interest charge that by law applies to delinquent or other taxes or to any contract or obligations
39 made before May 14, 1981.

40 (b) The amendments to this section made by this bill, do not apply to any right to
41 interest as a matter of law for any contract made or chose in action accruing before May 10,
42 2016.

43 Section 2. **Revisor instructions.**

44 The Legislature intends that the Office of Legislative Research and General Counsel, in
45 preparing the Utah Code database for publication, replace the language in Subsection
46 15-1-1(3)(b) from "this bill" to the bill's designated chapter number in the Laws of Utah.