

CORRECTED
SESSION OF 2012

**SUPPLEMENTAL NOTE ON SUBSTITUTE FOR SENATE
BILL NO. 359**

As Recommended by Senate Committee on
Judiciary

Brief*

Sub. for SB 359 would create a new section specifying, unless an interest rate is otherwise specified in other statutes, any interest awarded shall be calculated pursuant to KSA 16-204(e)(1), except courts shall not award prejudgment interest on any unliquidated, punitive, exemplary, or future damages found by a trier of fact. "Future damages" would be defined in the new section. The bill also would clarify that damages are liquidated upon entry of a jury verdict awarding damages.

Additionally, the bill would amend KSA 16-201, governing the legal rate of interest when none is agreed upon, to specify it shall apply to claims based on contract or worthless check pursuant to KSA 60-2610 or 60-2611.

The bill would be in effect upon publication in the *Kansas Register*.

Background

SB 359 was introduced by the Senate Judiciary Committee at the request of the Kansas Civil Law Forum. As introduced, the bill would have amended KSA 16-201 to change the static 10 percent interest rate to a floating interest rate, and to specify that courts shall not award prejudgment interest on any unliquidated, punitive, exemplary, or future damages found by a trier of fact.

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

In the Senate Judiciary Committee, a representative of the Kansas Civil Law Forum testified in support of the bill. Representatives of Credit Management Services, Inc., the Kansas Association for Justice, and the Kansas Credit Attorney Association testified in opposition to the bill.

The Committee recommended a substitute bill be passed that attempted to reconcile the differences between the conferees while accomplishing the goal of the bill as introduced, and to clarify that damages are liquidated upon entry of a jury verdict awarding damages.

The fiscal note on the bill, as introduced, indicates it would have no fiscal effect on the Judiciary.