

By Mr. Gannon of Boston, petition of Paul J. Gannon for legislation to set the rates of pre-judgment interest awarded in actions against the Commonwealth, municipalities and other defendants equivalent to the rates prevailing in federal courts. The Judiciary.

The Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Ninety-Three.

AN ACT TO MAKE THE RATES OF PRE-JUDGMENT INTEREST AWARDED IN ACTIONS AGAINST THE COMMONWEALTH, MUNICIPALITIES, AND OTHER DEFENDANTS EQUIVALENT TO THE RATES PREVAILING IN FEDERAL COURTS.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 SECTION 1. Chapter 258 of the General Laws is hereby
2 amended by adding the following section: —

3 Section 14. Pre-judgment interest in actions against public
4 employers.

5 In any action based upon contractual obligations of a public
6 employer, and in any action of tort not subject to this chapter
7 by virtue of section ten, pre-judgment interest upon the amount
8 of damages awarded shall be added in the manner prescribed by
9 sections six C and six B, respectively, of chapter two hundred
10 thirty-one.

1 SECTION 2. Section 6B of Chapter 231 of the General Laws
2 is hereby repealed and in place thereof is inserted the following:

3 Section 6B. Interest added to damages in tort actions.

4 In any action in which a verdict is rendered or finding made
5 or an order for judgment made for pecuniary damages for
6 personal injuries to the plaintiff or for consequential damages, or
7 for damage to property, there shall be added by the clerk of the
8 court to the amount of damages interest thereon to be calculated
9 from the date of the commencement of the action, at a rate equal

10 to the coupon issue yield equivalent (as determined by the
11 Secretary of the Treasury) of the average accepted auction price
12 for the last auction of fifty-two week United States Treasury Bills
13 settled immediately prior to the date on which the action was
14 commenced. The Director of the Administrative Office of the
15 Massachusetts Superior Court shall distribute notice of that rate
16 and any changes in it to all Superior Court judges. Interest
17 awarded under this section shall be computed daily to the date
18 of payment, and shall be compounded annually.

1 SECTION 3. Section 6C of Chapter 231 of the General Laws
2 is hereby repealed and in place thereof is inserted the following:

3 Section 6C. Interest added o damages in contract actions.

4 In all actions based on contractual obligations, upon a verdict,
5 finding or order for judgment for pecuniary damages, interest
6 shall be added by the clerk of the court to the amount of damages
7 at the contract rate, if established, or at a rate equal to the coupon
8 issue yield equivalent (as determined by the Secretary of the
9 Treasury) of the average accepted auction price for the last auction
10 of 52 week United States Treasury Bills settled immediately prior
11 to the date of the breach or demand. The Director of the
12 Administrative Office of the Massachusetts Superior Court shall
13 distribute notice of that rate and any changes in it to all Superior
14 Court judges. Interest awarded under this section shall be
15 computed daily to the date of the payment, and shall be
16 compounded annually. If the date of the breach or demand is not
17 established, interest shall be added by the clerk of the court from
18 the date of the commencement of the action.