

By Mr. Tolman of Watertown, petition of Warren E. Tolman that the rates of pre-judgment interest awarded in actions against the Commonwealth and municipalities be equivalent to the prevailing rates in federal courts. The Judiciary.

The Commonwealth of Massachusetts

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

AN ACT MAKING 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 231 of the General Laws is hereby
2 amended by striking out sections 6B and 6C and inserting in place
3 thereof the following two sections: —

4 Section 6B. In any action in which a verdict is rendered or a
5 finding made or an order for judgment made for pecuniary
6 damages for personal injuries to the plaintiff or for consequential
7 damages, or for damage to property, there shall be added by the
8 clerk of the court to the amount of damages interest thereon to
9 be calculated from the date of the commencement of the action,
10 at a rate equal to the coupon issue yield equivalent, as determined
11 by the secretary of the treasury, of the average accepted auction
12 price for the last auction of fifty-two week United States treasury
13 bills 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 awarded
17 under this section shall be computed daily to the date of payment,
18 and shall be compounded annually.

19 Section 6C. In all actions based on contractual obligations,
20 upon a verdict, finding or order for judgment for pecuniary

21 damages, interest shall be added by the clerk of the court to the
22 amount of damages at the contract rate, if established, or at a rate
23 equal to the coupon issue yield equivalent, as determined by the
24 secretary of the treasury, of the average accepted auction price
25 for the last auction of fifty-two week United States treasury bills
26 settled immediately prior to the date of the breach or demand.
27 The director of the administrative office of the Massachusetts
28 superior court shall distribute notice of that rate and any changes
29 in it to all superior court judges. Interest awarded under this
30 section shall be computed daily to the date of the payment, and
31 shall be compounded annually. If the date of the breach or
32 demand is not established, interest shall be added by the clerk of
33 the court from the date of the commencement of the action.

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

3 Section 14. In any action based upon contractual obligations
4 of a public employer, and in any action of tort not subject to this
5 chapter by virtue of section ten, pre-judgment interest upon the
6 amount of damages awarded shall be added in the manner
7 prescribed by sections six C and six B, respectively, of chapter two
8 hundred and thirty-one.