

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1999

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HOUSE BILL 121\*

Short Title: Interest on Money Judgments/AB.

(Public)

Sponsors: Representative Culpepper.

Referred to: Finance.

February 23, 1999

A BILL TO BE ENTITLED

AN ACT TO CLARIFY THE LAW CONCERNING INTEREST ON MONEY  
JUDGMENTS, AS RECOMMENDED BY THE GENERAL STATUTES  
COMMISSION.

The General Assembly of North Carolina enacts:

Section 1. G.S. 24-5 reads as rewritten:

**"§ 24-5. ~~Contracts, except penal bonds, and judgments to bear interest.~~ Interest on judgments.**

(a) Actions on Contracts. – In an action for breach of contract, except an action on a penal bond, the amount awarded on the contract bears interest from the date of breach. The fact finder in an action for breach of contract shall distinguish the principal from the interest in the award, and the judgment shall provide that the principal amount bears interest until the judgment is satisfied. If the parties have agreed in the contract that the contract rate shall apply after ~~judgment-judgment~~, then interest on an award in a contract action shall be at the contract rate after ~~judgment-judgment~~; otherwise it shall be at the legal rate; ~~provided, however, that on rate.~~ On awards in actions on contracts pursuant to which credit was extended for personal, family, household, or agricultural purposes, however, interest shall be at the lower of the legal rate, provided however, such rate shall not exceed rate or the contract rate.

1 (b) Other Actions. – In an action other than contract, ~~the~~ any portion of a money  
2 judgment designated by the fact finder as compensatory damages bears interest from the  
3 date the action is ~~instituted~~ commenced until the judgment is satisfied. Any other portion  
4 of a money judgment, except the costs, bears interest from the date of entry of judgment  
5 until the judgment is satisfied. Interest on an award in an action other than contract shall  
6 be at the legal rate."

7 Section 2. Section 2 of Chapter 214 of the 1985 Session Laws reads as  
8 rewritten:

9 "Sec. 2. This act shall become effective October 1, 1985. This act shall not affect  
10 pending litigation and shall not affect the law as it existed before the enactment of  
11 Chapter 327 of the 1991 Session Laws. litigation."

12 Section 3. This act becomes effective October 1, 1999, and applies to actions  
13 or proceedings filed on or after that date. The amendments to G.S. 24-5(a) in Section 1  
14 of this act shall not apply to actions based on a contract entered into on or after October  
15 1, 1985, and prior to October 1, 1987, in which the contract specifically provided that  
16 interest after judgment shall be at the contract rate.