

§1602-B. Interest before judgment

1. In small claims. In small claims actions, prejudgment interest is not recoverable unless the rate of interest is based on a contract or note.

[PL 2003, c. 460, §6 (NEW).]

2. On contracts and notes. In all civil and small claims actions involving a contract or note that contains a provision relating to interest, prejudgment interest is allowed at the rate set forth in the contract or note.

[PL 2003, c. 460, §6 (NEW).]

3. Other civil actions; rate. In civil actions other than those set forth in subsections 1 and 2, prejudgment interest is allowed at the one-year United States Treasury bill rate plus 3%.

A. For purposes of this subsection, "one-year United States Treasury bill rate" means the weekly average one-year constant maturity Treasury yield, as published by the Board of Governors of the Federal Reserve System, for the last full week of the calendar year immediately prior to the year in which prejudgment interest begins to accrue. [PL 2003, c. 460, §6 (NEW).]

B. If the Board of Governors of the Federal Reserve System ceases to publish the weekly average one-year constant maturity Treasury yield or it is otherwise unavailable, then the Supreme Judicial Court shall annually establish by rule a rate that most closely approximates the rate established in this subsection. [PL 2003, c. 460, §6 (NEW).]

[PL 2003, c. 460, §6 (NEW).]

4. Stated rate. When prejudgment interest is awarded pursuant to subsection 2 or 3, the applicable rate must be stated in the judgment.

[PL 2003, c. 460, §6 (NEW).]

5. Accrual; suspension; waiver. Prejudgment interest accrues from the time of notice of claim setting forth under oath the cause of action, served personally or by registered or certified mail upon the defendant until the date on which an order of judgment is entered. If a notice of claim has not been given to the defendant, prejudgment interest accrues from the date on which the complaint is filed. In actions involving a contract or note that contains a provision relating to interest, the rate of interest is fixed as of the time the notice of claim is given or, if a notice of claim has not been given, as of the date on which the complaint is filed. If the prevailing party at any time requests and obtains a continuance for a period in excess of 30 days, interest is suspended for the duration of the continuance. On petition of the nonprevailing party and on a showing of good cause, the trial court may order that interest awarded by this section be fully or partially waived.

[PL 2003, c. 460, §6 (NEW).]

6. Effect on post-judgment interest. This section does not affect post-judgment interest imposed by section 1602-C. Prejudgment interest may not be added to the judgment amount in determining the sum upon which post-judgment interest accrues.

[PL 2003, c. 460, §6 (NEW).]

7. Rate on accrual of interest prior to July 1, 2003. Notwithstanding subsection 3, for actions in which the interest begins to accrue, as determined pursuant to subsection 5, prior to July 1, 2003, the rate of prejudgment interest on civil actions other than those set forth in subsection 2 is as follows:

A. If the judgment does not exceed \$30,000, the rate for prejudgment interest is 8%; and [PL 2003, c. 460, §6 (NEW).]

B. If the judgment exceeds \$30,000, the rate of prejudgment interest is the one-year United States Treasury bill rate, as defined in subsection 3, plus 1%. [PL 2003, c. 460, §6 (NEW).]

[PL 2003, c. 460, §6 (NEW).]

SECTION HISTORY

PL 2003, c. 460, §6 (NEW).

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