

# STATE OF NEW YORK

5724

2021-2022 Regular Sessions

## IN SENATE

March 17, 2021

Introduced by Sen. THOMAS -- read twice and ordered printed, and when printed to be committed to the Committee on Judiciary

AN ACT to amend the civil practice law and rules, in relation to the rate of interest applicable to money judgments arising out of consumer debt

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. Section 5004 of the civil practice law and rules, as  
2 amended by chapter 258 of the laws of 1981, is amended to read as  
3 follows:

4 § 5004. Rate of interest. (a) Interest shall be at the rate of nine  
5 per centum per annum, except where otherwise provided by statute;  
6 provided the annual rate of interest to be paid on a judgment or accrued  
7 claim in an action arising out of a consumer debt where a natural person  
8 is a defendant shall be the lesser of the one-year United States treas-  
9 ury bill rate or three per centum per annum.

10 (b) For the purposes of this section, (i) the "one-year United States  
11 treasury bill rate" means: (1) for judgments entered on or after the  
12 effective date of the chapter of the laws of two thousand twenty-one  
13 which amended this section, the weekly average one-year constant maturi-  
14 ty treasury yield, as published by the board of governors of the federal  
15 reserve system, for the first full calendar week of the calendar month  
16 preceding the date in which the judgment awarding damages is entered,  
17 and (2) for any part of post-entry interest on a judgment entered before  
18 the effective date of the chapter of the laws of two thousand twenty-one  
19 which amended this section that is unpaid as of such effective date, at  
20 the rate of two per centum per annum; and (ii) "consumer debt" means any  
21 obligation or alleged obligation of any natural person to pay money  
22 arising out of a transaction in which the money, property, insurance or  
23 services which are the subject of the transaction are primarily for  
24 personal, family or household purposes, whether or not such obligation

EXPLANATION--Matter in italics (underscored) is new; matter in brackets  
[-] is old law to be omitted.

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1 has been reduced to judgment, including, but not limited to, a consumer  
2 credit transaction, as defined in subdivision (f) of section one hundred  
3 five of this chapter.

4 (c) The one-year United States treasury bill rate shall be calculated  
5 by the office of court administration. The office of court adminis-  
6 tration shall publish the rate defined in subparagraph one of paragraph  
7 (i) of subdivision (b) of this section for permanent public access on  
8 such office's website on or before the first business day of each month.  
9 The office of court administration shall publish the rate defined in  
10 subparagraph two of paragraph (i) of subdivision (b) of this section for  
11 permanent public access on such office's website on or before the fifth  
12 business day after the effective date of this subdivision.

13 (d) This section does not affect or create any rights or remedies  
14 related to any amounts paid to satisfy judgments or to accrued interest  
15 paid prior to the effective date of this subdivision.

16 (e) If any word, phrase, clause, sentence, paragraph, subdivision, or  
17 part of this section or its application to any person or circumstance is  
18 held invalid by any court of competent jurisdiction after exhaustion of  
19 all further judicial review, the invalidity shall not affect, impair, or  
20 invalidate the remainder of this section or applications of this article  
21 which can be given effect without the invalid provision or application,  
22 and to this end the provisions of this section are severable.

23 § 2. This act shall take effect on the forty-fifth day after it shall  
24 have become a law, and shall apply to all money judgments, including  
25 judgments that are not yet fully paid and satisfied as of the effective  
26 date of this act.