

BILL ANALYSIS

Senate Research Center

C.S.H.B. 2415
By: Hopson (Averitt)
Jurisprudence
5/13/2003
Committee Report (Substituted)

DIGEST AND PURPOSE

In granting judgments, a court may award postjudgment interest as protection to the prevailing party. Current law requires the consumer credit commissioner to calculate the postjudgment interest rate based on the auction rate quoted on a discount basis for 52-week treasury bills. C.S.H.B. 2415 replaces this rate with the prime rate as published by the Federal Reserve Bank of New York on the date of computation.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 304.003(c), Finance Code, to provide that the postjudgment interest rate is the prime rate as published by the Federal Reserve Bank of New York on the date of computation, rather than (1) the auction rate quoted on a discount basis for 52-week treasury bills, as most recently published by the Federal Reserve Board; (2) 10 percent a year if the auction rate is less than 10 percent; or (3) 20 percent a year if the auction rate is more than 20 percent.

SECTION 2. (a) Makes application of this Act prospective.
(b) Effective date: upon passage or September 1, 2003.