

HCS HB 1935 -- INTEREST RATES

SPONSOR: Franz

COMMITTEE ACTION: Voted "do pass" by the Committee on General Laws by a vote of 10 to 4.

This substitute changes the laws regarding the application of a specific interest rate. The interest rate will be the adjusted prime rate charged by banks as determined by the Department of Revenue or the adjusted prime rate plus 1% for certain interest rates used by the Director of the Department of Revenue, late payments by the state for supplies and services, late payments by public entities to contractors, repayment of teaching degree scholarships, workers' compensation benefit payments, delinquent workers' compensation taxes, nursing student loans, creditor claims on written contracts that did not specify the rate of interest, judgments in tort cases, securities litigation, loans to political subdivisions for alternative fuel vehicles, failure to pay the odorized propane assessment, certain payments by and to the Land Reclamation Commission within the Department of Natural Resources, unclaimed property that the holder fails to pay the State Treasurer, overpayments by the Department of Mental Health to vendors, and judgments against air contaminant sources that have not paid fees.

FISCAL NOTE: Estimated Net Cost on General Revenue Fund of Unknown in FY 2013, FY 2014, and FY 2015. Estimated Net Cost on Other State Funds of \$11,375 in FY 2013, FY 2014, and FY 2015.

PROPOSERS: Supporters say that the bill makes the rate uniform across all areas.

Testifying for the bill were Representative Franz; and Missouri Chamber of Commerce and Industry.

OPPOSERS: There was no opposition voiced to the committee.