

1984 BILL 6

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Second Session, 20th Legislature, 33 Elizabeth II

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THE LEGISLATIVE ASSEMBLY OF ALBERTA

# BILL 6

## PRE-JUDGMENT INTEREST ACT

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MR. STILES

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First Reading .....

Second Reading .....

Committee of the Whole .....

Third Reading .....

Royal Assent .....

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*Bill 6*  
*Mr. Stiles*

## BILL 6

1984

### PRE-JUDGMENT INTEREST ACT

(Assented to \_\_\_\_\_, 1984)

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HER MAJESTY, by and with the advice and consent of the Legislative Assembly of Alberta, enacts as follows:

- Interpretation**    **1** In this Act,
- (a) “interest rate” means the rate of interest published in The Alberta Gazette pursuant to section 7;
  - (b) “judgment” includes an order of a court.
- Award of interest**    **2(1)** Where a person obtains a judgment for the payment of money or a judgment that money is owing, the court shall award interest on the judgment calculated in accordance with section 3 or 4.
- (2)** The court shall not award interest under this Act
- (a) on that part of a judgment that represents pecuniary loss arising after the day of judgment and that is identified by the court;
  - (b) on interest awarded under this Act;
  - (c) on exemplary or punitive damages;
  - (d) on an award of costs in the action;
  - (e) on money, or interest on that money, borrowed by a party to pay for expenses which are claimed as special damages;
  - (f) on money that is paid into court and accepted in satisfaction of a claim;

(g) where the judgment is given on consent, unless agreed to by the parties;

(h) where there is an agreement between the parties respecting interest;

(i) where the payment of pre-judgment interest is otherwise provided by law.

(3) Where it is proven to the satisfaction of the court that it is just to do so having regard to the circumstances, the court may, with respect to the whole or any part of the amount for which judgment is given, refuse to award interest, or award interest at a rate or for a period, or both, other than a rate or period determined pursuant to section 7.

(4) In a jury trial, the judge shall exercise the powers of the court under this Act.

(5) In the case of a default judgment, the clerk of the court shall award interest calculated in accordance with this Act, but shall not exercise any discretion granted to the court under subsection (3).

Calculation of interest on damages

**3(1)** The court shall calculate interest on general damages from the day on which loss or damage is first sustained to the day of judgment at the rate determined by averaging the interest rates in effect during that period.

(2) Where a judgment includes special damages, the court shall

(a) determine the total of the special damages incurred within the 3-month period commencing on the day on which a special damage is first sustained and within each subsequent 3-month period, and

(b) calculate interest from the last day of each 3-month period described in clause (a) to the day of judgment, on the total of the special damages incurred within the 3-month period, at the interest rate in effect on the last day of the 3-month period.

Payment into court

**4** Where a party pays money into court in satisfaction of a claim and another party does not accept the payment and obtains a judgment for an amount less than or equal to the amount paid into court, the court shall award interest

(a) from the day on which loss or damage is first sustained to the day of payment into court, calculated in accordance with section 3, and

(b) from the day of payment into court to the day of judgment, in an amount equal to the actual interest earned on the portion of the money paid into court that is equal to the amount of the judgment.

Interest deemed part of judgment

**5** For the purpose of enforcing a judgment, interest awarded under this Act is included in the judgment.

Application

**6** The Crown is bound by this Act.

Regulations

**7(1)** The Lieutenant Governor in Council may make regulations respecting the method of determining and the frequency of publishing

interest rates and the periods with respect to which interest rates are in effect.

(2) Interest rates in accordance with the regulations shall be published in The Alberta Gazette.

Transitional **8** This Act does not apply to a cause of action that arises before April 1, 1984.

Amends  
RSA 1980 cJ-1 **9** *Section 15 of the Judicature Act is repealed.*

Amends  
RSA 1980 cM-21 **10** *Section 11(3)(a) of the Motor Vehicle Accident Claims Act is repealed.*

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*In accordance with section 4(1) of the Interpretation Act,  
this Bill comes into force on the date it receives Royal  
Assent.*