



THE PROBLEM

Too often a county must forfeit their right to appeal a case due to the costs associated with the appeal process, which can be lengthy, and not based on the merits of the law. The option to appeal a case is a fundamental right in the United States.

In New York, defendants are required to pay interest on the original judgement until an appellate division determination is made. The current appeals process can take months and sometimes years to be resolved. Compounding the costs is the fact that under state law judgement interest rates are set at 9%. In some instances, interest penalties can exceed the underlying award. This rate was set in the 1970's when 9% matched the federal rate and at a time where less court volume equated to a quicker appeal process. Today, federal interest rates are below 2%.

2017 EXECUTIVE BUDGET PROPOSAL

The Governor's 2017 budget solution is simple: match the state rate with current federal rates. This is common sense. Aligning state with federal judgement interest rates is an equitable solution that allows for all parties to appeal matters when justified. The proposal allows for the state rate to float with federal rates and not be locked into the time period the state law was passed.

2017 LEGISLATIVE BUDGET PROPOSALS

Both the Senate and the Assembly rejected the Governor's proposal.

COUNTY SOLUTION

Counties support the Governor's common sense solution to New York's judgement interest rate problem. The current 9% interest rate, and the time it takes to appeal a case, can subject local taxpayers to greater fiscal risk.

Changing the state's judgment interest rate to match the federal rate, is a reasonable and fair system for all parties. This solution will lead to more cases being heard when justified and the outcomes of these cases to be more equitable for all involved.

For more information on the county position regarding this issue, visit www.nysac.org or call 518-465-1473 to speak to Patrick Cummings, NYSAC Counsel.