PROBLEM
Too often a county must forfeit their right to appeal a case due to the costs associated with the appeal process 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 judgment until an appellate division determination is made. The current appeals process can take months and sometimes years to be resolved. Compounding the costs of appeals is the fact that under state law judgment interest rates are set at 9%. 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%.

2018-2019 STATE BUDGET
The Governor’s 2018-2019 proposed a common-sense change to judgment interest rates- match the state rate with current federal rates. Unfortunately, the final enacted State Budget did not include any changes to judgment interest rates, and NY taxpayers must continue to pay 9% interest when public entities appeal a judgment.

COUNTY SOLUTION
Counties support the Governor’s common-sense solution to New York’s judgment interest rate problem. The current 9% interest rate, and time it takes to appeal a case, can subject local taxpayers to great 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 will 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.