

1 **2022 NYSAC Fall Seminar**
2 **Standing Committee on Intergovernmental Affairs**
3 **Resolution #2**

4
5 **Resolution Calling on the State to Set the Judgement Interest Rate Charged**
6 **to State and Local Governments to be Tied to the Federal Interest Rate**
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8 **WHEREAS**, under current New York State law, defendants of a lawsuit are required to
9 pay interest on the original judgement while the matter is under appeal and until an
10 appellate division determination is made; and

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12 **WHEREAS**, the judgement interest rate in New York was set at nine percent in the
13 1970's to match the federal interest rate at the time, when the appeals process moved
14 more quickly because there were fewer court cases in the system; and

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16 **WHEREAS**, the appeals process today can take months and sometimes years to be
17 resolved; and

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19 **WHEREAS**, today's federal interest rate, while growing, is still far below 9 percent;
20 and

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22 **WHEREAS**, in some instances, a local government's interest penalties during the
23 appeals process can exceed the original judgement award; and

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25 **WHEREAS**, local governments are unjustly forced to settle cases to avoid paying these
26 punitive interest penalties, or pay the penalties through the costly and time consuming
27 appeals process.

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29 **NOW THEREFORE BE IT RESOLVED**, the New York State Association of Counties
30 (NYSAC) calls on the State Legislature to enact legislation that aligns the state's
31 judgement interest rate to the weekly average of the one-year federal interest rate; and

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33 **BE IT FURTHER RESOLVED**, changing the state's judgment interest rate to match
34 the federal rate is a reasonable and fair system for all parties that allows for parties to
35 make cases when justified by legal reasoning and not be forced into settlements based
36 entirely on fiscal pressure; and

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38 **BE IT FURTHER RESOLVED**, that copies of this resolution be sent to the counties
39 of New York encouraging member counties to enact similar resolutions; and

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41 **BE IT FURTHER RESOLVED**, that NYSAC shall forward copies of this resolution to
42 the Governor of the State of New York, the New York State Legislature, and all others
43 deemed necessary and proper.