

COA Opinion: Statute requires that interest on a money judgment be calculated at six-month intervals from the date the complaint is filed, using the immediately preceding interest rate from July 1 or January 1

28. April 2010 By Julie Lam

On April 27, 2010, the Court of Appeals published a *per curiam* opinion in [Chelsea Investment Group LLC v. City of Chelsea](#), No. 288920. In this contract action, the Court of Appeals affirmed the trial court's order entering judgment in favor of defendants after a bench trial. However, the Court of Appeals vacated the trial court's order with respect to the trial court's calculation of interest.

On this issue of first impression, the Court of Appeals considered whether MCL § 600.6013(8), which allows an award of interest on a money judgment, requires interest to be calculated at six-month intervals from the date of the complaint, or whether the statute requires interest to be calculated every six months on July 1 and January 1 from the date of the complaint. The Court of Appeals viewed the language of this provision requiring that “interest on a money judgment [be] calculated at 6-month intervals from the date of the filing of the complaint at a rate of interest equal to . . . United States treasury notes during the 6 months immediately preceding July 1 and January 1 . . .” as plain and unambiguous. MCL § 600.6013(8). The Court of Appeals interpreted this provision to require that “interest on a judgment be re-calculated every six months from the date of the filing of the complaint using the interest rates announced on July 1 or January 1, whichever is ‘immediately preceding’ the complaint’s six-month anniversary date.” As an example, the Court of Appeals explained that for a complaint filed in August 2008, interest would be calculated in February 2009 using the January 1 interest rate, and calculated again in August 2009, using the July 1 rate.

The Court of Appeals rejected the defendants’ argument that the proper interpretation of MCL § 600.6013(8) requires that interest be calculated at six-month intervals on July 1 and January 1, starting from the date of the complaint. This interpretation is consistent with the Michigan State Court Administrative Office’s (SCAO) July 27, 2009 publication, “Interest rates for money judgments under MCL 600.6013,” in which it stated that under MCL § 600.6013(8), “[i]nterest is calculated at 6-month intervals on Jan 1st and July 1st of each year, starting from the date the complaint is filed” Although the Court of Appeals recognized that some deference is given to an administrative agency’s interpretation of a statute that it is charged with executing, the Court of Appeals emphasized that an agency’s interpretation is not binding on the Court and cannot overcome the plain meaning of a statute. The Court of Appeals was not bound to follow the SCAO’s recommendation because the Court of Appeals determined it was contrary to the statute’s plain meaning.