



2023 INTEREST RATES ON STATE COURT JUDGMENTS AND ARBITRATION AWARDS

M.S. 549.09 directs the State Court Administrator to determine the annual interest rate applicable to certain state court judgments, verdicts, and arbitration awards. For judgments and awards governed by section 549.09¹ the annual interest rate for calendar year 2023 shall be 5%, provided that for judgments exceeding \$50,000 that are finally entered on or after August 1, 2009, except a judgment or award for or against the state or a political subdivision of the state entered on or after April 16, 2010, or a judgment or award in a family court action, entered on or after August 1, 2015, the interest rate shall be 10% per year until paid.² M.S. 548.091, subd. 1a, provides that beginning August 1, 2022, interest does not accrue on a past, current, or future judgment for child support, confinement and pregnancy expenses, or genetic testing fees.³

The following lists the judgment rates in effect for state courts for the periods noted:

YEAR	M.S. 549.09 Annual Rate	M.S. 549.09 Rate for Judgment exceeding \$50,000 finally entered on or after 8/1/09 but not Judgments for or against the state or a political subdivision finally entered on or after 4/16/2010, or Judgments or awards in family court actions entered on or after 8/1/2015	M.S. 548.091 Rate for Child Support Judgments
2016	4%	10%	4%
2017	4%	10%	4%
2018	4%	10%	4%
2019	4%	10%	4%
2020	4%	10%	4%
2021	4%	10%	4%
2022	4%	10%	4% (From 1/1/22 through 7/31/22) 0% (Commencing 8/1/22)
2023	5%	10%	0%

¹The interest rate determined pursuant to section 549.09 does not apply to judgments for the recovery of taxes and employment arbitrations pursuant to M.S. Chapters 179 or 179A, and may not apply to judgments in condemnation cases. In condemnation cases governed by M.S. 117.195, the interest rate determined pursuant to section 549.09 is presumed to satisfy the constitutional requirement of just compensation unless the landowner shows that this rate does not provide what a reasonable and prudent investor would have earned while investing so as to maximize the rate of return, yet guarantee safety of principle. State by Humphrey v. Jim Lupient Oldsmobile Co., 509 N.W. 2d 361, 364 (Minn. 1993). Under a Federal Employers Liability Act (FELA) case, 45 U.S.C. § 51 (2012) brought in state court, federal law governs all substantive matters. However, post-judgment interest is procedural and does not affect substantive FELA rights, and the state post-judgment interest rate under Minn. Stat. § 549.09, subd. 1(c)(2) applied rather than the federal rate. Alby v BNSF Railway Company, 934 N.W. 2d 831 (Minn. 2019); *reversed and remanded* (October, 2019).

The interest rate on judgments for the recovery of taxes owed to the Commissioner of the Department of Revenue, such as income, excise, and sales taxes, is established by the Commissioner pursuant to M.S. 270C.40, subd. 5. The interest rate for state tax judgments also applies to judgments for the recovery of real or personal property taxes, subject to a 10% minimum and 14% maximum, and double that in certain cases. See M.S. 279.03, subd. 1a. These rates may be obtained from the Department of Revenue.

M.S. 549.09, subd. 1(d) provides that section 549.09 does not apply to arbitrations between employers and employees under Chapter 179 or 79A, and that an arbitrator is neither required to nor prohibited from awarding interest under Chapter 179 or M.S. 179A.16 for essential employees.

²As amended by 2002 Minn. Laws Chap. 247, Sec. 1, 2009 Minn. Laws Chap. 83, Art. 2, Sec. 35, and 2010 Minn. Laws Chap 249, section 549.09 directs that the annual rate is to be determined by using the monthly one-year constant maturity treasury yield reported in the latest statistical release of the federal reserve board of governors rounded to the nearest one per cent, subject to a four percent minimum; provided that for certain judgments exceeding \$50,000 entered on or after August 1, 2009, the interest rate shall be 10% per year until paid. As amended by 2010 Minn. Laws Chap. 249, Sec. 1 and 2015 Minn. Laws Chap. 30, Sec. 12, judgments or awards exceeding \$50,000 for or against the state or a political subdivision of the state and in family court actions are no longer subject to the 10% interest rate.

³ As amended by 2021 Minn. Laws Chap. 30, Art. 10, Sec. 73-77, section 548.091, subd. 1a directs that the interest rate applicable to child support judgments shall not accrue on a past, current, or future judgments for child support, confinement and pregnancy expenses, or genetic testing fees. This change does not affect interest already paid prior to August 1, 2022 or unpaid interest accrued prior to August 1, 2022.