
SENATE BILL NO. 233—COMMITTEE ON JUDICIARY

FEBRUARY 22, 1999

Referred to Committee on Judiciary

SUMMARY—Revises provisions governing rate of interest if there is no written contract fixing rate. (BDR 8-1124)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State or on Industrial Insurance: No.

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EXPLANATION – Matter in ***bolded italics*** is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to interest; revising the provisions governing the rate of interest allowed under certain circumstances if there is no written contract fixing the rate; and providing other matters properly relating thereto.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN SENATE AND
ASSEMBLY, DO ENACT AS FOLLOWS:

- 1 **Section 1.** NRS 99.040 is hereby amended to read as follows:
2 99.040 1. ~~When~~ ***If*** there is no express contract in writing fixing a
3 different rate of interest, interest must be allowed at a rate equal to the
4 prime rate at the largest bank in Nevada, as ascertained by the
5 commissioner of financial institutions, on January 1 or July 1, as the case
6 may be, immediately preceding the date of the transaction, plus 2 percent,
7 upon all money from the time it becomes due, in the following cases:
8 (a) Upon contracts, express or implied, other than book accounts.
9 (b) Upon the settlement of book or store accounts from the day on which
10 the balance is ascertained. ***For the purposes of this paragraph, a book or***
11 ***store account is settled when the creditor gives written notice to the***
12 ***borrower that a sum certain is due on the account and that the creditor***
13 ***will not give the borrower a further extension of credit on the account.***
14 ***The day on which the creditor gives such written notice to the borrower***
15 ***shall be deemed to be the day on which the balance is ascertained.***
16 (c) Upon money received to the use and benefit of another and detained
17 without his consent.

1 (d) Upon wages or salary, if it is unpaid when due, after demand
2 therefor has been made.

3 The rate must be adjusted accordingly on each January 1 and July 1
4 thereafter until the judgment is satisfied.

5 2. The provisions of this section do not apply to money owed:

6 (a) For the construction or remodeling of a building pursuant to NRS
7 624.325; or

8 (b) By a contractor to his subcontractor pursuant to NRS 624.326.

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