

House Bill 686

By: Representative Bordeaux of the 125th

A BILL TO BE ENTITLED
AN ACT

1 To amend Code Section 7-4-16 of the Official Code of Georgia Annotated, relating to when
2 interest runs on commercial accounts and the maximum interest allowed, so as to change
3 provisions related to the interest rate; to provide for related matters; to provide for
4 applicability; to repeal conflicting laws; and for other purposes.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

6 **SECTION 1.**

7 Code Section 7-4-16 of the Official Code of Georgia Annotated, relating to when interest
8 runs on commercial accounts and the maximum interest allowed, is amended by striking said
9 Code section and inserting in lieu thereof the following:

10 "7-4-16.

11 Unless otherwise provided in writing signed by the obligor, a commercial account becomes
12 due and payable upon the date a statement of the account is rendered to the obligor. The
13 owner of a commercial account may charge interest on that portion of a commercial
14 account which has been due and payable for 30 days or more at a rate not in excess of ~~1 1/2~~
15 ~~percent per month calculated on the amount owed from the date upon which it became due~~
16 ~~and payable until paid~~ the weekly average one-year constant maturity treasury yield, as
17 published by the Board of Governors of the Federal Reserve System, for the calendar week
18 preceding the first day on which the obligor is liable for interest. 'Commercial account'
19 means an obligation for the payment of money arising out of a transaction to sell or furnish,
20 or the sale of, or furnishing of, goods or services other than a 'retail installment transaction'
21 as defined in paragraph (10) of subsection (a) of Code Section 10-1-2."

22 **SECTION 2.**

23 All laws and parts of laws in conflict with this Act are repealed.