



May XX, 2021

Dear Member of the Legislature,

New Yorkers are beginning to see the light at the end of the tunnel of this pandemic. Unfortunately, for many businesses and local governments, the financial fallout will be felt for years to come.

Many of the businesses we represent are teetering on the edge of bankruptcy and many of the municipalities where our member businesses are located are facing massive budget shortfalls. Despite these challenges, the cost and threat of litigation in New York remains high. Businesses and individuals are more likely to get sued in New York than anywhere else. Our friends in local governments spend more on litigation than local governments elsewhere. In fact, the City of New York spends more on litigation than the next nineteen largest American cities combined.

Proposed Legislation, S.3250 (Sanders)/ A.5016 (McDonald) provides relief to both the business community and local governments, while simultaneously modernizing our courts and improving access to justice. Under current law, defendants pay nine percent interest on court judgements. The current market rate has averaged below three percent for the last five years. The proposed legislation would link the interest rate to the weekly average one-year constant maturity treasury yield, which is the same rate utilized by the Federal court system.

The legislation would save both the public and private sector millions every year. Further, it would improve access to justice by ensuring that our businesses and municipalities can utilize the appeals process without the punishing nine percent interest rate. Additionally, the legislation is flexible, and would automatically adjust as the market rate changes.

With this legislation, New York has an opportunity save millions, modernize our court system, and improve New Yorkers access to justice. We strongly urge you to support this legislation.

Thank you for your consideration,

The Business Council of Westchester

Capital Region Chamber

Food Industry Alliance of New York

The Greater Binghamton Chamber of Commerce

Greater Rochester Chamber of Commerce

Lawsuit Reform Alliance of New York

New York State Economic Development Council

NYS Hospitality & Tourism Association

Northeastern Retail Lumber Association

Trucking Association of New York