

The Saiber Construction Law Column: May 2024

June 3, 2024

Source: MetroBuilders' Construction Law Column

New Jersey's version of The Uniform Enforcement of Foreign Judgments Act ("UEFJA") permits "any judgment, decree, or order of a court of the United States or of any other court which is entitled to full faith and credit" to be filed with the Clerk of the Superior Court in New Jersey so judgments can be enforced in New Jersey.

In March 2024, the Supreme Court of Utah decided *Sunstone Realty Partners X LLC v. Bodell Construction Co.*, a case involving a judgment entered in Hawaii against a construction company which was subsequently domesticated in Utah. The construction company asked the Utah court to apply Utah's lower post-judgment interest rate (2.29%) rather than the higher Hawaii rate (10%).

The Utah court held that Utah's lower rate applied to a judgment domesticated in Utah. The court looked to the Utah Foreign Judgment Act, which differs from the UEFJA that has been adopted in 48 states. Under the Utah statute, foreign domesticated judgments were to be treated like a Utah judgment for purposes of enforcement, so the Utah post-judgment interest rate was deemed to apply. The Utah court also rejected Sunstone's claim that the contract with the construction company required the application of Hawaii's 10% post-judgment interest rate because the parties' contract did not specify what interest rate would attach to a judgment.

In the absence of a contractual provision that specifies what interest rate applies to a judgment, New Jersey courts would likely reach the same conclusion as the Utah Supreme Court did in *Sunstone*. Indeed, an unreported New Jersey Appellate Division case in 2015 held that the UEFJA, as enacted in New Jersey, requires that a foreign judgment domesticated in New Jersey is enforceable "in the manner provided by New Jersey law," meaning that New Jersey's current rate of interest would apply to the domesticated judgment.

If parties to a contract wish to specify some other rate of post-judgment interest in the event of a dispute between them, they can also include such a provision in their written agreement.

* * * * *

Each issue's Saiber Construction Law Column will discuss a recent decision by New Jersey courts or, like here, courts from other states which may be of interest to people in the construction industry.

The information in each article is not intended to be legal advice and may not be used as legal advice. Legal advice must be tailored to the specific circumstances of each case. Every effort has

been made to ensure this information is up-to-date. The article is not intended to be a full and exhaustive explanation of the law in any area, nor should it be used to replace the advice of your own legal counsel.

For any question relating to this article, please contact Robert B. Nussbaum, Esq. at Saiber LLC at rnussbaum@saiber.com.