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Referred: Commerce

BY MILLER, JOSEPHSON, BEGICH,
BLODGETT, BRADSHAW, CHRISTIANSEN,
ENGSTROM, PALMER, B. PHILLIPS,
POLAND AND RADER

1 IN THE SENATE

2 SENATE BILL NO. 244

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act amending the Alaska Retail Installment Sales
7 Act."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 * Section 1. AS 45.10.120 is amended to read:

10 Sec. 45.10.120. EXTENT OF SERVICE CHARGE. (a) The service
11 charge shall include all charges incident to investigating and making
12 the retail installment contract or charge agreement and for the privi-
13 lege of making the installment payments under the contract or agreement.
14 No other fee, interest, expense, or charge may be taken, received,
15 reserved, or contracted for investigating and making the contract or
16 agreement, or for the privilege of making the payments.

17 (b) A seller or holder of a retail installment contract may
18 charge, receive and collect a service charge which shall not exceed
19 the following rates multiplied by the number of months, including a
20 fraction of a month in excess of 15 days as one month, elapsing between
21 the date of the contract and the due date of the last installment,

22 (1) if [ON SO MUCH OF] the unpaid balance as does not exceed
23 \$10,000 seven-twelfths [\$1,000, FIVE-SIXTHS] of one per cent;

24 (2) if the unpaid balance exceeds \$10,000, one-third
25 [\$1,000, ON SO MUCH OF THE UNPAID BALANCE AS EXCEEDS \$1,000, TWO-THIRDS]
26 of one per cent;

27 (3) on contracts with an original balance under \$300, a
28 contract fee of \$10 may be added. This fee shall not be considered as
29 part of the service fee for purposes of sec. 70 of this chapter, or (d)

1 of this section [IF THE TOTAL SERVICE CHARGE SO COMPUTED IS LESS THAN
2 \$12, \$12, BUT IF THE DUE DATE OF THE LAST INSTALLMENT OF THE CONTRACT
3 IS EIGHT MONTHS OR LESS AFTER ITS EFFECTIVE DATE, \$10].

4 (c) A seller or holder of a retail charge agreement, revolving
5 charge agreement or other retail charge agreement may charge, receive
6 and collect a service charge not to exceed the following rates computed
7 on the outstanding balances from month to month,

8 (1) on so much of the outstanding balance as does not exceed
9 \$300 [\$1,000], one and one-fourth [ONE-HALF] per month;

10 (2) if the outstanding balance is more than \$300 [\$1,000],
11 one per cent per month [ON THE EXCESS OVER \$1,000 OF THE OUTSTANDING
12 BALANCE];

13 (3) if the service charge so computed is less than \$1 for
14 any month, \$1;

15 (4) the service charge may be computed on a schedule of
16 fixed amounts if as so computed it is applied to all amounts of out-
17 standing balances equal to the fixed amount minus a differential of not
18 more than \$5 provided that it is also applied to all amounts of out-
19 standing balances equal to the fixed amount plus at least the same
20 differential.

21 * Sec. 2. This Act shall be effective only as to new installment
22 contracts and balances on revolving accounts after the actual effective date
23 of the Act.
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