

Introduced: 3/21/77  
Referred: Commerce and  
Judiciary

1 IN THE SENATE

BY FERGUSON

2 SENATE BILL NO. 268

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the legal rate of interest."

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

8 \* Section 1. AS 45.45.010(b) is amended to read:

9 (b) No interest may be charged by express agreement of the parties  
10 in a contract or loan commitment dated after June 4, 1976 which is more  
11 than five percentage points above the annual rate charged member banks  
12 for advances by the 12th Federal Reserve District that prevailed on the  
13 25th day of the month preceding the commencement of the calendar quarter  
14 during which the contract or loan commitment is made. A contract or  
15 loan commitment in which the principal amount exceeds \$100,000, or  
16 \$25,000 if the principal is to be used for business purposes, is exempt  
17 from the limitation of this subsection. For the purposes of this sub-  
18 section, "business" includes farming, the professions, and any other  
19 activity regularly carried on for profit.