

Original sponsor: Labor and Commerce
Committee by request

Offered: 5/13/81
Referred: Finance

1 IN THE HOUSE

BY THE LABOR AND
COMMERCE COMMITTEE

2 CS FOR HOUSE BILL NO. 524 (L&C)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to small loans; and providing for an
7 effective date."

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

9 * Section 1. AS 06.20.230(a) is amended to read:

10 (a) Subject to the provisions of (d) of this section a [A] licen-
11 see may lend any sum of money not exceeding \$25,000 and may charge,
12 contract for, and receive on the loan interest at a rate not exceeding
13 three percent a month on that part of the unpaid principal balance of a
14 loan not in excess of \$500; two percent a month on the remainder of any
15 unpaid principal balance exceeding \$500 but not exceeding \$1,000; and
16 one percent a month on the remainder of any unpaid principal balance
17 exceeding \$1,000 but not exceeding \$25,000. On loans the principal of
18 which is \$50 or less a licensee may charge, contract and receive inter-
19 est at a rate not exceeding five percent a month.

20 * Sec. 2. AS 06.20.230 is amended by adding a new subsection to read:

21 (d) The maximum amounts listed for the loan categories under (a)
22 of this section may be annually adjusted according to changes in the
23 consumer price index. An adjustment shall be made if the change,
24 calculated to the nearest percentage point, in the consumer price index
25 for Anchorage is 10 percent or more of the consumer price index for
26 Anchorage for November 1978. Adjustments shall be made only in incre-
27 ments of 10 percent. An adjustment shall be effective on April 1 of
28 each year. An adjustment under this subsection may not result in a
29 decrease in the maximum amounts for the loan categories under (a) of

1 this section below the maximum amounts in effect on the effective date
2 of this Act. On or before March 1 the department shall publish the
3 changes in maximum amounts listed under (a) of this section. If the
4 method of calculation of the consumer price index is revised by the
5 United States Department of Labor, Bureau of Labor Statistics, the
6 consumer price index for Anchorage for 1978 as revised shall be used
7 for computations under this subsection.

8 * Sec. 3. AS 06.20.260 is amended by adding a new paragraph to read:

9 (6) a late payment fee of not more than 10 percent of the
10 payment which is due or \$15, whichever is less.

11 * Sec. 4. AS 06.20.900 is amended by adding a new paragraph to read:

12 (4) "consumer price index" means the final consumer price
13 index for the year for all urban consumers: average, all items,
14 1967 = 100, for Anchorage, Alaska, published by the United States
15 Department of Labor, Bureau of Labor Statistics; if the consumer price
16 index is superseded, the index referred to is the index which the Bureau
17 of Labor Statistics represents as most accurately reflecting changes in
18 the purchasing power of the dollar for consumers.

19 * Sec. 5. This Act takes effect immediately in accordance with AS 01.10.-
20 070(c).