

Original Sponsor: Rodey

Offered: 4/10/81
Referred: Finance

1 IN THE SENATE

BY THE LABOR AND
COMMERCE COMMITTEE

2

HOUSE CS FOR SENATE BILL NO. 19 (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 rates of interest; and providing
7 for an effective date."

8

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

9

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

10

(b) Notwithstanding (a) of this section, a licensee who makes
11 open-end loans under this chapter or who makes a loan under this chapter
12 exceeding \$5,000 but not exceeding \$25,000 may elect to charge, contract
13 for, and receive interest not to exceed the greater of

14

(1) one and one-half percent a month; or

15

(2) eight percentage points above the Federal Reserve dis-
16 count rate on 90-day commercial paper charged to banks for advances by
17 the 12th Federal Reserve District [ON THE FIRST DAY OF THE MONTH BEFORE
18 THE CALENDAR QUARTER DURING WHICH THE LOAN IS MADE].

19

* Sec. 2. AS 09.55.440(a) is amended to read:

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(a) Upon the filing of the declaration of taking and the deposit
21 with the court of the amount of the estimated compensation stated in
22 the declaration, title to the estate as specified in the declaration
23 vests in the plaintiff, and that property is condemned and taken for
24 the use of the plaintiff, and the right to just compensation for it
25 vests in the persons entitled to it. The compensation shall be ascer-
26 tained and awarded in the proceeding and established by judgment. The
27 judgment shall include lawful interest [AT THE RATE OF SIX PERCENT PER
28 YEAR] on the amount finally awarded which exceeds the amount paid into
29 court under the declaration of taking. The interest runs from the date

1 title vests to the date of payment of the judgment.

2 * Sec. 3. AS 45.45.010(b) is amended to read:

3 (b) No interest may be charged by express agreement of the
4 parties in a contract or loan commitment [DATED AFTER JUNE 4, 1976]
5 which is more than five percentage points above the annual rate charged
6 member banks for advances by the 12th Federal Reserve District on the
7 day on [THAT PREVAILED ON THE 25th DAY OF THE MONTH PRECEDING THE
8 COMMENCEMENT OF THE CALENDAR QUARTER DURING] which the contract or loan
9 commitment is made. A contract or loan commitment in which the princi-
10 pal amount exceeds \$25,000 [\$100,000] is exempt from the limitation of
11 this subsection.

12 * Sec. 4. AS 45.45.010(d) is repealed.

13 * Sec. 5. In accordance with sec. 501(b)(2) of P.L. 96-221, 94 Stat.
14 162, the provisions of sec. 501(a)(1) of P.L. 96-221, 94 Stat. 161, do not
15 apply with respect to loans, mortgages, credit sales, and advances made in
16 this state.

17 * Sec. 6. In accordance with sec. 512 of P.L. 96-221, 94 Stat. 164, the
18 provisions of sec. 511 of P.L. 96-221, 94 Stat. 164, do not apply to busi-
19 ness and agricultural loans made in this state.

20 * Sec. 7. This Act takes effect immediately in accordance with AS 01.10.-
21 070(c).