

Original sponsor: Special Committee on  
Banking by request

Offered: 4/8/82  
Referred: Finance

1 IN THE SENATE

BY THE LABOR AND  
COMMERCE COMMITTEE

2 CS FOR SENATE BILL NO. 750 (L&C)  
3 IN THE LEGISLATURE OF THE STATE OF ALASKA  
4 TWELFTH LEGISLATURE - SECOND SESSION

5 A BILL

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

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

9 \* Section 1. AS 06.40.120(c) is amended to read:

10 (c) The service charge may not exceed interest at a rate of two  
11 percent a month on that part of the balance of premiums due as does not  
12 exceed \$10,000 and at a rate agreed by contract on the balance of pre-  
13 miums due exceeding \$10,000. A [THE NOMINAL ANNUAL RATE OF 15 PERCENT  
14 PLUS AN ADDITIONAL CHARGE OF \$10 PER PREMIUM FINANCE AGREEMENT WHICH  
15 NEED NOT BE REFUNDED UPON CANCELLATION OR PREPAYMENT. HOWEVER, ANY]  
16 borrower may prepay his premium finance agreement in full at any time  
17 before the due date of the final payment and in that event the unearned  
18 service charge shall be refunded. The amount of any refund shall be  
19 calculated in accordance with regulations adopted by the commissioner.

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

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

1 under the declaration of taking. The interest runs from the date title  
2 vests to the date of payment of the judgment.

3 \* Sec. 3. AS 45.10.120(b) is amended to read:

4 (b) A seller or holder of a retail installment contract may charge,  
5 receive and collect a service charge which shall not exceed the follow-  
6 ing rates multiplied by the number of months, including a fraction of a  
7 month in excess of 15 days as one month, elapsing between the date of  
8 the contract and the due date of the last installment,

9 (1) on so much of the unpaid balance as does not exceed  
10 \$10,000, two [\$1,000, FIVE-SIXTHS OF ONE] percent;

11 (2) [IF THE UNPAID BALANCE EXCEEDS \$1,000,] on so much of the  
12 unpaid balance as exceeds \$10,000 at a rate agreed by contract [\$1,000,  
13 TWO-THIRDS OF ONE PERCENT];

14 (3) if the total service charge so computed is less than \$12,  
15 but if the due date of the last installment of the contract is eight  
16 months or less after its effective date, \$10.

17 \* Sec. 4. AS 45.10.120(c) is amended to read:

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

22 (1) on so much of the outstanding balance as does not exceed  
23 \$10,000, two [\$1,000, ONE AND ONE-HALF] percent per month;

24 (2) at a rate agreed by contract [IF THE OUTSTANDING BALANCE  
25 IS MORE THAN \$1,000, ONE-TWELFTH OF THE ANNUAL RATE PERMITTED UNDER  
26 AS 45.45.010(b) PER MONTH] on the excess over \$10,000 [\$1,000] of the  
27 outstanding balance;

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

1 (4) the service charge may be computed on a schedule of fixed  
2 amounts if as so computed it is applied to all amounts of outstanding  
3 balances equal to the fixed amount minus a differential of not more than  
4 \$5 provided that it is also applied to all amounts of outstanding  
5 balances equal to the fixed amount plus at least the same differential.

6 \* Sec. 5. AS 45.45.010(b) is amended to read:

7 (b) No interest may be charged by express agreement of the parties  
8 in a contract or loan commitment which is more than two percent a month  
9 [FIVE PERCENTAGE POINTS ABOVE THE ANNUAL RATE CHARGED MEMBER BANKS FOR  
10 ADVANCES BY THE 12TH FEDERAL RESERVE DISTRICT ON THE DAY ON WHICH THE  
11 CONTRACT OR LOAN COMMITMENT IS MADE]. A contract or loan commitment in  
12 which the principal amount exceeds \$10,000 [\$25,000] is exempt from the  
13 limitation of this subsection.

14 \* Sec. 6. AS 06.45.060(5)(A)(vi) is repealed.

15 \* Sec. 7. In accordance with sec. 501(b)(2) of P.L. 96-221, 94 Stat. 162,  
16 the provisions of sec. 501(a)(1) of P.L. 96-221, 94 Stat. 161, do not apply  
17 with respect to loans, mortgages, credit sales, and advances made in this  
18 state.

19 \* Sec. 8. In accordance with sec. 512 of P.L. 96-221, 94 Stat. 164, the  
20 provisions of sec. 511 of P.L. 96-221, 94 Stat. 164, as amended by P.L. 96-  
21 399, 94 Stat. 1614, do not apply to business and agricultural loans made in  
22 this state.

23 \* Sec. 9. This Act takes effect immediately in accordance with AS 01.10.-  
24 070(c).