

1 IN THE HOUSE

BY BETTISWORTH

2

HOUSE BILL NO. 246

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

THIRTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act relating to the deregulation of interest  
7 rates; and providing for an 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) A licensee may lend any sum of money not exceeding \$25,000  
11 and may charge, contract for, and receive on the loan interest at a  
12 rate agreed on by contract [NOT EXCEEDING THREE PERCENT A MONTH ON  
13 THAT PART OF THE UNPAID PRINCIPAL BALANCE OF A LOAN NOT IN EXCESS OF  
14 \$850; TWO PERCENT A MONTH ON THE UNPAID PRINCIPAL BALANCE EXCEEDING  
15 \$850 BUT NOT EXCEEDING \$10,000; AND AT A RATE AGREED BY CONTRACT ON  
16 THE REMAINDER OF ANY UNPAID PRINCIPAL BALANCE EXCEEDING \$10,000 BUT  
17 NOT EXCEEDING \$25,000].

18 \* Sec. 2. AS 06.40.120(c) is amended to read:

19 (c) The service charge may not exceed interest at a rate agreed  
20 on by contract. A [THE NOMINAL ANNUAL RATE OF 15 PERCENT PLUS AN ADD-  
21 ITIONAL CHARGE OF \$10 PER PREMIUM FINANCE AGREEMENT WHICH NEED NOT BE  
22 REFUNDED UPON CANCELLATION OR PREPAYMENT. HOWEVER, ANY] borrower may  
23 prepay the [HIS] premium finance agreement in full at any time before  
24 the due date of the final payment and in that event the unearned  
25 service charge shall be refunded. The amount of any refund shall be  
26 calculated in accordance with regulations adopted by the commissioner.

27 \* Sec. 3. AS 09.55.440(a) is amended to read:

28 (a) Upon the filing of the declaration of taking and the deposit  
29 with the court of the amount of the estimated compensation stated in

1 the declaration, title to the estate as specified in the declaration  
2 vests in the plaintiff, and that property is condemned and taken for  
3 the use of the plaintiff, and the right to just compensation for it  
4 vests in the persons entitled to it. The compensation shall be ascer-  
5 tained and awarded in the proceeding and established by judgment. The  
6 judgment shall include lawful interest [AT THE RATE OF SIX PERCENT PER  
7 YEAR] on the amount finally awarded which exceeds the amount paid into  
8 court under the declaration of taking. The interest runs from the  
9 date title vests to the date of payment of the judgment.

10 \* Sec. 4. AS 45.10.120(b) is amended to read:

11 (b) A seller or holder of a retail installment contract may  
12 charge, receive and collect a service charge on the outstanding  
13 balance at a rate agreed on by contract [WHICH SHALL NOT EXCEED THE  
14 FOLLOWING RATES MULTIPLIED BY THE NUMBER OF MONTHS, INCLUDING A FRAC-  
15 TION OF A MONTH IN EXCESS OF 15 DAYS AS ONE MONTH, ELAPSING BETWEEN  
16 THE DATE OF THE CONTRACT AND THE DUE DATE OF THE LAST INSTALLMENT,

17 (1) ON SO MUCH OF THE UNPAID BALANCE AS DOES NOT EXCEED  
18 \$1,000, FIVE-SIXTHS OF ONE PERCENT;

19 (2) IF THE UNPAID BALANCE EXCEEDS \$1,000, ON SO MUCH OF THE  
20 UNPAID BALANCE AS EXCEEDS \$1,000, TWO-THIRDS OF ONE PERCENT;

21 (3) IF THE TOTAL SERVICE CHARGE SO COMPUTED IS LESS THAN  
22 \$12, BUT IF THE DUE DATE OF THE LAST INSTALLMENT OF THE CONTRACT IS  
23 EIGHT MONTHS OR LESS AFTER ITS EFFECTIVE DATE, \$10].

24 \* Sec. 5. AS 45.10.120(c) is amended to read:

25 (c) A seller or holder of a retail charge agreement, revolving  
26 charge agreement or other retail charge agreement may charge, receive  
27 and collect a service charge at a rate agreed on by contract [NOT TO  
28 EXCEED THE FOLLOWING RATES COMPUTED] on the outstanding balance  
29 [BALANCES FROM MONTH TO MONTH,

1 (1) ON SO MUCH OF THE OUTSTANDING BALANCE AS DOES NOT  
2 EXCEED \$1,000, ONE AND ONE-HALF PERCENT PER MONTH;

3 (2) IF THE OUTSTANDING BALANCE IS MORE THAN \$1,000, ONE-  
4 TWELFTH OF THE ANNUAL RATE PERMITTED UNDER AS 45.45.010(b) PER MONTH  
5 ON THE EXCESS OVER \$1,000 OF THE OUTSTANDING BALANCE;

6 (3) IF THE SERVICE CHARGE SO COMPUTED IS LESS THAN \$1 FOR  
7 ANY MONTH, \$1;

8 (4) THE SERVICE CHARGE MAY BE COMPUTED ON A SCHEDULE OF  
9 FIXED AMOUNTS IF AS SO COMPUTED IT IS APPLIED TO ALL AMOUNTS OF OUT-  
10 STANDING BALANCES EQUAL TO THE FIXED AMOUNT MINUS A DIFFERENTIAL OF  
11 NOT MORE THAN \$5 PROVIDED THAT IT IS ALSO APPLIED TO ALL AMOUNTS OF  
12 OUTSTANDING BALANCES EQUAL TO THE FIXED AMOUNT PLUS AT LEAST THE SAME  
13 DIFFERENTIAL].

14 \* Sec. 6. AS 45.45.010(a) is amended to read:

15 (a) The rate of interest in the state is 10.5 percent a year and  
16 no more on money after it is due except as provided by express agree-  
17 ment of the parties in a contract or loan commitment [IN (b) OF THIS  
18 SECTION].

19 \* Sec. 7. AS 06.20.230(b) and (c), AS 06.45.060(5)(A)(vi), and AS 45.-  
20 45.010(b) are repealed.

21 \* Sec. 8. This Act takes effect immediately in accordance with AS 01.-  
22 10.070(c).