

Introduced: 6/17/83
Referred: Labor and Commerce
and Finance

BY THE LABOR AND
COMMERCE COMMITTEE

1 IN THE SENATE

2 SENATE BILL NO. 316

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

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

22 (a) Upon the filing of the declaration of taking and the deposit
23 with the court of the amount of the estimated compensation stated in
24 the declaration, title to the estate as specified in the declaration
25 vests in the plaintiff, and that property is condemned and taken for
26 the use of the plaintiff, and the right to just compensation for it
27 vests in the persons entitled to it. The compensation shall be ascer-
28 tained and awarded in the proceeding and established by judgment. The
29 judgment shall include interest at the rate of five percentage points

1 above the annual rate charged member banks for advances by the 12th
2 Federal Reserve District on the date of the judgment [SIX PERCENT PER
3 YEAR] on the amount finally awarded which exceeds the amount paid into
4 court under the declaration of taking. The interest runs from the
5 date title vests to the date of payment of the judgment.

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

7 (b) A seller or holder of a retail installment contract may
8 charge, receive and collect a service charge which shall not exceed
9 the following rates multiplied by the number of months, including a
10 fraction of a month in excess of 15 days as one month, elapsing be-
11 tween the date of the contract and the due date of the last install-
12 ment,

13 (1) on so much of the unpaid balance as does not exceed
14 \$10,000, one and three-fourths [\$1,000, FIVE-SIXTHS OF ONE] percent;

15 (2) [IF THE UNPAID BALANCE EXCEEDS \$1,000,] on so much of
16 the unpaid balance as exceeds \$10,000 at a rate agreed by contract
17 [\$1,000, TWO-THIRDS OF ONE PERCENT];

18 (3) if the total service charge so computed is less than
19 \$12, but if the due date of the last installment of the contract is
20 eight months or less after its effective date, \$10.

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

22 (c) A seller or holder of a retail charge agreement, revolving
23 charge agreement or other retail charge agreement may charge, receive
24 and collect a service charge not to exceed the following rates com-
25 puted on the outstanding balances from month to month,

26 (1) on so much of the outstanding balance as does not
27 exceed \$10,000, one and three-fourths [\$1,000, ONE AND ONE-HALF]
28 percent per month;

29 (2) at a rate agreed by contract [IF THE OUTSTANDING

1 BALANCE IS MORE THAN \$1,000, ONE-TWELFTH OF THE ANNUAL RATE PERMITTED
2 UNDER AS 45.45.010(b) PER MONTH] on the excess over \$10,000 [\$1,000]
3 of the outstanding balance;

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

6 (4) the service charge may be computed on a schedule of
7 fixed amounts if as so computed it is applied to all amounts of out-
8 standing balances equal to the fixed amount minus a differential of
9 not more than \$5 provided that it is also applied to all amounts of
10 outstanding balances equal to the fixed amount plus at least the same
11 differential.

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

13 (b) No interest may be charged by express agreement of the
14 parties in a contract or loan commitment which is more than two per-
15 cent a month [FIVE PERCENTAGE POINTS ABOVE THE ANNUAL RATE CHARGED
16 MEMBER BANKS FOR ADVANCES BY THE 12TH FEDERAL RESERVE DISTRICT ON THE
17 DAY ON WHICH THE CONTRACT OR LOAN COMMITMENT IS MADE]. A contract or
18 loan commitment in which the principal amount exceeds \$10,000
19 [\$25,000] is exempt from the limitation of this subsection.

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

21 * Sec. 7. This Act takes effect immediately in accordance with AS 01.-
22 10.070(c).