

Offered: 5/11/86  
Referred: Rules

Original sponsors: Duncan, Pearce,  
Ringstad and Boucher

1 IN THE HOUSE BY THE FINANCE COMMITTEE  
2 SENATE CS FOR CS FOR HOUSE BILL NO. 217 (Finance) am S  
3 IN THE LEGISLATURE OF THE STATE OF ALASKA  
4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 A BILL  
6 For an Act entitled: "An Act relating to interest rates on judgments and  
7 decrees, interest rates on agreements subject to the  
8 provisions of AS 06 and AS 45, and certain interest  
9 rate preemptions by the federal government; and  
10 providing for an effective date."

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

12 \* Section 1. AS 06.20.320(a) is amended to read:

13 (a) A licensee or lender who, in the making or collection of a  
14 loan contract, does any act that [WHICH] violates AS 06.20.230 -  
15 06.20.260 or 06.20.280 - 06.20.310 shall at the option of the commis-  
16 sioner reimburse the portion of the interest and charges in excess of  
17 that provided in those sections, or, in the case of repeated vio-  
18 lations of those sections by the licensee, the commissioner may, upon  
19 a hearing, require the licensee to adjust the loan contract interest  
20 or other charges down to 10.5 percent a year [THE CONTRACT INTEREST  
21 LIMITATION SPECIFIED IN AS 45.45.010(a)].

22 \* Sec. 2. AS 06.40.160(a) is amended to read:

23 (a) A lender who, in the making of any contract, loan or premium  
24 finance agreement or the collection of interest or charges, does any  
25 act that [WHICH] violates AS 06.40.010, 06.40.020, 06.40.090, or  
26 06.40.110 - 06.40.130 shall at the option of the commissioner reim-  
27 burse that portion of the interest and charges in excess of that  
28 provided in those sections, or, in the case of repeated violations of  
29 those sections by the lender, the lender shall adjust the contract,

1 loan, or premium finance agreement interest and other charges down to  
2 10.5 percent a year [THE CONTRACT INTEREST LIMITATION SPECIFIED IN  
3 AS 45.45.010(a)].

4 \* Sec. 3. AS 45.10.120(c) is repealed and reenacted to read:

5 (c) A seller or holder of a retail charge agreement, revolving  
6 charge agreement or other retail charge agreement may charge, receive  
7 and collect a service charge computed on the outstanding balance from  
8 month to month at a monthly rate that results in 17 percent a year.  
9 If the service charge so computed is less than \$1 for any month, then  
10 the service charge is \$1. The service charge may be computed on a  
11 schedule of fixed amounts if as so computed it is applied to all  
12 amounts of outstanding balances equal to the fixed amount minus a  
13 differential of not more than \$5 provided that it is also applied to  
14 all amounts of outstanding balances equal to the fixed amount plus at  
15 least the same differential.

16 \* Sec. 4. AS 45.45 is amended by adding a new section to read:

17 Sec. 45.45.015. ELECTION NOT TO OVERRIDE FEDERAL PREEMPTION. In  
18 accordance with Section 525 of P. L. 96-221 (the Depository Institu-  
19 tions Deregulation and Monetary Control Act of 1980), the state de-  
20 clines to override the federal interest rate preemption provisions  
21 contained in Sections 521, 522, and 523 of that act.

22 \* Sec. 5. This Act takes effect July 1, 1986.