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Referred: Finance

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1 IN THE SENATE

2 SENATE BILL NO. 281

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the interest rate on state loan  
7 programs; and providing for an effective date."

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

9 \* Section 1. AS 37.05.035 is amended by adding a new subsection to  
10 read:

11 (b) Notwithstanding any other provision of law, the interest  
12 rate for loan programs administered by the state or an instrumentality  
13 of the state shall increase by one-half percent October 1 of each year  
14 until the interest rate is equal to

15 (1) the prevailing market rate for each type of loan; or

16 (2) the cost of funds, if the loan program is financed by  
17 the sale of bonds or other indebtedness.

18 \* Sec. 2. This Act takes effect October 1, 1985.