

Original sponsor: Faiks

1 IN THE SENATE BY THE FINANCE COMMITTEE
2 CS FOR SENATE BILL NO. 248 (Finance)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 FIFTEENTH LEGISLATURE - SECOND SESSION
5 A BILL
6 For an Act entitled: "An Act relating to the interest rate on state land
7 sale contracts; and providing for an effective date."
8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:
9 * Section 1. AS 38.05.065(a) is amended to read:
10 (a) The contract of sale for land sold at public auction under
11 AS 38.05.055 shall require the remainder of the purchase price to be
12 paid in monthly, quarterly, or annual installments over a period of 20
13 years, with interest determined under (i) of this section [AT THE
14 PREVAILING RATE FOR REAL ESTATE MORTGAGE LOANS MADE BY THE FEDERAL
15 LAND BANK FOR THE FARM CREDIT DISTRICT FOR ALASKA AT THE TIME THE
16 CONTRACT IS SIGNED]. Installment payments plus interest shall be set
17 on the level-payment basis.
18 * Sec. 2. AS 38.05.065(b) is amended to read:
19 (b) The contract of sale for land sold under AS 38.05.057 and
20 under AS 38.05.078 shall require the remainder of the purchase price
21 to be paid in monthly, quarterly, or annual installments over a period
22 of not more than 20 years. Installment payments plus interest shall
23 be set on the level-payment basis. The interest rate to be charged on
24 installment payments shall be determined under (i) of this section [IS
25 THE PREVAILING RATE FOR REAL ESTATE MORTGAGE LOANS MADE BY THE FEDERAL
26 LAND BANK FOR THE FARM CREDIT DISTRICT FOR ALASKA AT THE TIME THE
27 CONTRACT IS SIGNED].
28 * Sec. 3. AS 38.05.065 is amended by adding a new subsection to read:
29 (i) Except as provided in this subsection, contracts for the

1 sale of land entered into by the department under this section bear
2 interest at 10 percent per annum. The commissioner shall annually
3 review the Consumer Price Index for Anchorage as determined by the
4 Department of Labor. When the annual or cumulative change in the
5 Consumer Price Index exceeds 10 percent, the commissioner shall adjust
6 the interest rate under this section correspondingly by one percentage
7 point.

8 * Sec. 4. This Act does not apply to contracts for the sale of state
9 land entered into before July 1, 1988.

10 * Sec. 5. This Act takes effect July 1, 1988.