

CS FOR SENATE BILL NO. 161(STA)
IN THE LEGISLATURE OF THE STATE OF ALASKA
EIGHTEENTH LEGISLATURE - FIRST SESSION

BY THE SENATE STATE AFFAIRS COMMITTEE

Offered: 4/7/93
Referred: JUD, FIN

Sponsor(s): SENATE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to interest rates and calculation of interest under certain
2 judgments and decrees and on refunds of certain taxes, royalties, or net profit
3 shares; and providing for an effective date."

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

5 * Section 1. AS 09.30.070 is repealed and reenacted to read:

6 Sec. 09.30.070. INTEREST ON JUDGMENTS; PREJUDGMENT INTEREST.

7 (a) Interest shall accrue on judgments and decrees for the payment of money. Interest
8 shall be calculated from the date of entry of the judgment or decree, at the rate
9 determined by the commissioner of revenue under (b) of this section, except that a
10 judgment or decree founded on a contract in writing, providing for an interest rate not
11 exceeding the legal rate of interest for that type of contract, bears interest at the rate
12 specified in the contract if the interest rate is set out in the judgment or decree.

13 (b) Not later than December 15 of each year the commissioner of revenue shall
14 determine the interest rate to be applied to judgments and decrees for the payment of

1 money for the following calendar year. The rate shall be set at an amount equal to the
2 average coupon issue yield equivalent, as determined by the secretary of the United
3 States Treasury, of the average accepted auction price for auctions of 52-week United
4 States' Treasury bills settled during the immediate December through November before
5 the determination, rounded to the nearest 1/100 percent. The commissioner of revenue
6 shall communicate this rate to the administrative director of the Alaska court system
7 and to the revisor of statutes. The Alaska court system shall distribute notice of the
8 interest rate.

9 (c) Except when the court finds that the parties have agreed otherwise,
10 prejudgment interest shall be awarded on a money judgment. Prejudgment interest
11 accrues from the date of injury or harm. Prejudgment interest shall be calculated at
12 the rate determined by the commissioner of revenue under (b) of this section for the
13 calendar year when the initial summons was issued or the initial counter claim or
14 cross-claim was filed.

15 (d) Interest shall be computed daily to the date of payment and may not be
16 compounded.

17 * Sec. 2. AS 29.45.500(b) is amended to read:

18 (b) If, in payment of taxes legally imposed, a remittance by a taxpayer through
19 error or otherwise exceeds the amount due, and the municipality, on audit of the
20 account in question, is satisfied that this is the case, the municipality shall refund the
21 excess to the taxpayer. The refund of the excess shall include payment of [WITH]
22 interest on the excess tax payment computed from the date the municipality
23 received the excess tax payment to the date the municipality paid the refund at
24 a rate equal to the average percent of the return on all investments of the
25 municipality during the three-month period ending on the date the refund is made
26 [AT EIGHT PERCENT FROM THE DATE OF PAYMENT]. A claim for refund filed
27 one year after the due date of the tax is forever barred.

28 * Sec. 3. AS 38.05.135(e) is repealed and reenacted to read:

29 (e) If a royalty or net profit share payment to which the state is entitled under
30 AS 38.05.135 - 38.05.181 is overpaid, the amount overpaid bears interest in a calendar
31 quarter at the rate of two percentage points above the annual rate charged member

1 banks for advances by the 12th Federal Reserve District as of the first day of that
2 calendar quarter, compounded quarterly as of the last day of that quarter. However,
3 if the overpayment is the result of a correction made by the department, the amount
4 overpaid bears interest at the rate and in the manner provided in (d) of this section.

5 * Sec. 4. AS 43.05.280(a) is repealed and reenacted to read:

6 (a) If a tax levied under this title is overpaid, the amount overpaid bears
7 interest in a calendar quarter at the rate of two percentage points above the annual rate
8 charged member banks for advances by the 12th Federal Reserve District as of the first
9 day of that calendar quarter, compounded quarterly as of the last day of that quarter.
10 However, if the overpayment is the result of the correction of an assessment or return
11 made by the department, the amount overpaid bears interest at the rate and in the
12 manner provided in AS 43.05.225(1).

13 * Sec. 5. AS 45.45.010(a) is amended to read:

14 (a) The rate of interest in the state is the rate determined annually by the
15 commissioner of revenue under AS 09.30.070 [10.5 PERCENT A YEAR] and no
16 more on money after it is due except as provided in (b) of this section.

17 * Sec. 6. Beginning on January 1, 1994, postjudgment interest accrues under judgments or
18 decrees entered on or after January 1, 1994, at the rate and in the manner specified in
19 AS 09.30.070 as repealed and reenacted by sec. 1 of this Act. Postjudgment interest accrues
20 under judgments or decrees entered before January 1, 1994, at the rate and in the manner
21 specified under law in effect at the time that judgment or decree was entered.

22 * Sec. 7. For claims or causes of action for which judgment has not been entered before
23 January 1, 1994, prejudgment interest accrues before January 1, 1994, at the rate and in the
24 manner specified under law in effect at the time that claim or cause of action accrued. On
25 or after January 1, 1994, prejudgment interest accrues on that claim or cause of action at the
26 rate and in the manner specified in AS 09.30.070 as repealed and reenacted by sec. 1 of this
27 Act.

28 * Sec. 8. Beginning on the effective date of this section, interest accrues on overpayments
29 of royalties, net profit share payments, taxes, and on interest accrued on them before the
30 effective date of this Act, at the rates and in the manner specified in AS 29.45.500(b), as
31 amended by sec. 2 of this Act, in AS 38.05.135(e), as repealed and reenacted by sec. 3 of this

1 Act, and in AS 43.05.280(a), as repealed and reenacted by sec. 4 of this Act.

2 * Sec. 9. Notwithstanding AS 09.30.070, the commissioner of revenue, by December 15,
3 1993, shall determine the interest rate to be applied on judgments and decrees by the method
4 provided in AS 09.30.070, as amended by sec. 1 of this Act, for calendar year 1994, and shall
5 communicate that determination to the administrative director of the Alaska court system and
6 the revisor of statutes.

7 * Sec. 10. Except for secs. 1, 6, and 7 of this Act, this Act takes effect immediately under
8 AS 01.10.070(c).

9 * Sec. 11. Sections 1, 6, and 7 of this Act take effect January 1, 1994.