

# Fiscal Note

State of Alaska  
2018 Legislative Session

Bill Version: HB 136  
Fiscal Note Number:  
() Publish Date:

Identifier: HB136CS(TRA)-LAW-CIV-04-04-18 Department: Department of Law

Title: MOTOR VEHICLE DEALER FRANCHISES Appropriation: Civil Division

Sponsor: CLAMAN Allocation: Commercial and Fair Business

Requester: House Labor & Commerce OMB Component Number: 2717

## Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below.

(Thousands of Dollars)

	FY2019 Appropriation Requested	Included in Governor's FY2019 Request	Out-Year Cost Estimates				
			FY 2019	FY 2019	FY 2020	FY 2021	FY 2022
<b>OPERATING EXPENDITURES</b>							
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
<b>Total Operating</b>			<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

## Fund Source (Operating Only)

None							
<b>Total</b>		<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

## Positions

Full-time							
Part-time							
Temporary							

## Change in Revenues

None							
<b>Total</b>		<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Estimated SUPPLEMENTAL (FY2018) cost:** 0.0 *(separate supplemental appropriation required)*  
(discuss reasons and fund source(s) in analysis section)

**Estimated CAPITAL (FY2019) cost:** 0.0 *(separate capital appropriation required)*  
(discuss reasons and fund source(s) in analysis section)

## ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No  
If yes, by what date are the regulations to be adopted, amended or repealed?

## Why this fiscal note differs from previous version/comments:

This fiscal note addresses changes to HB 136 due to a Committee Substitute for the bill.

Prepared By:

Valerie Rose, Budget Analyst

Phone: (907)465-3674

Division:

Administrative Services Division

Date: 04/02/2018 10:53 AM

Approved By:

Jahna Lindemuth, Attorney General

Date: 04/04/18

Agency:

Department of Law

## FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2017 LEGISLATIVE SESSION

BILL NO. HB 136

### Analysis

This bill amends AS 45.25, related to franchise agreements between manufacturers and new motor vehicle dealers. The bill adds new provisions relating to when good cause exists for termination of franchise agreements, and related to compensation for new motor vehicle dealers. The bill repeals and replaces AS 45.25.160, related to the transfer of a dealership to add more detail regarding the prevention or refusal to transfer a dealership. New sections, AS 45.25.200 and 45.25.210, contain provisions related to payment of warranty claims. The bill repeals and replaces AS 45.25.300, that sets out prohibitions for manufacturers; prohibited acts include requiring or coercing a dealer to change locations, requiring a predetermined number or percentage of vehicles; failure to deliver or offer a dealer new motor vehicles, requiring unreasonable advertising displays, requiring a dealer to accept or order products (motor vehicles, accessories, advertising, for example), requiring contributions or participation to an advertising campaign, or requiring a dealer to increase the price of a new motor vehicle subject to a pending retail sale.

The bill allows a private right of action between a manufacturer and a new motor vehicle dealer, which is consistent with current law. The Department of Law expects no fiscal impact if the bill becomes law.