

ALASKA STATE LEGISLATURE

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REPRESENTATIVE STEVE THOMPSON DISTRICT 10

House Bill 235 – Sponsor Statement

"An Act relating to certain vehicles, including trailers; and relating to motor vehicle dealer advertising, motor vehicle dealer sales of used motor vehicles, motor vehicle sales contracts, motor vehicle service contracts, and motor vehicle sales financing."

HB 235 updates AS 45.25.400 - AS 45.25.990 (commonly referred to as the "Alaska Auto Dealers Practices Act") by clarifying several provisions concerning the advertising of new and used automobiles. The revisions will assist consumers in understanding auto comparison pricing, and will eliminate ambiguities contained in the current statute, assisting dealers in following state law.

This bill allows dealers to advertise price reductions on used cars, provided the comparison price is taken from a national valuation pricing publication such as Kelly Blue Book or N.A.D.A. Official Used Car Guide. The bill also requires that dealers make the "blue book" available to customers upon their request. This will allow dealers to inform consumers when a used car is being offered at a discounted price, and will also allow consumers to better understand the true market value of a used car they may be interested in buying.

For new cars, the bill will allow dealers to inform consumers that the dealer's asking price is less than the manufacturer's suggested retail price, and that the dealer's price reflects a savings or discount to the consumer.

In all advertising, the dealers advertised price must include all fees to be charged by the dealer other than fees charged by government agencies such as licensing fees and taxes.

Furthermore, HB 235 provides that a dealer may display a vehicle for sale, but may not enter into a contract to sell a vehicle unless the dealer has title to the vehicle

Finally, this bill establishes the responsibilities of the dealer and customer when the dealer accepts a trade-in and the customer takes possession of a vehicle prior to final approval of financing.

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