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SENATOR JOHN COGHILL

SPONSOR STATEMENT

Senate Bill 197("SB 197") – "*An Act relating to motor vehicle franchises, motor vehicle transactions, motor vehicle dealers, motor vehicle manufacturers, and motor vehicle distributors.*"

This bills brings Alaskan dealers up to date with standards adopted by other states and helps to add language for Alaska specific circumstances. This is done in a variety of different ways.

By adding good cause language for termination and putting good faith requirements upon the manufacturers, which includes performance goals and supplying inventory. Its sets out required procedures for returning inventory to the manufacturer, which was previously required by the manufacturer. This helps to properly compensate the dealer, to keep the dealer supplied, and to compensate the dealer properly on termination.

This bill also strengthens notice requirements in cases of termination and discontinuation of franchise agreements. It establishes a procedure for determining fair compensation to dealers for warranty work. It sets out rules governing manufacturer audits. It puts forth procedures for dealerships to succeed, sell, transfer, or exchange the dealership. The bill, contains provisions governing the establishment of new dealerships in order to make them more appropriate for Alaska.

It contains provisions allowing dealers to provide warranty work for consumers over 100 miles from the dealer or in locations not accessible by road.

These provisions help to address issues with Alaska's unique landscape and limited number of roads. The manufacture warranty work is not allowed to be done by local mechanics. This causes a great problem for people in the areas that are isolated. This bill creates needed assistance for people in these areas which includes, Nome and Tannana,