



# Alaska State Legislature

## Representative Matt Claman

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### House Bill 136

*“An Act relating to motor vehicle franchises, motor vehicle transactions, motor vehicle dealers, motor vehicle manufacturers, and motor vehicle distributors.”*

#### Sponsor Statement

HB 136 updates Alaska statutes dealing with franchise agreements between Alaska’s auto dealers and outside automobile manufacturers. HB 136 would bring the auto dealer franchise agreements in line with existing law in other states by addressing six main areas.

- 1) Addresses what constitutes good cause for termination of nonrenewal of franchise agreements by adopting good faith standards for the manufacturers, including reasonable performance goals and supplying inventory.
- 2) Updates notice requirements in cases of termination or nonrenewal of franchise agreements and set procedures for returning inventory to the manufacturer, including vehicles, parts and signage previously required by the manufacturer.
- 3) Establishes procedures to determine fair compensation to dealers for warranty work, governing manufacture audits, and allowing dealers to provide warranty work for consumers over 100 miles from the dealer or not accessible by road.
- 4) Establishes procedures governing succession planning for dealerships.
- 5) Provides terms appropriate for rural states rather than large urban centers governing the establishment of new and relocated dealerships.
- 6) Addresses the sale, transfer or exchange of franchises.

The adoption of House Bill 136 will provide protection to Alaskan businesses and consumers and will bring Alaskan auto dealers’ franchise agreements up to date with standards adopted in other states, while adding language for Alaska specific circumstances.