



Representative Sam Kito

Alaska State Legislature

House District 33

Downtown Juneau
Douglas
Haines
Klukwan
Skagway
Gustavus
Excursion Inlet

Chair
House Labor & Commerce

Chair
Legislative Council

Member
House Health &
Social Services

Member
House Rules

Contact

Rep. Sam Kito
Alaska State Capitol 403
120 4th St
Juneau, AK 99801

907-465-4766

Rep.Sam.Kito@akleg.gov

Sectional Analysis

House Bill 209

Product Warranties & Required Updates

Section 1: Enacts 45.45.772 – 45.45.788, which outline the obligations and duties of manufacturers, contractors, dealers, and distributors when providing “required services” which include warranty work, corrective work on defective products, and updates required by manufacturers. For simplification of this sectional, the word “dealer” is used instead of “dealer or distributor,” the phrase that appears in the bill.

Sec. 45.45.772 Requires a dealer to provide any manufacturer’s warranty in effect at the time of sale to the purchaser. Outlines the obligations of each party when a contractor provides warranty service on behalf of the manufacturer.

Sec. 45.45.773 Requires a dealer to explain the warranty coverage, including disclaimers, and limitations; prohibits a dealer from making a representation about a warranty that is not made in the warranty; and requires the dealer to provide manuals to the purchaser.

Sec. 45.45.774 Requires the dealer to provide warranty service and to make all claims for warranty reimbursement in the manner established by the manufacturer.

Sec. 45.45.775 Prohibits a manufacturer from restricting the nature or extent of labor or parts that are needed to perform the work in accordance with generally accepted standards.

Sec. 45.45.776 Requires the manufacturer to follow the process outlined in this bill and standard industry claim procedures when paying a dealer for required services.

Sec. 45.45.777 Establishes the minimum compensation for work performed by a dealer on behalf of a manufacturer. Specifies the minimum rate and time for labor costs. Also requires the manufacturer to pay for transportation and lodging costs if the dealer has to send an employee to the field to perform the work.

Sec. 45.45.778 Requires a manufacturer to reimburse a dealer for parts used at the manufacturer’s full suggested retail price.

Sec. 45.45.779 If a part needed that is not in the dealer’s inventory, requires the manufacturer to pay the cost to send the item, as soon as possible, to the

purchaser's choice of either the dealer that sold the product or the dealer closest to the purchaser.

Sec. 45.45.780 Requires the manufacturer to pay or disapprove a claim within 30 days or it is considered approved and accrues a penalty of 1.5% per month.

Sec. 45.45.781 Requires a manufacturer's claim disapproval to be in writing and issued within 30 days of receipt of the claim.

Sec. 45.45.782 Requires the manufacturer or dealer to repair a product defect that is covered under warranty when reported by the purchaser.

Sec. 45.45.783 If a product cannot be repaired after a "reasonable number" of attempts during the term of the warranty or one year after purchase, whichever comes first, requires the manufacturer to either replace the product with a new comparable product or refund an amount equal to the full purchase price minus a "reasonable amount" for the period that the purchaser was able to use the product. The purchaser can choose whether to get a new product or refund. Outlines how to calculate the "reasonable amount" for a refund.

Sec. 45.45.784 Establishes a process for the purchaser to make a claim under 45.45.783. The purchaser must make a written claim by certified mail to the manufacturer within 60 days of the end of the term of the warranty or one year after the purchase date, whichever comes first. Outlines what must be in that written claim. Allows the manufacturer to make a final attempt to fix the item within 30 days.

Sec. 45.45.785 States that the manufacturer does not have to replace/refund if the claimed product defect is either not a defect or resulted from alteration, abuse or neglect by a person who is not an authorized dealer.

Sec. 45.45.786 Creates a rebuttable presumption that if the product has been in the shop for repairs three separate times or for 30 days during the warranty period or first year of ownership, whichever is shorter, a "reasonable number of attempts" to fix the product has been made.

Sec. 45.45.787 Defines what products are covered by this legislation.

Sec. 45.45.788 Establishes what qualifies as a "warranty service."

Section 2: Amends the definition of "merchandise" in AS 45.45.790 to include "covered products" – a term used in this bill.

Section 3: Adds definitions to AS 45.45.790 for terms used in this legislation.

Section 4: Adds violations to the provisions in Section. 1 to the list of unfair methods of competition and unfair or deceptive acts or practices found in AS 45.50.471

Section 5: Applicability – specifies that this bill applies to agreements entered into on and after the effective date of this act.