



ALASKA AUTO DEALERS ASSOCIATION

P.O. Box 201305, Anchorage, Alaska 99520-1305

January 4, 2012

The Honorable Kevin Meyer
Alaska State Senate
Alaska State Capitol, Room 103
Juneau, Alaska 99801-1182

RE: Senate Bill 125 Motor Vehicle Transactions

Dear Senator Meyer:

On behalf of the Alaska Automobile Dealers Association, we wish to thank you for sponsoring Senate Bill 125 that updates AS 45.25.400- AS 45.25.990, commonly referred to as the "Alaska Auto Dealers Practices Act". SB 125 assists consumers in understanding auto comparison pricing and assist dealers in following state law. It clarifies allowable automobile advertising practices and clarifies responsibilities of dealers and customers in the financing of automobiles.

SB 125 requires 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. For new cars, the bill will allow dealers to inform consumers if the dealer's asking price is less than the manufacturer's suggested retail price, and that the dealers price reflects a savings or discount to the consumer.

This bill allows dealers to advertise price reductions on used cars, provided the comparison price is taken from a national valuation pricing publication dealers must make available to consumers, such as Kelly Blue Book or N.A.D.A. Official Used Car Guide. 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.

SB 125 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 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.

This bill is the product of an extended process examining the current law, developing language that protects consumers and clarifying statutory language to reflect the original intent of the law.

This association and its membership are in full support of SB 125.

Sincerely,

Marten Martensen
President AADA