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REPRESENTATIVE JOHN COGHILL

Marine Products and Motorized Recreational Products Act.

Sectional

Section 1. Clarifies that snow machines, recreational vehicles, and all-terrain vehicles are regulated under AS 45.27, not AS 45.25.

Sec. 2. Adds a new chapter of law enacting the Marine Products and Motorized Recreational Products Act.

AS 45.27.010. Prohibits a manufacturer of marine products and motorized recreational products from withhold consent for the sale or transfer of a dealership without cause.

AS 45.27.020. Prohibits a manufacturer from cancelling or failing to renew a dealership without good cause. If the reasons for good cause can be corrected, the manufacturer will give the dealer 60 days to do so.

AS 45.27.030. Insolvency, felony conviction involving moral turpitude or fraud, or other actions contained in the dealership agreement as actions which constitute cancellation require a 15 day notice. All other cancellations or nonrenewals require a 90 day notice.

AS 45.27.040. Prohibits a manufacturer from threatening cancellation or nonrenewal of a dealership in order to get the dealer to enter into an unfair contract.

AS 45.27.050. When a manufacturer cancels or fails to renew a dealership agreement, the manufacturer agrees to repurchase the remaining inventory of current product models and those from the previous two years. The manufacturer will also buy parts that were purchased from the manufacturer, were listed in the parts price book in the last years, and have not been damaged or substantially altered.

The dealer must return the inventory within 90 days after the cancellation and the manufacturer has 60 days to pay the dealer for the inventory.

AS 45.27.100. Requires the manufacturer to supply a warranty with the product to be provided to the purchaser through the dealer upon purchase of the product or part.

AS 45.27.110. Requires the manufacturer to pay the dealer for warranty work performed to cure a factory defect.

Requires manufacturer to provide replacement of defective products within 60 days. If the manufacturer cannot replace the defective product within 60 days, the manufacturer must repurchase the defective product at landed cost and 100% of freight to return product to manufacturer.

AS 45.27.120. Requires dealer to deliver warranty and owners manuals with product and prohibits dealer from making misrepresentations about warranty of products.

AS 45.27.130. Requires dealers to honor warranty service for manufacturers' products sold by dealer.

AS 45.27.150. A manufacturer has 30 days to give notice that they are denying warranty service claim and must include the reason(s) for the denial.

AS 45.27.200. Requires dealers to post a notice of retail labor rates and notice of factory-certified or trained technicians. They are also required to post whether or not service employees are paid on commission.

AS 45.27.210. Requires dealer to provide a written estimate to a customer for repair of a product including specific parts, labor, and cost of repairs.

If, after, beginning work on repairs, the technician determines other repairs are necessary, the dealer will contact the customer and receive permission to do additional repairs.

An authorized dealer is required to post notice of charges for diagnostics, storage, and other incidentals not associated with the actual repair.

AS 45.27.220. Requires the manufacturer to provide a shipping date for parts and equipment required to correct a defect requiring a recall.

AS 45.27.230. Requires a manufacturer to replace a product or repurchase the product if it is less than a year and has been unusable for 30 days because of a defect or the dealer has attempted to fix a defect unsuccessfully four time.

AS 45.27.250. If a provision in a dealership agreement is contrary to AS 45.27, the provision is not enforceable.

AS 45.27.260. AS 45.27 is a portion of the laws that deal with dealership agreements, consumer protection laws, and contractual law.

AS 45.27.390. Definitions.

Sec. 3. **AS 45.45.700.** Exempts marine products and motorized recreational products from AS 45.45, Article 10 Distributorships.

Sec. 4. Adds a violation of marine products and motorized recreational products to the list of “unfair methods of competition” and “unfair or defective acts or practices” under AS 45.50 Unfair Trade Practices and Consumer Protection.

Sec. 5. This new law would not apply to existing dealership agreements in effect before the effective date of House Bill 177.

Sec. 6. Has an immediate effective date.