

Alaska State Senate



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SENATOR KEVIN MEYER

SECTIONAL SUMMARY SENATE BILL 47

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

Section 1

Amends AS 45.25 by adding several new sections to article 2

Sec. 45.25.200. Payment for repairs.

States that manufacturers shall pay new motor vehicle dealers for repairs covered under a manufacturer's warranty, policy or service contract. Those repairs made by new motor vehicle dealers will be paid according to the retail rates for parts determined by the subsequent new sections.

Sec. 45.25.210. Submission of information.

Outlines what a new motor vehicle dealer shall first submit to the manufacturer in order to establish the retail rate for parts and labor.

Sec. 45.25.220. Calculation of retail rates.

Provides for a calculation for the retail rates.

Sec. 45.25.230. Manufacturer approval of retail rate.

Establishes 30 days for a manufacturer to approve or disapprove a proposed retail rate. Requires manufacturers to provide reasonable substantiation if a proposed retail rate is disapproved.

Sec. 45.25.240. Exclusions from calculations.

States that the calculation of the retail rate may not include: certain promotions that manufacturers require, parts sold wholesale, routine maintenance not covered under warranty, nuts bolts, fasteners that do not have individual part numbers.

Sec. 45.25.250. Effective date of rates.

If approved, the proposed retail rate takes effect 30 days following the approval.

Sec. 45.25.260. Retail rate prohibitions.

There can be no more than one new retail rate in one calendar year. A new motor vehicle dealer may use a previous rate not more than one time in a one year period.

Sec. 45.25.270 Audit of retail rate.

Each year the manufacturer may audit new motor vehicle dealer records to verify and determine that the retail rate has not decreased, if it has, the manufacturer may reduce the rate prospectively.

Section 2

Amends AS 45.25.990

Defines "line or make" and "retail rate"

Section 3

Adds a new section to uncodified law.

This is an applicability section, this bill would apply only to franchise agreements entered into on or after the effective date. Provides definitions for "franchise," "manufacturer," and "new motor vehicle dealer."