

Alaska Department of Law
CONSUMER PROTECTION UNIT

MOTOR VEHICLE DEALER PRACTICES AS 45.25.400 - AS 45.25.990

Sec. 45.25.400. Prohibited use of advertising terms.

- a. A motor vehicle dealer may not use the term "invoice," "factory invoice," "dealer invoice," "dealer cost," "wholesale price," or any other term of similar meaning in an advertisement for the sale of a motor vehicle.
- b. A motor vehicle dealer may use the term "manufacturer's suggested retail price," "MSRP," or "list price" in an advertisement for the sale of a motor vehicle, subject to the restriction on price comparisons in AS 45.25.450 and the following:
 1. the advertised price must reference the final price listed by the manufacturer on the monroney sticker, including accessories and options physically attached to the vehicle at the time of delivery to the dealer, plus any transportation charges, and minus all manufacturer discounts and savings;
 2. the manufacturer's suggested retail price or the list price does not include charges added by the dealer or options added to the vehicle by the dealer; and
 3. whenever using the term "manufacturer's suggested retail price," "MSRP," or "list price," the dealer may not represent that a buyer would save money by paying a price that is lower than the "manufacturer's suggested retail price," "MSRP," or "list price."

Sec. 45.25.410. Availability of advertised items.

A motor vehicle dealer may not advertise a new motor vehicle at a specified dealer price with the intent not to supply reasonably expected demand, unless the advertisement discloses the number of vehicles in stock at the advertised price.

Sec. 45.25.420. Display of motor vehicles.

A motor vehicle dealer shall display all vehicles advertised for sale for the duration of the sale period in a conspicuous and clearly visible location on the dealer's premises. The advertised sale price for each vehicle must be clearly marked on the vehicle so the consumer can readily identify the advertised price for the vehicle.

Sec. 45.25.430. Refusal to sell on advertised terms and conditions.

A motor vehicle dealer may not refuse to sell a motor vehicle on the terms and conditions that the dealer has advertised. This section does not apply if

1. the dealer can document that the advertised term or condition was the result of an error on the part of the advertising medium or an outside advertising agent; or
2. the refusal is based on an error that was made in good faith by the dealer and was clearly and conspicuously a mistake, and the dealer corrected the error as soon as the dealer knew or reasonably

should have known of the error.

Sec. 45.25.440. Advertised price.

- a. When selling a motor vehicle, a motor vehicle dealer may not charge dealer fees or costs, except for fees actually paid to a state agency for licensing, registration, or title transfers, unless the fees or costs are included in the advertised price.
- b. In this section, "dealer fees or costs" includes dealer preparation fees, document preparation fees, surcharges, and other dealer-imposed fees and costs.

Sec. 45.25.450. Advertised price comparisons, reductions, and discounts.

- a. A motor vehicle dealer may not make a price comparison, price reduction, or price discount in an advertisement unless the comparison, reduction, or discount complies with this section.
- b. A motor vehicle dealer may advertise a price comparison for a new motor vehicle with the manufacturer's suggested retail price only if
 - 1. the dealer only uses the term "manufacturer's suggested retail price," "MSRP," or "list price";
 - 2. the advertised price references the final price listed by the manufacturer on the monroney sticker;
 - 3. the manufacturer's suggested retail price, MSRP, or list price does not include charges added by the dealer or options added to the vehicle by the dealer;
 - 4. the dealer clearly discloses that the manufacturer's suggested retail price, MSRP, or list price may not reflect the actual selling price for the vehicle in the dealer's trade area; and
 - 5. the dealer does not make a representation in the advertisement, including a reference to a "sale," "reduction," or "discount," that the comparison represents a saving to the consumer.
- c. A motor vehicle dealer may not use a competitor's price as a reference price unless
 - 1. the reference price is the competitor's current, bona fide price in the trade area of the dealer making the comparison;
 - 2. the comparison is to an identical or nearly identical vehicle that does not materially differ in model, style, design, name, brand, kind, or quality from the advertised product; and
 - 3. the dealer includes in the advertised price all charges that the competitor includes in the competitor's price.
- d. A motor vehicle dealer shall be in possession of documents and all other information necessary to substantiate all reference price claims when the claims are made and shall maintain this information in a readily accessible place for two years after the time the reference price claims are made.

Sec. 45.25.460. Advertising and selling practices generally.

- a. In addition to the provisions of AS 45.50.471 and regulations adopted under AS 45.50.471 , a motor vehicle dealer
 - 1. shall include in an advertisement of a motor vehicle for sale all fees or charges, except fees or charges to be paid to a third party;
 - 2. may not represent the dealer document preparation fee as a government fee;

3. may not advertise a specific motor vehicle for sale without identifying the vehicle by either its vehicle identification number, vehicle stocking number, or license number;
4. may not advertise that free merchandise, gifts, or services will be provided by the dealer if a vehicle is purchased; in this paragraph, "free" includes merchandise or services offered for sale at a price less than the dealer's cost for the merchandise or services;
5. may not use the term "rebate," "cash back," or a similar term in advertising the sale of a motor vehicle unless the rebate is expressed in a specific dollar amount and is in fact a rebate offered by the vehicle manufacturer or distributor directly to the retail buyer of the vehicle;
6. may not require a person, in order to receive the advertised credit terms, to pay a higher price for a motor vehicle and any related goods or services than the cash price the same person would have to pay to purchase the same vehicle and related goods or services;
7. may not advertise a guaranteed trade-in allowance or range of allowances unless the guarantee is provided by the manufacturer or distributor;
8. may not affix to a new motor vehicle a supplemental price sticker containing a price that represents the dealer's asking price if the supplemental price sticker exceeds the manufacturer's suggested retail price, unless the supplemental sticker
 - A. clearly and conspicuously, in the largest print appearing on the sticker other than the print size used for the dealer's name, discloses that the supplemental sticker price is the dealer's asking price, or words of similar meaning, and is not the manufacturer's suggested retail price;
 - B. clearly and conspicuously discloses the manufacturer's suggested retail price; and
 - C. states, if the supplemental sticker price is greater than the sum of the manufacturer's suggested retail price and the price of the items added by the dealer, the difference and describes it as additional dealer mark-up;
9. may not advertise or otherwise represent, or knowingly allow to be advertised or represented on behalf of the dealer, that a down payment is not required in connection with the sale of a motor vehicle when a down payment is in fact required;
10. may not advertise an offer for the sale, lease, or purchase of a motor vehicle that does not contain the name of the dealer;
11. may not represent and sell as a new motor vehicle a demonstrator vehicle or a motor vehicle that is a used motor vehicle; in this paragraph, "demonstrator vehicle"
 - A. means a motor vehicle
 - i. that has been assigned by a dealer for use by the dealership as an executive vehicle for promotional purposes, including being driven in the community;
 - ii. that has not been licensed by a retail buyer; and
 - iii. the title of which has not been transferred to a retail buyer;
 - B. does not include a motor vehicle that has only been driven to demonstrate the motor vehicle to a prospective buyer;
12. may not advertise that the dealer finances any person or does not reject any person's credit, or make similar claims;

13. may not advertise or make a statement, declaration, or representation in an advertisement that cannot be substantiated in fact; the burden of proof of the factual basis for the statement, declaration, or representation is on the dealer.

b. [Repealed, Sec. 9 ch 171 SLA 2004].

Sec. 45.25.465. Sales of used motor vehicles; required disclosures.

a. Before the sale of a used motor vehicle, a motor vehicle dealer shall,

1. when obtaining a used motor vehicle from an individual consumer, make a reasonable inquiry of the seller into the condition of the vehicle, including the accident and repair history of the vehicle; the information shall be recorded in writing and verified by the seller; the dealer shall provide this information to a prospective purchaser of the vehicle;
2. when a motor vehicle dealer obtains a used motor vehicle from another motor vehicle dealer, a wholesaler, or an auction, disclose to a prospective purchaser of the vehicle that the vehicle was purchased from another dealer, a wholesaler, or an auction.

b. Nothing in this section creates an express warranty by the dealer.

c. [Repealed, Sec. 1 ch 56 SLA 2008].

Sec. 45.25.470. Sales of vehicles manufactured for sale in a foreign country.

Before sale, a motor vehicle dealer shall disclose in writing whether a motor vehicle was originally manufactured for sale in Canada or another foreign country.

Sec. 45.25.480. Identification number plates.

A motor vehicle dealer may not knowingly purchase or sell a vehicle that has an altered or removed vehicle identification number plate, or alter or remove a vehicle identification number plate.

Sec. 45.25.490. Required documentation.

A motor vehicle dealer may not sell or offer to sell a motor vehicle unless the motor vehicle dealer holds a manufacturer's statement of origin, a title, or another properly executed document reasonably necessary to obtain the statement of origin or title for transfer of the vehicle to the buyer.

Sec. 45.25.500. Trade-ins.

A motor vehicle dealer may not transfer title to a trade-in vehicle or perform any repairs or reconditioning on a trade-in vehicle before the completion of the sales transaction for which the vehicle is a trade-in.

Sec. 45.25.510. Disclosure of damages.

- a. Before entering into a new motor vehicle sales contract, a new motor vehicle dealer shall disclose in writing to a buyer of the new motor vehicle any known damage and repair to the new motor vehicle if the damage exceeds five percent of the manufacturer's suggested retail price as calculated at the dealer's authorized warranty rate for labor and parts, or \$1,000, whichever amount is greater. A new motor vehicle dealer is not required to disclose to a buyer that glass, tires, bumpers, or cosmetic parts of a new motor vehicle were damaged at any time if the damaged item has been replaced with original or comparable equipment. A replaced part is not part of the cumulative damage required to be disclosed under this subsection.

- b. If disclosure is not required under this section, a buyer may not revoke or rescind a sales contract due to the fact that the new motor vehicle was damaged and repaired before completion of the sale.
- c. In this section,
 - 1. "cosmetic parts" means parts that are attached by and can be replaced in total through the use of screws, bolts, or other fasteners without the use of welding or thermal cutting and includes windshields, bumpers, hoods, or trim panels;
 - 2. "manufacturer's suggested retail price" means the retail price of the new motor vehicle suggested by the manufacturer and includes the retail delivered price suggested by the manufacturer for each accessory or item of optional equipment physically attached to the new motor vehicle at the time of delivery to the new motor vehicle dealer that is not included within the retail price suggested by the manufacturer for the new motor vehicle.

Sec. 45.25.520. Form of disclosures.

Except as provided in AS 45.25.460 (a)(8)(A), if a disclosure is required by this chapter with respect to a motor vehicle advertisement, the disclosure must be made in a clear and conspicuous manner.

Sec. 45.25.530. Disclosure regarding receipt of commissions.

If a motor vehicle dealer's service operations employees receive a commission for the amount of work they perform, the motor vehicle dealer shall post a conspicuous sign that is visible to service customers that the dealer's service operations employees work on commission.

Sec. 45.25.590. Definitions.

In AS 45.25.400 - 45.25.590,

- 1. "advertise," "advertised," "advertising," and "advertisement" include representations, whether made on or off store premises, made to persons in the print media, in the broadcast media, on the computer, in a brochure, in a flyer, by direct mail, by sign, or on a tag;
- 2. "monroney sticker" means the window sticker required by 15 U.S.C. 1231 - 1233 (Automobile Information Disclosure Act);
- 3. "motor vehicle," notwithstanding the definition of "motor vehicle" in AS 45.25.990 , means a vehicle, including a trailer, that is required to be registered under AS 28.10, but does not include a motorcycle;
- 4. "new motor vehicle," notwithstanding the definition of "new motor vehicle" in AS 45.25.990 , means a motor vehicle that has not been titled to anyone and still retains the original manufacturer's certificate of origin.

Article 05 - SALES AND SERVICE CONTRACTS

Sec. 45.25.600. Title transfer.

A motor vehicle dealer may not transfer the title for a motor vehicle to a buyer before all of the sale documents, including any finance contract arranged by the seller, are complete and executed in final form by all parties to the sale.

Sec. 45.25.610. Sales contracts.

- a. A motor vehicle sales contract must be in writing, signed by both the seller and buyer, and completed as to all essential provisions before the signing of the contract by the buyer and before delivery of the vehicle to the buyer.
- b. [Repealed, Sec. 9 ch 171 SLA 2004].
- c. If a motor vehicle dealer arranges financing for a buyer, the motor vehicle dealer may deliver the motor vehicle to the buyer before final approval by the financing entity if
 - 1. the buyer and seller sign an agreement separate from the motor vehicle installment contract on an 8 1/2 x 11 inch sheet of paper that clearly and conspicuously informs the buyer that final financing arrangements have not yet been approved and that clearly sets out the amount that will be financed, the annual percentage rate of the finance charge, the amount of the finance charge, the number and frequency of payments, and the amount of each payment;
 - 2. the separate agreement clearly and conspicuously informs the buyer that accepting delivery of the vehicle before final financing approval obligates the buyer to terms of the motor vehicle sales contract if the terms on the separate agreement are identical to the terms finally approved by the financing entity; and
 - 3. the separate agreement provides that the separate agreement, the motor vehicle sales contract, and any and all other conditions of the purchase will be void if any of the terms contained in the separate agreement are changed by either the motor vehicle dealer or the financing institution as a condition of sale or final financing approval.
- d. If a buyer's final financing is not approved and, as a result, the transaction is not completed, the motor vehicle dealer shall return the buyer's entire down payment, and the buyer's trade-in, if any, shall be returned to the buyer in the same condition and with not more than 100 miles accumulated on the odometer from when the motor vehicle was delivered to the motor vehicle dealer.
- e. In this section, "sales contract" includes an installment sales contract, a short-term sales contract, and a single-payment contract.

Sec. 45.25.620. Service contracts.

- a. A motor vehicle service contract must be in writing and contain all essential provisions regarding the administration of the contract. If a motor vehicle dealer presents a service contract to the customer as an "application" for a contract, it must be clearly and conspicuously marked as an application and must disclose the applicable rules for obtaining a final service contract.
- b. If a service contract is included in a motor vehicle sale, the seller shall, before delivery of the motor vehicle, give to the buyer a written statement with all pertinent blank spaces filled in that shall be signed by both the buyer and seller and that clearly and conspicuously
 - 1. explains the difference between a service contract and a warranty;
 - 2. discloses the maker of or obligor on the service contract;
 - 3. describes the relationship between the maker and the seller of the service contract;
 - 4. for a vehicle that is a used vehicle, notifies the buyer that the seller may not disclaim implied warranties if the seller is the maker or obligor of the service contract; and
 - 5. includes all other disclosures required by law.

Article 04. DEALER PRACTICES

Sec. 45.25.400. Prohibited use of advertising terms.

- a. A motor vehicle dealer may not use the term "invoice," "factory invoice," "dealer invoice," "dealer cost," "wholesale price," or any other term of similar meaning in an advertisement for the sale of a motor vehicle.
- b. A motor vehicle dealer may use the term "manufacturer's suggested retail price," "MSRP," or "list price" in an advertisement for the sale of a motor vehicle, subject to the restriction on price comparisons in AS 45.25.450 and the following:
 1. the advertised price must reference the final price listed by the manufacturer on the monroney sticker, including accessories and options physically attached to the vehicle at the time of delivery to the dealer, plus any transportation charges, and minus all manufacturer discounts and savings;
 2. the manufacturer's suggested retail price or the list price does not include charges added by the dealer or options added to the vehicle by the dealer; and
 3. whenever using the term "manufacturer's suggested retail price," "MSRP," or "list price," the dealer may not represent that a buyer would save money by paying a price that is lower than the "manufacturer's suggested retail price," "MSRP," or "list price."

Sec. 45.25.410. Availability of advertised items.

A motor vehicle dealer may not advertise a new motor vehicle at a specified dealer price with the intent not to supply reasonably expected demand, unless the advertisement discloses the number of vehicles in stock at the advertised price.

Sec. 45.25.420. Display of motor vehicles.

A motor vehicle dealer shall display all vehicles advertised for sale for the duration of the sale period in a conspicuous and clearly visible location on the dealer's premises. The advertised sale price for each vehicle must be clearly marked on the vehicle so the consumer can readily identify the advertised price for the vehicle.

Sec. 45.25.430. Refusal to sell on advertised terms and conditions.

A motor vehicle dealer may not refuse to sell a motor vehicle on the terms and conditions that the dealer has advertised. This section does not apply if

1. the dealer can document that the advertised term or condition was the result of an error on the part of the advertising medium or an outside advertising agent; or
2. the refusal is based on an error that was made in good faith by the dealer and was clearly and conspicuously a mistake, and the dealer corrected the error as soon as the dealer knew or reasonably should have known of the error.

Sec. 45.25.440. Advertised price.

- a. When selling a motor vehicle, a motor vehicle dealer may not charge dealer fees or costs, except for fees actually paid to a state agency for licensing, registration, or title transfers, unless the fees or costs are included in the advertised price.

- b. In this section, "dealer fees or costs" includes dealer preparation fees, document preparation fees, surcharges, and other dealer-imposed fees and costs.

Sec. 45.25.450. Advertised price comparisons, reductions, and discounts.

- a. A motor vehicle dealer may not make a price comparison, price reduction, or price discount in an advertisement unless the comparison, reduction, or discount complies with this section.
- b. A motor vehicle dealer may advertise a price comparison for a new motor vehicle with the manufacturer's suggested retail price only if
1. the dealer only uses the term "manufacturer's suggested retail price," "MSRP," or "list price";
 2. the advertised price references the final price listed by the manufacturer on the monroney sticker;
 3. the manufacturer's suggested retail price, MSRP, or list price does not include charges added by the dealer or options added to the vehicle by the dealer;
 4. the dealer clearly discloses that the manufacturer's suggested retail price, MSRP, or list price may not reflect the actual selling price for the vehicle in the dealer's trade area; and
 5. the dealer does not make a representation in the advertisement, including a reference to a "sale," "reduction," or "discount," that the comparison represents a saving to the consumer.
- c. A motor vehicle dealer may not use a competitor's price as a reference price unless
1. the reference price is the competitor's current, bona fide price in the trade area of the dealer making the comparison;
 2. the comparison is to an identical or nearly identical vehicle that does not materially differ in model, style, design, name, brand, kind, or quality from the advertised product; and
 3. the dealer includes in the advertised price all charges that the competitor includes in the competitor's price.
- d. A motor vehicle dealer shall be in possession of documents and all other information necessary to substantiate all reference price claims when the claims are made and shall maintain this information in a readily accessible place for two years after the time the reference price claims are made.

Sec. 45.25.460. Advertising and selling practices generally.

- a. In addition to the provisions of AS 45.50.471 and regulations adopted under AS 45.50.471, a motor vehicle dealer
1. shall include in an advertisement of a motor vehicle for sale all fees or charges, except fees or charges to be paid to a third party;
 2. may not represent the dealer document preparation fee as a government fee;
 3. may not advertise a specific motor vehicle for sale without identifying the vehicle by either its vehicle identification number, vehicle stocking number, or license number;
 4. may not advertise that free merchandise, gifts, or services will be provided by the dealer if a vehicle is purchased; in this paragraph, "free" includes merchandise or services offered for sale at a price less than the dealer's cost for the merchandise or services;
 5. may not use the term "rebate," "cash back," or a similar term in advertising the sale of a motor vehicle unless the rebate is expressed in a specific dollar amount and is in fact a rebate offered by the vehicle

- manufacturer or distributor directly to the retail buyer of the vehicle;
- 6. may not require a person, in order to receive the advertised credit terms, to pay a higher price for a motor vehicle and any related goods or services than the cash price the same person would have to pay to purchase the same vehicle and related goods or services;
- 7. may not advertise a guaranteed trade-in allowance or range of allowances unless the guarantee is provided by the manufacturer or distributor;
- 8. may not affix to a new motor vehicle a supplemental price sticker containing a price that represents the dealer's asking price if the supplemental price sticker exceeds the manufacturer's suggested retail price, unless the supplemental sticker
 - A. clearly and conspicuously, in the largest print appearing on the sticker other than the print size used for the dealer's name, discloses that the supplemental sticker price is the dealer's asking price, or words of similar meaning, and is not the manufacturer's suggested retail price;
 - B. clearly and conspicuously discloses the manufacturer's suggested retail price; and
 - C. states, if the supplemental sticker price is greater than the sum of the manufacturer's suggested retail price and the price of the items added by the dealer, the difference and describes it as additional dealer mark-up;
- 9. may not advertise or otherwise represent, or knowingly allow to be advertised or represented on behalf of the dealer, that a down payment is not required in connection with the sale of a motor vehicle when a down payment is in fact required;
- 10. may not advertise an offer for the sale, lease, or purchase of a motor vehicle that does not contain the name of the dealer;
- 11. may not represent and sell as a new motor vehicle a demonstrator vehicle or a motor vehicle that is a used motor vehicle; in this paragraph, "demonstrator vehicle"
 - A. means a motor vehicle
 - i. that has been assigned by a dealer for use by the dealership as an executive vehicle for promotional purposes, including being driven in the community;
 - ii. that has not been licensed by a retail buyer; and
 - iii. the title of which has not been transferred to a retail buyer;
 - B. does not include a motor vehicle that has only been driven to demonstrate the motor vehicle to a prospective buyer;
- 12. may not advertise that the dealer finances any person or does not reject any person's credit, or make similar claims;
- 13. may not advertise or make a statement, declaration, or representation in an advertisement that cannot be substantiated in fact; the burden of proof of the factual basis for the statement, declaration, or representation is on the dealer.
- b. [Repealed, Sec. 9 ch 171 SLA 2004].

Sec. 45.25.465. Sales of used motor vehicles; required disclosures.

- a. Before the sale of a used motor vehicle, a motor vehicle dealer shall,

1. when obtaining a used motor vehicle from an individual consumer, make a reasonable inquiry of the seller into the condition of the vehicle, including the accident and repair history of the vehicle; the information shall be recorded in writing and verified by the seller; the dealer shall provide this information to a prospective purchaser of the vehicle;
 2. when a motor vehicle dealer obtains a used motor vehicle from another motor vehicle dealer, a wholesaler, or an auction, disclose to a prospective purchaser of the vehicle that the vehicle was purchased from another dealer, a wholesaler, or an auction.
- b. Nothing in this section creates an express warranty by the dealer.
- c. [Repealed, Sec. 1 ch 56 SLA 2008].

Sec. 45.25.470. Sales of vehicles manufactured for sale in a foreign country.

Before sale, a motor vehicle dealer shall disclose in writing whether a motor vehicle was originally manufactured for sale in Canada or another foreign country.

Sec. 45.25.480. Identification number plates.

A motor vehicle dealer may not knowingly purchase or sell a vehicle that has an altered or removed vehicle identification number plate, or alter or remove a vehicle identification number plate.

Sec. 45.25.490. Required documentation.

A motor vehicle dealer may not sell or offer to sell a motor vehicle unless the motor vehicle dealer holds a manufacturer's statement of origin, a title, or another properly executed document reasonably necessary to obtain the statement of origin or title for transfer of the vehicle to the buyer.

Sec. 45.25.500. Trade-ins.

A motor vehicle dealer may not transfer title to a trade-in vehicle or perform any repairs or reconditioning on a trade-in vehicle before the completion of the sales transaction for which the vehicle is a trade-in.

Sec. 45.25.510. Disclosure of damages.

- a. Before entering into a new motor vehicle sales contract, a new motor vehicle dealer shall disclose in writing to a buyer of the new motor vehicle any known damage and repair to the new motor vehicle if the damage exceeds five percent of the manufacturer's suggested retail price as calculated at the dealer's authorized warranty rate for labor and parts, or \$1,000, whichever amount is greater. A new motor vehicle dealer is not required to disclose to a buyer that glass, tires, bumpers, or cosmetic parts of a new motor vehicle were damaged at any time if the damaged item has been replaced with original or comparable equipment. A replaced part is not part of the cumulative damage required to be disclosed under this subsection.
- b. If disclosure is not required under this section, a buyer may not revoke or rescind a sales contract due to the fact that the new motor vehicle was damaged and repaired before completion of the sale.
- c. In this section,
 1. "cosmetic parts" means parts that are attached by and can be replaced in total through the use of screws, bolts, or other fasteners without the use of welding or thermal cutting and includes windshields, bumpers, hoods, or trim panels;

2. "manufacturer's suggested retail price" means the retail price of the new motor vehicle suggested by the manufacturer and includes the retail delivered price suggested by the manufacturer for each accessory or item of optional equipment physically attached to the new motor vehicle at the time of delivery to the new motor vehicle dealer that is not included within the retail price suggested by the manufacturer for the new motor vehicle.

Sec. 45.25.520. Form of disclosures.

Except as provided in AS 45.25.460(a)(8)(A), if a disclosure is required by this chapter with respect to a motor vehicle advertisement, the disclosure must be made in a clear and conspicuous manner.

Sec. 45.25.530. Disclosure regarding receipt of commissions.

If a motor vehicle dealer's service operations employees receive a commission for the amount of work they perform, the motor vehicle dealer shall post a conspicuous sign that is visible to service customers that the dealer's service operations employees work on commission.

Sec. 45.25.590. Definitions.

In AS 45.25.400 - 45.25.590,

1. "advertise," "advertised," "advertising," and "advertisement" include representations, whether made on or off store premises, made to persons in the print media, in the broadcast media, on the computer, in a brochure, in a flyer, by direct mail, by sign, or on a tag;
2. "monroney sticker" means the window sticker required by 15 U.S.C. 1231 - 1233 (Automobile Information Disclosure Act);
3. "motor vehicle," notwithstanding the definition of "motor vehicle" in AS 45.25.990, means a vehicle, including a trailer, that is required to be registered under AS 28.10, but does not include a motorcycle;
4. "new motor vehicle," notwithstanding the definition of "new motor vehicle" in AS 45.25.990, means a motor vehicle that has not been titled to anyone and still retains the original manufacturer's certificate of origin.

Article 05. SALES AND SERVICE CONTRACTS

Sec. 45.25.600. Title transfer.

A motor vehicle dealer may not transfer the title for a motor vehicle to a buyer before all of the sale documents, including any finance contract arranged by the seller, are complete and executed in final form by all parties to the sale.

Sec. 45.25.610. Sales contracts.

- a. A motor vehicle sales contract must be in writing, signed by both the seller and buyer, and completed as to all essential provisions before the signing of the contract by the buyer and before delivery of the vehicle to the buyer.
- b. [Repealed, Sec. 9 ch 171 SLA 2004].
- c. If a motor vehicle dealer arranges financing for a buyer, the motor vehicle dealer may deliver the motor vehicle to the buyer before final approval by the financing entity if

1. the buyer and seller sign an agreement separate from the motor vehicle installment contract on an 8 1/2 x 11 inch sheet of paper that clearly and conspicuously informs the buyer that final financing arrangements have not yet been approved and that clearly sets out the amount that will be financed, the annual percentage rate of the finance charge, the amount of the finance charge, the number and frequency of payments, and the amount of each payment;
 2. the separate agreement clearly and conspicuously informs the buyer that accepting delivery of the vehicle before final financing approval obligates the buyer to terms of the motor vehicle sales contract if the terms on the separate agreement are identical to the terms finally approved by the financing entity; and
 3. the separate agreement provides that the separate agreement, the motor vehicle sales contract, and any and all other conditions of the purchase will be void if any of the terms contained in the separate agreement are changed by either the motor vehicle dealer or the financing institution as a condition of sale or final financing approval.
- d. If a buyer's final financing is not approved and, as a result, the transaction is not completed, the motor vehicle dealer shall return the buyer's entire down payment, and the buyer's trade-in, if any, shall be returned to the buyer in the same condition and with not more than 100 miles accumulated on the odometer from when the motor vehicle was delivered to the motor vehicle dealer.
- e. In this section, "sales contract" includes an installment sales contract, a short-term sales contract, and a single-payment contract.

Sec. 45.25.620. Service contracts.

- a. A motor vehicle service contract must be in writing and contain all essential provisions regarding the administration of the contract. If a motor vehicle dealer presents a service contract to the customer as an "application" for a contract, it must be clearly and conspicuously marked as an application and must disclose the applicable rules for obtaining a final service contract.
- b. If a service contract is included in a motor vehicle sale, the seller shall, before delivery of the motor vehicle, give to the buyer a written statement with all pertinent blank spaces filled in that shall be signed by both the buyer and seller and that clearly and conspicuously
1. explains the difference between a service contract and a warranty;
 2. discloses the maker of or obligor on the service contract;
 3. describes the relationship between the maker and the seller of the service contract;
 4. for a vehicle that is a used vehicle, notifies the buyer that the seller may not disclaim implied warranties if the seller is the maker or obligor of the service contract; and
 5. includes all other disclosures required by law.
- c. A motor vehicle dealer may not disclaim or limit implied warranties for a motor vehicle for which the motor vehicle dealer is a maker of a service contract sold for that motor vehicle. However, a motor vehicle dealer may disclaim or limit implied warranties as otherwise allowed by law, regardless of the make or model of the motor vehicle, if the motor vehicle dealer is merely the seller, not the maker, of the service contract and does not otherwise extend any written warranties on the motor vehicle that is purchased.
- d. In this section, "maker" means the person that makes, frames, and executes a service contract and assumes any obligation due to the buyer, but does not include a motor vehicle dealer who merely sells the service contract as the agent of a service contract company doing business in this state.

Sec. 45.25.630. Discharged amounts in motor vehicle leases.

- a. Notwithstanding another provision of law to the contrary, if the amount to be paid by a lessee under a motor vehicle lease includes a discharged amount, the inclusion of the discharged amount in the amount to be paid under the lease is not a loan of the discharged amount and is not subject to any law that regulates the disclosure of interest, the charging of interest, the amount of interest rates, or the lending of money.
- b. In this section, "discharged amount" means the amount, if any, that the lessor agrees to pay to discharge an outstanding obligation of the lessee under an existing motor vehicle agreement, loan, installment sales contract, or lease.

Article 06. GENERAL PROVISIONS

Sec. 45.25.900. Conflict with other law.

If a provision of this chapter conflicts with another provision of this title, this chapter controls.

Sec. 45.25.910. Remedial purpose.

The provisions of this chapter are remedial.

Sec. 45.25.990. Definitions.

In this chapter,

1. "dealer" means a new motor vehicle dealer or used motor vehicle dealer;
2. "dealership" means the business entity that is operated by a motor vehicle dealer;
3. "distributor" means a person or entity who sells or distributes new or used motor vehicles to motor vehicle dealers or who maintains or sends distributor representatives within or to this state to sell or distribute new or used motor vehicles to motor vehicle dealers in this state; in this paragraph, "distributor representative" means a representative employed by a distributor branch, distributor, or wholesaler who sells or distributes new or used motor vehicles to franchised motor vehicle dealers in this state;
4. "distributor branch" means a branch office maintained by a distributor or wholesaler who sells or distributes new or used motor vehicles to franchised motor vehicle dealers in this state;
5. "franchise" means a written arrangement for a definite or indefinite period in which a manufacturer, distributor, or motor vehicle wholesaler grants to a motor vehicle dealer a license, sales and service agreement, or contract of any kind to use a trade name, service mark, or related characteristic, and in which there is a community of interest in the wholesale or retail marketing of related motor vehicles or services;
6. "franchised" means having a franchise;
7. "fraud" includes a promise or representation not made honestly or in good faith, and an intentional failure to disclose a material fact;
8. "good faith" means honesty in fact and the observation of reasonable commercial standards of fair dealing in the trade;

9. "lease," except in AS 45.25.150, means a contract by which a person owning a motor vehicle grants to another person the right to possess, use, and enjoy the motor vehicle for a specified period of time in exchange for periodic payment of a stipulated price and in which the use of the vehicle is granted for a period of 12 or more months;
10. "manufacturer" means a person or the person's subsidiary who manufactures, imports, distributes, or assembles new motor vehicles and includes an administrator, a distributor, a distributor branch, and a factory branch; in this paragraph, "factory branch" means a branch office maintained by a manufacturer for directing and supervising the representatives of the manufacturer;
11. "manufacturer representative" means any employee or agent of a manufacturer who engages in the business of contacting a manufacturer's respective franchised dealers for the purpose of making or promoting the sale of the manufacturer's vehicles, parts, accessories, or services;
12. "motor vehicle" means a motor vehicle that is required to be registered under AS 28.10, but does not include a motor home, a recreational vehicle, or a motorcycle; in this paragraph,
 - A. "all-terrain vehicle" has the meaning given in AS 45.27.390;
 - B. "recreational vehicle" includes an all-terrain vehicle and a snow machine;
 - C. "snow machine" has the meaning given in AS 45.27.390;
13. "motor vehicle dealer" has the meaning given in AS 08.66.350, except that, in this paragraph, notwithstanding the definition of "motor vehicle" given in AS 08.66.350, "motor vehicle" has the meaning given in this section;
14. "motor vehicle salesperson" means a person who is employed by a motor vehicle dealer as a salesperson or sales representative to solicit, sell, lease, or exchange motor vehicles under the direction of a motor vehicle dealer;
15. "new motor vehicle" means a motor vehicle that has not been previously sold to and registered to a person except a distributor, wholesaler, or motor vehicle dealer for resale;
16. "new motor vehicle dealer" means a motor vehicle dealer for new motor vehicles or for new and used motor vehicles;
17. "sale" means the issuance, transfer, agreement for transfer, exchange, gift, pledge, hypothecation, or mortgage in any form, whether by transfer in trust or otherwise, of a motor vehicle, an interest in a motor vehicle, or a related franchise;
18. "service contract" means an optional agreement that is separate from a contract for the sale of a motor vehicle and that covers certain repair or maintenance functions beyond coverage provided by a warranty;
19. "terminate" includes nonrenewal or cancellation;
20. "used motor vehicle" means a motor vehicle that has been previously sold to and registered to a person other than a distributor, wholesaler, or motor vehicle dealer;
21. "used motor vehicle dealer" means a motor vehicle dealer for used motor vehicles.

The Attorney General and Department of Law staff may not provide legal advice to private citizens or organizations. Please contact an attorney if you need legal advice. The Alaska Lawyer Referral Service or your local bar association may be able to assist you in locating a lawyer.

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