

CS FOR HOUSE BILL NO. 383(STA)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FOURTH LEGISLATURE - SECOND SESSION

BY THE HOUSE STATE AFFAIRS COMMITTEE

Offered: 3/24/06

Referred: Rules

Sponsor(s): REPRESENTATIVES GARA, Lynn, Gardner, Gruenberg

A BILL

FOR AN ACT ENTITLED

1 "An Act limiting motor vehicle dealer charges for fees and costs; relating to the
2 disclosures required for certain motor vehicle transactions; and relating to the financing
3 of motor vehicle purchases."

4 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

5 * **Section 1.** AS 45.25.440 is amended to read:

6 **Sec. 45.25.440. Additional fees and costs [ADVERTISED PRICE].** (a)

7 When selling a motor vehicle, a motor vehicle dealer may not charge any [DEALER]
8 fees or costs **in addition to the advertised or negotiated price**, except for fees
9 actually paid to a state agency for licensing, registration, or title transfers [, UNLESS
10 THE FEES OR COSTS ARE INCLUDED IN THE ADVERTISED PRICE].

11 (b) In this section, "[DEALER] fees or costs" includes dealer preparation fees,
12 document preparation fees, surcharges, **charges**, and other [DEALER-IMPOSED]
13 fees and costs.

14 * **Sec. 2.** AS 45.25.610(c) is amended to read:

1 (c) If a motor vehicle dealer arranges financing for a buyer, the motor vehicle
 2 dealer may deliver the motor vehicle to the buyer before final approval by the
 3 financing entity if

4 (1) the buyer and seller sign an agreement separate from the motor
 5 vehicle installment contract on an 8 1/2 x 11 inch sheet of paper that clearly and
 6 conspicuously informs the buyer that final financing arrangements have not yet been
 7 approved and that clearly sets out the amount that will be financed, the annual
 8 percentage rate of the finance charge, the amount of the finance charge, the number
 9 and frequency of payments, and the amount of each payment;

10 (2) the separate agreement in (1) of this subsection clearly and
 11 conspicuously informs the buyer that accepting delivery of the vehicle before final
 12 financing approval obligates the buyer to terms of the motor vehicle sales contract if
 13 the terms on the separate agreement are identical to the terms finally approved by the
 14 financing entity; [AND]

15 (3) the motor vehicle dealer complies with the disclosure
 16 requirements of (f) of this section; and

17 (4) the separate agreement in (1) of this subsection provides that the
 18 separate agreement, the motor vehicle sales contract, and any and all other conditions
 19 of the purchase will be void if any of the terms contained in the separate agreement are
 20 changed by either the motor vehicle dealer or the financing institution as a condition
 21 of sale or final financing approval.

22 * **Sec. 3.** AS 45.25.610 is amended by adding a new subsection to read:

23 (f) In addition to the other requirements of this section, if a motor vehicle
 24 dealer arranges financing for a proposed buyer or offers financing to a proposed buyer,
 25 the dealer shall disclose in writing and before the sale is finalized

26 (1) whether the interest rate quoted to the proposed buyer is different
 27 than the interest rate charged to the dealer; and

28 (2) that the interest rate quoted to the buyer may not be the lowest
 29 interest rate available.