

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

Fiscal Note Number: 1
 Bill Version: CSHB 303(L&C)
 (H) Publish Date: 1/31/08

Identifier (file name): _____ Dept. Affected: LAW
 Title An Act relating to marine and motorized recreational RDU CIVIL
products. Component COMMERCIAL & FAIR BUSINESS
 Sponsor REPRESENTATIVE(s) NEUMAN
 Requester HOUSE L&C Component Number _____

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information						
		FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
OPERATING EXPENDITURES								
Personal Services								
Travel								
Contractual								
Supplies								
Equipment								
Land & Structures								
Grants & Claims								
Miscellaneous								
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES								
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CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts								
1003 GF Match								
1004 GF								
1005 GF/Program Receipts								
1037 GF/Mental Health								
Other Interagency Receipts								
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2008) cost: 0.0

POSITIONS

Full-time								
Part-time								
Temporary								

ANALYSIS: (Attach a separate page if necessary)

See attached analysis.

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 Division Administrative Services Division
 Approved by: Talis Colberg, Attorney General
Department of Law

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 Date/Time 1/28/08 4:10 PM
 Date 1/28/2008

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**STATE OF ALASKA
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BILL NO. CSHB 303(L&C)

ANALYSIS CONTINUATION

HB 303 adds a section to Title 45 that will govern the relationship between dealers and manufacturers or distributors of marine and motorized recreational products. The bill contains significant restrictions on manufacturers and distributors from freely negotiating agreements with dealers in Alaska. These include prohibitions on termination and non-renewal of agreements, requirements to change or transfer an agreement, and various requirements that restrict a manufacturer or distributor from changing a dealer's area of responsibility, or adding a new dealer to an area occupied by an existing dealer. The bill requires manufacturers and distributors to comply with various shipping requests made by the dealer, to deliver products within a certain time, to allow the dealer to select the shipping method, and to take responsibility for product damage prior to acceptance of the product by the dealer. There are several repurchasing provisions in the bill that require a manufacturer or distributor to repurchase a dealer's inventory if a dealer discontinues in the business or decides to stop selling a particular product. The bill contains provisions that require manufacturers and distributors to comply with advertised warranty provisions, and supply necessary repair parts in a timely manner. Dealers must have factory trained technicians to perform warranty service. The bill limits a dealer's liability for money owed to a manufacturer or distributor as the result of a dealer audit unless the audit is conducted within two years, or if the dealer failed to retain parts for more than three months. Finally, the bill adds civil and criminal penalties for failure to comply with its terms, makes a violation of the statute an unfair trade practice under AS 45.50.471, and exempts conduct under the bill from Alaska's antitrust laws.

There are significant legal issues with this bill, including direct conflicts with federal law, that would necessitate research and further legal analysis. However, any resulting complaints made to the Department of Law as a result of this bill are anticipated to be minimal, and absorbed within existing resources.