

**CS FOR HOUSE BILL NO. 233(TRA)**

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-THIRD LEGISLATURE - SECOND SESSION

**BY THE HOUSE TRANSPORTATION COMMITTEE**

**Offered: 5/6/24**

**Referred: Today's Calendar**

**Sponsor(s): REPRESENTATIVES TOMASZEWSKI, Shaw, Josephson, Stapp, Coulombe, Carrick, Wright, Allard, Cronk, Ruffridge, Stutes, Prax, Vance, Ortiz, Foster, Galvin, McKay, Armstrong, Sumner**

**A BILL**

**FOR AN ACT ENTITLED**

1 **"An Act relating to rates and time allowances for motor vehicle warranty work; and**  
2 **relating to unfair practices by manufacturers."**

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

4 **\* Section 1.** AS 45.25.210(b) is amended to read:

5 (b) The schedule of compensation must include compensation for parts and  
6 labor and must comply with this section. The compensation for parts must include the  
7 average retail percentage markup that the new motor vehicle dealer charges. **The**  
8 **compensation for labor must include the rates and time allowances for warranty**  
9 **work.**

10 **\* Sec. 2.** AS 45.25.210(c) is amended to read:

11 (c) Unless otherwise agreed to by the manufacturer and the new motor vehicle  
12 dealer, [THE RATES IN] the schedule of compensation **may not contain**  
13 **(1) rates** [MAY NOT BE] less than the rates that the new motor  
14 vehicle dealer charges retail customers for similar nonwarranty service work; **and**

1                                    **(2) time allowances less than time allowances provided in**  
 2                                    **independent labor time guides.**

3        \* **Sec. 3.** AS 45.25.210 is amended by adding a new subsection to read:

4                                    (j) In this section,

5                                    (1) "rate" means the dollar amount that a manufacturer pays a new  
 6                                    motor vehicle dealer for one hour of labor;

7                                    (2) "time allowance" means the maximum number of hours of labor  
 8                                    that may be billed for a particular job.

9        \* **Sec. 4.** AS 45.25.300 is amended to read:

10                                  **Sec. 45.25.300. Unfair practices.** A manufacturer may not

11                                  (1) require, coerce, or attempt to coerce a new motor vehicle dealer to  
 12                                  change the location of the new motor vehicle dealership or to make any substantial  
 13                                  alterations to the new motor vehicle dealership premises or facilities if the alterations  
 14                                  would be unreasonable or if there is not expected to be a sufficient supply of new  
 15                                  motor vehicles to justify the change of location or the alterations because of market  
 16                                  and economic conditions; this paragraph does not apply to alterations that are  
 17                                  necessary to comply with health or safety laws; in this paragraph, "substantial  
 18                                  alterations" does not include erecting signs subject to the manufacturer's intellectual  
 19                                  property rights, doing interior painting that is necessary to keep a new motor vehicle  
 20                                  dealer facility in an attractive condition, or performing routine maintenance;

21                                  (2) require a new motor vehicle dealer to purchase or include in  
 22                                  inventory a predetermined number or percentage of certified pre-owned motor  
 23                                  vehicles or lease return motor vehicles;

24                                  (3) except because of reasons beyond the manufacturer's control,  
 25                                  refuse or fail to deliver or offer for sale in reasonable quantities to a new motor vehicle  
 26                                  dealer holding a franchise for a line make of new motor vehicles sold or distributed by  
 27                                  the manufacturer a new motor vehicle, part, or accessory, if the new motor vehicle,  
 28                                  part, or accessory is being delivered to other new motor vehicle dealers; this paragraph  
 29                                  does not apply to limited edition or limited release vehicle parts or accessories;

30                                  (4) require a new motor vehicle dealer to purchase unreasonable  
 31                                  advertising displays or other materials or an unreasonable number of signs;

1 (5) require a new motor vehicle dealer to order or accept delivery of a  
 2 new motor vehicle, part, accessory, piece of equipment, promotional material, display  
 3 device, display decoration, or other item that is not otherwise required by law and that  
 4 the new motor vehicle dealer does not voluntarily order; this paragraph does not apply  
 5 to safety and emissions recall campaign parts or to a motor vehicle feature, part,  
 6 accessory, or other component required by federal law, the law of this state, or local  
 7 law;

8 (6) coerce, attempt to coerce, or require a new motor vehicle dealer to

9 (A) join, contribute money to, or affiliate with an advertising  
 10 association; or

11 (B) participate monetarily in an advertising campaign; [OR]

12 (7) increase the price of a new motor vehicle that the new motor  
 13 vehicle dealer has ordered from the manufacturer and for which there exists at the time  
 14 of the order a bona fide sale to a retail or fleet purchaser if the dealer submitted the  
 15 order to the manufacturer before the manufacturer provided the new motor vehicle  
 16 dealer with an official written price increase notification; or

17 (8) recover the manufacturer's costs for compensating a new  
 18 motor vehicle dealer for warranty work by reducing the amount due to or  
 19 imposing a separate charge, surcharge, administrative fee, or other similar cost  
 20 on the new motor vehicle dealer; this paragraph does not prohibit a  
 21 manufacturer from increasing the price of a new motor vehicle or changing a  
 22 schedule of compensation in the ordinary course of business.

23 \* **Sec. 5.** AS 45.25.990(18) is amended to read:

24 (18) "schedule of compensation" means a schedule of compensation  
 25 established under AS 45.25.210 that includes parts, rates for labor, and time  
 26 allowances for labor;