

Introduced: 2/15/82  
Referred: Labor & Commerce and  
Finance

1 IN THE HOUSE

BY THE LABOR AND COMMERCE  
COMMITTEE BY REQUEST

2 HOUSE BILL NO. 795

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to motor vehicle rustproofing  
7 services; and providing for an effective date."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 \* Section 1. AS 45.45 is amended by adding a new section to read:

10 ARTICLE 6. MOTOR VEHICLE RUSTPROOFING.

11 Sec. 45.45.241. MOTOR VEHICLE RUSTPROOFING. (a) A supplier of  
12 motor vehicle rustproofing service shall warrant to the consumer that  
13 the service will prevent rust or corrosion in the portions of the motor  
14 vehicle to which the rustproofing service is applied.

15 (b) A rustproofing warranty under this section shall

16 (1) be in writing in readable, clear, and easily understood  
17 language;

18 (2) provide for indemnification of the consumer for the  
19 actual cost of repairing damage caused by rusting or corrosion of any  
20 part of the motor vehicle that has been rustproofed, during a period of  
21 at least four but no more than seven years from the date of rustproofing  
22 service for a new car, and at least six months but no more than three  
23 years from the date of rustproofing service for a used car;

24 (3) include all motor vehicle body sheet metal, structural  
25 members, and frame components;

26 (4) state procedures for claims service if the supplier  
27 terminates business or is otherwise not available;

28 (5) be transferable to subsequent owners of the motor vehicle  
29 during the period of the warranty.

1 (c) A rustproofing warranty under this section may not  
2 (1) impose a limit on the number of claims that may be made  
3 while the warranty is in effect;  
4 (2) require that the motor vehicle be inspected to validate  
5 the warranty unless the inspection takes place at a time and place  
6 convenient to the consumer;  
7 (3) require that the consumer perform maintenance work on the  
8 motor vehicle to maintain the warranty;  
9 (4) relieve the supplier from liability for rust or corrosion  
10 that occurs through the supplier's failure to adequately complete the  
11 rustproofing treatment;  
12 (5) require that the supplier register the warranty with a  
13 franchiser or parent company before it takes effect.  
14 (d) A consumer is allowed a grace period of 60 days before and 60  
15 days after a date set by the supplier for an inspection under (c)(2) of  
16 this section during which time period the inspection may be performed.  
17 (e) Rights under this section may not be waived. A waiver of  
18 rights under this section is unenforceable.  
19 (f) A supplier of rustproofing service shall display a notice that  
20 clearly and conspicuously discloses the text of the rustproofing  
21 warranty required by this section, or shall display a notice that  
22 clearly and conspicuously states that the text of the warranty is avail-  
23 able for inspection upon request.  
24 (g) A supplier of rustproofing service shall deposit a performance  
25 bond in the amount of \$10,000 with the department to assure compliance  
26 with the provisions of this section. In place of the bond a supplier  
27 may deposit \$5,000 in an interest-bearing account held by the depart-  
28 ment. A supplier of rustproofing service who discontinues the busi-  
29 ness of supplying rustproofing service in the state shall maintain the

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performance bond or cash deposit required by this section until the warranty expires for the last rustproofing service performed before discontinuation of business. The department shall adopt regulations that provide for forfeiture of a performance bond or cash deposit and distribution of all or part of the proceeds to a consumer who is unable to receive satisfaction on a valid warranty claim against a supplier of rustproofing service through other available means.

(h) In this section

(1) "department" means the Department of Commerce and Economic Development;

(2) "motor vehicle" means a vehicle that is self-propelled except a vehicle moved by human or animal power;

(3) "rustproofing service" means a service or process that is represented to be for the purpose of preventing, inhibiting, or retarding rust or corrosion of any part of a motor vehicle.

\* Sec. 2. AS 45.50.471(b) is amended by adding a new paragraph to read:

(26) failing to comply with AS 45.45.241.

\* Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-070(c).