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GRUSSENDORF, MALONE AND
PHILLIPS

1 IN THE HOUSE

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HOUSE BILL NO. 344

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IN THE LEGISLATURE OF THE STATE OF ALASKA

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THIRTEENTH LEGISLATURE - FIRST SESSION

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A BILL

6 For an Act entitled: "An Act relating to motor vehicle warranties."

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

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

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ARTICLE 6. MOTOR VEHICLE WARRANTIES.

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Sec. 45.45.300. MOTOR VEHICLE WARRANTIES. (a) If a new motor

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vehicle does not conform to an express warranty that is applicable to

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it and the owner of the vehicle reports the nonconformity to the

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manufacturer or distributor of the vehicle, the agent of the manufac-

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turer or distributor, or the manufacturer's or distributor's dealer

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during the term of the warranty or within one year after the date of

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delivery of the motor vehicle to the owner, whichever date is earlier,

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the manufacturer, distributor, agent, or dealer shall make the neces-

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sary repairs to conform the vehicle under the express warranty.

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(b) If a manufacturer, distributor, agent, or dealer is unable

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to conform the motor vehicle under an applicable express warranty

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under (a) of this section after a reasonable number of attempts and

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the nonconformity is a defect or condition that substantially impairs

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the use and value of the motor vehicle to the owner, the manufacturer

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or distributor shall accept the return of the defective motor vehicle

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and shall, at the option of the owner, replace the motor vehicle with

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a new motor vehicle, or refund the purchase price to the owner, in-

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cluding all collateral charges. A refund under this subsection shall

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be made to the owner and to a lienholder as their respective interests

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appear.

1 (c) It is an affirmative defense to a claim made under (b) of
2 this section for a new motor vehicle or a refund that the nonconformi-
3 ty complained of

4 (1) does not substantially impair the use and value of the
5 motor vehicle; or

6 (2) is the result of abuse, neglect, or unauthorized modi-
7 fication or alteration of the motor vehicle by the owner.

8 (d) A presumption that a reasonable number of attempts have been
9 undertaken to conform a motor vehicle under an applicable express
10 warranty is established if (1) the same nonconformity has been subject
11 to repair four or more times by the manufacturer or distributor, its
12 agent, or its dealer during the term of the warranty or the one-year
13 period after delivery of the motor vehicle to the owner, whichever
14 period terminates first, but the nonconformity continues to exist; or
15 (2) the vehicle is out of service for repair for a total of 30 or more
16 days during the warranty term or the one-year period referred to in
17 (1) of this subsection, whichever period terminates first. A period
18 of time under this subsection is extended by any period during which
19 repair services are not available to the owner for reasons that are
20 not the responsibility of the owner.

21 (e) If the nonconformity is a defect in the motor vehicle that
22 makes it unsafe for the owner to operate it and the defect is reported
23 under (a) of this section, the time period for repair, refund, or
24 replacement under (b) of this section is reduced to 14 days.

25 (f) A failure to replace or refund the purchase price of a motor
26 vehicle when there is a requirement to do so under this section is an
27 unfair trade practice under AS 45.50.471.

28 (g) The provisions of this section do not limit other rights and
29 remedies that may be available to the owner of a motor vehicle under

1 other provisions of law.

2 (h) If a manufacturer or distributor has established an informal
3 dispute settlement procedure that complies with the provisions of 16
4 C.F.R. Part 703, as that Part may be amended, the provisions of (b) of
5 this section concerning refund or replacement do not apply to an owner
6 who has not first resorted to the informal dispute settlement proce-
7 dure.

8 (i) In this section

9 (1) "motor vehicle" or "vehicle" means a motor vehicle as
10 defined in AS 28.35.360 that is required to be registered under
11 AS 28.10 or with a governmental agency of another jurisdiction per-
12 forming a similar function;

13 (2) "owner" means a purchaser, other than for resale, of a
14 new motor vehicle, a person to whom the motor vehicle is transferred
15 during the term of an express warranty applicable to the vehicle, or
16 any other person entitled to enforce an express warranty on the vehi-
17 cle under the terms of the warranty;

18 (3) "substantially impairs use and value" refers to a
19 defect or condition in a vehicle that

20 (A) prevents it from being operated;

21 (B) makes it unsafe to operate; or

22 (C) decreases the economic life of the vehicle.