

ALASKA LEGISLATURE COMMITTEE FILES, 2003-2004 8672

10926 HOUSE LABOR & COMMERCE ( )

# Alaska State Legislature

*Session:*  
State Capitol  
Juneau, AK 99801  
Phone: (907) 465-2995  
Fax: (907) 465-6592



*Interim:*  
716 W 4<sup>th</sup> Avenue, Suite 300  
Anchorage, AK 99501-2133  
Phone: (907) 269-0250  
Fax: (907) 269-0249

**Representative Lesil McGuire**  
Chair, Judiciary Committee

## Sectional Analysis

### HB 268

*"An Act relating to an exemption for specialty contractors under the laws regulating architects, engineers, land surveyors, and landscape architects."*

**Section 1** – Amends AS 08.48.331(a)(7) by changing statutory provisions that define work by specialty contractors licensed under AS 08.18 by removing existing language (Pg. 2, Ln.22-25, 27-28) and adding new language that specifies preparation of shop or field drawings for work “designed by a professional architect, engineer, or landscape artist” (Pg. 2, Ln. 26-27).

# FISCAL NOTE

**STATE OF ALASKA**  
**2003 LEGISLATIVE SESSION**

Fiscal Note Number: \_\_\_\_\_  
 Bill Version: HB 268  
 () Publish Date: \_\_\_\_\_

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: DCED  
 Title Licensing Specialty Contractors BRU Occupational Licensing (17)  
 Component Occupational Licensing  
 Sponsor Representative McGuire  
 Requester House Labor and Commerce Component No. 2360

**Expenditures/Revenues** (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>						
-----------------------------	--	--	--	--	--	--

<b>CHANGE IN REVENUES ( )</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
-------------------------------	------------	------------	------------	------------	------------	------------

**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other 1156 - Receipt Supported Services						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2003) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2004 budget proposal:

**POSITIONS**

Full time						
Part-time						
Temporary						

**ANALYSIS:** (Attach a separate page if necessary)

HB 268 clarifies the specialty contractor exemption in the statutes regulating architects, engineers, and land surveyors, AS 08.48.331(a). New funds are not required to implement this bill.

Prepared by: Jennifer Strickler, Administrative Manager  
 Division Occupational Licensing  
 Approved by: Edgar Blatchford, Commissioner  
 Agency Department of Community & Economic Development

Phone 907-465-2144  
 Date/Time 5/1/03 3:00 PM  
 Date 5/1/2003

**HB**

**269**



AMENDMENT

OFFERED IN THE HOUSE  
TO: HB 269

BY REPRESENTATIVE DAHLSTROM

- 1 Page 1, line 8:  
2 Delete "member"  
3 Insert "state senator"  
4  
5 Page 1, line 9:  
6 Delete "member"  
7 Insert "state representative"  
8  
9 Page 1, line 10, following "member":  
10 Insert "of the administration"  
11  
12 Page 2, line 6:  
13 Delete "one family"  
14 Insert "a consistent set"  
15  
16 Page 2, line 6:  
17 Delete "and"  
18  
19 Page 2, line 8, following "codes":  
20 Insert "; and  
21 (3) discuss and make recommendations on the methods and authority  
22 for local governments to amend and administer safety codes"  
23

1 Page 2, line 12:

2 Delete "act as"

3 Insert "participate on"

4

5 Page 2, line 12, following "task force.":

6 Insert "The president of the senate and the speaker of the house of  
7 representatives may jointly appoint the following additional members to the advisory  
8 panel:

9 (1) a municipal building official;

10 (2) a municipal fire prevention official;

11 (3) a journeyman mechanical installer;

12 (4) a journeyman plumber;

13 (5) a journeyman electrician;

14 (6) a building developer;

15 (7) a representative of the Alaska Oil and Gas Association;

16 (8) a representative of a pipeline operator;

17 (9) a representative from the Alaska Housing Finance Corporation;

18 (10) a representative of the Alaska Homebuilders Association; and

19 (11) a representative from a regional housing authority.

20 (d) If additional organizations, or industries, trades, or professions show an  
21 interest in participating, the president of the senate and the speaker of the house of  
22 representatives may jointly appoint additional members to the advisory panel.

23 (e)"

24

25 Reletter the following subsections accordingly.



217 Second Street, Suite 200 • Juneau, Alaska 99801  
Tel (907) 586-1325 • Fax (907) 463-5480 • [www.akml.org](http://www.akml.org)

April 28, 2003

Representative Tom Anderson  
State Capitol  
Room 432  
Juneau, AK 99801

**Re: H.B. 269 – Safety Code Task Force**

Dear Representative Anderson,

I am writing on behalf of the Alaska Municipal League (AML). AML members believe that the representation on this task force ought to be expanded to include municipal building officials.

Thank you for the opportunity to comment on this important legislation.

Sincerely,

Sarah A. Gilbertson  
Policy and Program Coordinator

**CITY OF SEWARD**  
P.O. BOX 167  
SEWARD, ALASKA 99664-0167



- Main Office (907) 224-4050
- Police (907) 224-3338
- Harbor (907) 224-3138
- Fire (907) 224-3445
- Fax (907) 224-4038

April 24, 2003

The Honorable Tom Anderson, Chair  
House Labor & Commerce Committee

re: House Bill No. 269

Honorable Chairman Anderson & Members of the House Labor & Commerce Committee,

The City of Seward appreciates Representative Dahlstrom's efforts to examine safety codes adopted by the State of Alaska as these safety codes are also adopted by some municipalities. However, there is concern over the lack of representation on the proposed Safety Code Task Force by those who review and enforce the adopted safety codes for the State of Alaska and the municipalities. Inclusion of this group of people on the task force would provide significant insight into the implementation of the codes at the local level.

Specifically, we recommend the inclusion of a Building Official, the State Fire Marshal, and an Inspector qualified as a "Combination Inspector" by the ICBO. Excluding this group from representation on the committee detracts from the credibility of the committee.

The City of Seward supports the adoption of safety codes that reference with each other, making it easier for enforcement officials to coordinate a project and ensure the safety of the public.

Thank you for the opportunity to comment on House Bill 269.

Sincerely,

A handwritten signature in cursive script, appearing to read "Kris Erchinger".

Kris Erchinger  
Acting City Manager



**CITY OF FAIRBANKS**  
*Steve M. Thompson, Mayor*

800 CUSHMAN STREET  
FAIRBANKS, ALASKA 99701-4615  
OFFICE: 907-459-6793  
FAX: 907-459-6787  
smthompson@ci.fairbanks.ak.us

April 24, 2003

**VIA FACSIMILE: (907) 455-3871**

Senator Con Bunde  
Chairman Senate Labor and Commerce Committee  
State Capital Room 506  
Juneau, Alaska 99801-1182

Re: SB 180 Safety Code Task Force

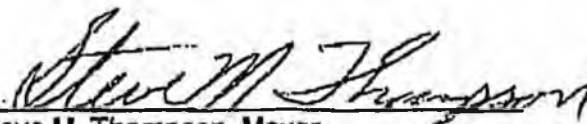
Dear Senator Bunde:

The City of Fairbanks has reviewed Senate Bill 180 wherein the purpose of said bill is to establish a task force for the purpose of reviewing and reevaluating available published safety codes. While we concur with the spirit and purpose of the Senate Bill, we respectfully disagree with its composition. More accurately we believe that municipal participation should be included on the task force. A representative from a full service building or fire department should be a standing member of the task force. If the task force is to reach an equitable solution and provide a meaningful recommendation to the legislature it is essential that personnel who provide daily plan review and inspections for municipal code compliance be provided an opportunity to engage in this important decision. To do otherwise, would exclude valuable expertise and insight.

We also request that any appointment to the task force not result in duplicate representation. Please feel free to contact me if you have any questions. We look forward to hearing from you and the committee.

Sincerely,

CITY OF FAIRBANKS

  
Steve M. Thompson, Mayor

CC: City Council  
Interior Delegation  
Steve Shuttleworth  
Code Review commission  
File



**MECHANICAL CONTRACTORS**  
of Alaska, Inc.



April 24, 2003

Chairman Anderson & House Labor and Commerce Committee Members:

Our Association supports HB 269.

The current process of safety code adoption by regulation is flawed and needs reformation. This taskforce, with the makeup as called for in this bill, will find solutions for safety code adoption that have the broad support of the construction community. The people who use these codes daily in the course of their careers, and are familiar with what does and does not work in Alaska, will be making recommendations about which codes to adopt and how to adopt them to allow all affected groups to have a equal voice.

Thank You

*Eugene R. Rutland*  
Eugene R. Rutland  
Executive Director



CITY/BOROUGH OF JUNEAU  
ALASKA'S CAPITAL CITY

HB 269

**OFFICE OF THE MANAGER**

Telephone: (907) 586-5240; Fax: (907) 586-5385  
[Rod\\_Swope@ci.juneau.ak.us](mailto:Rod_Swope@ci.juneau.ak.us)

April 23, 2003

The Honorable Con Bunde, Chair  
Senate Labor and Commerce Committee  
State Capitol, Room 107  
Juneau, Alaska 99801-1192

RE: Senate Bill 180

Dear Senator Bunde:

The City and Borough of Juneau (CBJ) offers the following comments on Senate Bill 180, sponsored by Senator Therriault.

The CBJ appreciates Senator Therriault's interest in building safety, and supports establishing a taskforce to review the complicated issues associated with adopting and implementing safety codes for the State of Alaska.

We have two suggestions that we believe will significantly improve the bill.

A building code official/inspector should be included on the taskforce as a voting member, or at least as a member of the advisory panel. The codes used in Alaska will be enforced and implemented by local building officials/inspectors and it is very important that their perspective be represented prominently in the taskforce process.

The taskforce recommendation should not result in selection of a "family" of codes. The taskforce should have the flexibility to select portions of one code family and portions of the other if that will best serve the state.

Thank you for the opportunity to comment on Senate Bill 180.

Sincerely,

Rod Swope  
City & Borough Manager

cc: Senator Gene Therriault  
Members of Senate Labor and Commerce Committee  
Senator Kim Elton  
Representative Beth Kerttula  
Representative Bruce Weyhrauch  
Mayor Sally Smith



**CITY OF FAIRBANKS**  
*Steve M. Thompson, Mayor*

800 CUSHMAN STREET  
 FAIRBANKS, ALASKA 99701-4615  
 OFFICE: 907-459-6793  
 FAX: 907-459-6787  
 smthompson@ci.fairbanks.ak.us

April 24, 2003

**VIA FACSIMILE: (907) 485-3871**

Senator Con Bunde  
 Chairman Senate Labor and Commerce Committee  
 State Capital Room 506  
 Juneau, Alaska 99801-1182

Post-it® Fax Note	7871	Date	# of pages ▶
To	<i>Chairman</i>	From	<i>City Fairbanks</i>
Co./Dept.	<i>Tom Anderson</i>	Co.	<i>1</i>
Phone #	<i>Labor/Commerce</i>	Phone #	
Fax #	<i>907 465-2418</i>	Fax #	

Re: SB 180 Safety Code Task Force

Dear Senator Bunde:

The City of Fairbanks has reviewed Senate Bill 180 wherein the purpose of said bill is to establish a task force for the purpose of reviewing and reevaluating available published safety codes. While we concur with the spirit and purpose of the Senate Bill, we respectfully disagree with its composition. More accurately we believe that municipal participation should be included on the task force. A representative from a full service building or fire department should be a standing member of the task force. If the task force is to reach an equitable solution and provide a meaningful recommendation to the legislature it is essential that personnel who provide daily plan review and inspections for municipal code compliance be provided an opportunity to engage in this important decision. To do otherwise, would exclude valuable expertise and insight.

We also request that any appointment to the task force not result in duplicate representation. Please feel free to contact me if you have any questions. We look forward to hearing from you and the committee.

Sincerely,

CITY OF FAIRBANKS

*Steve M. Thompson*  
 Steve M. Thompson, Mayor

CC: City Council  
 Interior Delegation  
 Steve Shuttleworth  
 Code Review commission  
 File

# ALASKA STATE LEGISLATURE

*Vice Chair:*

Joint Armed Services Committee

*Member:*

Military and Veterans Affairs Committee

Labor and Commerce Committee

State Affairs Committee

Economic Development, Trade, &

Tourism Committee



*Session:*

Alaska State Capitol

Juneau, AK 99801-1182

Phone: (907) 465-3783

Fax: (907) 465-2293

Toll Free (877) 460-3783

*Interim:*

716 West 4<sup>th</sup> Avenue

Anchorage, AK 99501-2133

Phone: (907) 269-0174

Fax: (907) 269-0177

## REPRESENTATIVE NANCY DAHLSTROM

ELMENDORF AFB • FORT RICHARDSON • BIRCHWOOD • FIRE LAKE • GOVERNMENT HILL • MULDOON

[Representative\\_Nancy\\_Dahlstrom@legis.state.ak.us](mailto:Representative_Nancy_Dahlstrom@legis.state.ak.us)

To: Representative Tom Anderson, Chairman, House Labor and Commerce Committee

From: Representative Nancy Dahlstrom

Date: April 16, 2003

Re: House Bill 269

---

Please schedule HB 269 "An Act establishing the Safety Code Task Force; and providing for an effective date" for a hearing in House Labor and Commerce Committee as soon as possible.

Included with the request is:

- 1) HB 269
- 2) Sponsor Statement

Thank you for your consideration.

# ALASKA STATE LEGISLATURE

*Vice Chair:*  
Joint Armed Services Committee

*Member:*  
Military and Veterans Affairs Committee  
Labor and Commerce Committee  
State Affairs Committee  
Economic Development, Trade, &  
Tourism Committee



*Session:*  
Alaska State Capitol  
Juneau, AK 99801-1182  
Phone: (907) 465-3783  
Fax: (907) 465-2293  
Toll Free (877) 460-3783

*Interim:*  
716 West 4<sup>th</sup> Avenue  
Anchorage, AK 99501-2133  
Phone: (907) 269-0174  
Fax: (907) 269-0177

## REPRESENTATIVE NANCY DAHLSTROM

ELMENDORF AFB • FORT RICHARDSON • BIRCHWOOD • FIRE LAKE • GOVERNMENT HILL • MULDOON  
Representative\_Nancy\_Dahlstrom@legis.state.ak.us

### Sponsor Statement

#### HB 269

#### "An Act establishing the Safety Code Task Force: and providing for an effective date."

There are five primary safety codes dealing with construction in Alaska which are under the jurisdiction of two different Departments. The Fire, Building, and Mechanical Codes are under the jurisdiction of the Fire Marshall at the Department of Public Safety. The Plumbing and Electrical Codes are governed by the Department of Labor. Each department is responsible for adopting a family of codes to bring uniformity and consistency to the construction industry. However, the current delegation of authority to the respective departments has caused a set of conflicts and discrepancies.

The mission of the Safety Code Task Force is to suggest options for consolidation of our code administration function. The Task Force will be charged with presenting recommendations to the legislature by the first day of the Second Regular Session of the Twenty-Third Alaska State Legislature.

The Safety Code Task force will consist of 9 members representing parties affected by the adoption of Safety Codes in the state. The make up of the task force is as follows:

- Appointee of the Senate President, Co-Chair
- Appointee of the Speaker of the House, Co-Chair
- Appointee of the Governor

The following members are to be appointed jointly by the Senate President and the Speaker of the House:

- Representative of the construction design community
- Representative of the construction engineering community
- Representative for general contractors
- Representative for mechanical contractors
- Representative for electrical contractors
- Representative for plumbing contractors

In addition, the Governor will appoint an advisory panel; these members will represent the Division of Occupational Licensing, the Division of Fire Prevention, and the Department of Labor and Workforce Development. The purpose of this group is to advise the Task Force on the effect of any changes in code adoption to their respective agencies.

# FISCAL NOTE

**STATE OF ALASKA**  
**2003 LEGISLATIVE SESSION**

Fiscal Note Number: \_\_\_\_\_  
 Bill Version: HB 269  
 () Publish Date: \_\_\_\_\_

Revision Date/Time (Note if correction): \_\_\_\_\_ Department: Labor and Workforce Development  
 Title: Safety Code Task Force BRU: Labor Standards and Safety  
 Component: Mechanical Inspection  
 Sponsor: Representative Dahlstrom  
 Requester: House L&C Component Number: 346

**Expenditures/Revenues** (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Personal Services						
Travel	2.5					
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>2.5</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>						
-----------------------------	--	--	--	--	--	--

<b>CHANGE IN REVENUES ( )</b>						
-------------------------------	--	--	--	--	--	--

**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	2.5					
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
<b>TOTAL</b>	<b>2.5</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2003) cost: None

Check this box (X) if funding for this bill is included in the Governor's FY 2004 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

**ANALYSIS:** (Attach a separate page if necessary)

The bill would have a person from the department appointed to an advisory panel to the Safety Code Task Force. The department assumes there will be three in person meetings at a location to be determined with an estimated cost of \$2,500.00 for travel and per diem.

Prepared by: Grey Mitchell, Director Phone: 465-4855  
 Division: Labor Standards and Safety Date/Time: 4/16/03 8:27 AM  
 Approved by: Greg O'Claray, Commissioner Date: 04/16/03  
 Agency: Department of Labor and Workforce Development

For distribution information, call the Governor's Legislative Office

HB

270



4 of 7

PO Box 61328  
Fairbanks, AK 99706-1328  
April 17, 2003

Honorable Representative Nancy Dahlstrom  
Alaska State House of Representatives  
State Capitol, Room 108  
Juneau, AK 99801

RE: HB 270

Dear Representative Dahlstrom,

I would like to thank you for sponsoring HB 270 "an Act relating to the licensure of pharmacists." I have been a registered pharmacist in the State of Alaska for over 30 years and currently serve on the Alaska Board of Pharmacy. As the pharmacy statutes now stand, the Board does not have the authority to deny a license. Therefore, the board might be compelled to issue licenses to individuals with criminal and objectionable backgrounds (including felony drug convictions, felony weapons convictions, drug abuse, etc.). Your bill would allow the Board to refuse to license an applicant for the same reason that it may impose disciplinary sanctions. Giving the Board of Pharmacy this authority is necessary for the Board to protect the health and safety of the public.

Thank you again for your support,

Margaret D. Soden, RPh

# ALASKA STATE LEGISLATURE

*Vice Chair:*  
Joint Armed Services Committee

*Member:*  
Military and Veterans Affairs Committee  
Labor and Commerce Committee  
State Affairs Committee  
Economic Development, Trade, &  
Tourism Committee



*Session:*  
Alaska State Capitol  
Juneau, AK 99801-1182  
Phone: (907) 465-3783  
Fax: (907) 465-2293  
Toll Free (877) 461-3783

*Interim:*  
716 West 4<sup>th</sup> Avenue  
Anchorage, AK 99501-2133  
Phone: (907) 269-0174  
Fax: (907) 269-0177

## REPRESENTATIVE NANCY DAHLSTROM

ELMENDORF AFB • FORT RICHARDSON • BIRCHWOOD • FIRE LAKE • GOVERNMENT HILL • MULDOON  
Representative\_Nancy\_Dahlstrom@legis.state.ak.us

To: Representative Tom Anderson, Chairman, House Labor and Commerce Committee

From: Representative Nancy Dahlstrom

Date: April 24, 2003

Re: House Bill 270

---

Please schedule HB 270 "An Act relating to the licensure of pharmacists; and providing for an effective date" for a hearing in House Labor and Commerce Committee as soon as possible.

Included with the request is:

- 1) HB 270
- 2) Sponsor Statement
- 3) Letters of Support

Thank you for your consideration.

# ALASKA STATE LEGISLATURE

*Vice Chair:*  
Joint Armed Services Committee

*Member:*  
Military and Veterans Affairs Committee  
Labor and Commerce Committee  
State Affairs Committee  
Economic Development, Trade, &  
Tourism Committee



*Session:*  
Alaska State Capitol  
Juneau, AK 99801-1182  
Phone: (907) 465-3783  
Fax: (907) 465-2293  
Toll Free (877) 460-3783

*Interim:*  
716 West 4<sup>th</sup> Avenue  
Anchorage, AK 99501-2133  
Phone: (907) 269-0174  
Fax: (907) 269-0177

## REPRESENTATIVE NANCY DAHLSTROM

ELMENDORF AFB • FORT RICHARDSON • BIRCHWOOD • FIRE LAKE • GOVERNMENT HILL • MULDOON

Representative\_Nancy\_Dahlstrom@legis.state.ak.us

### Sponsor Statement

#### HB 270

#### “An Act relating to the licensure of pharmacists; and providing for an effective date”

HB 270 was introduced to help the Board of Pharmacy address a problem that was unintentionally left out of the original version of the statutes.

The board of Pharmacy currently cannot deny a licensee based on actions that follow AS 08.80.261(a), however they can discipline a current licensee. This legislation gives the Board the authority to deny a license to a new applicant if they find that the applicant has committed fraud, deceit, falsely advertised, convicted of a felony, etc. as listed in AS 08.80.261(a).

The passage of this bill will provide the Board of Pharmacy the ability to ensure a greater degree of safety for Alaskan citizens.

I urge your support for HB 270.

**ALASKA PHARMACEUTICAL ASSOCIATION****Box 101185 Anchorage, Alaska 99510  
(907) 563-8880**

April 16, 2003

Honorable Representative Nancy Dahlstrom  
Alaska State House of Representatives  
State Capitol  
Juneau, AK 99801

RE: HB 270

Dear Representative Dahlstrom,

The Alaska Pharmacists Association, formerly the Alaska Pharmaceutical Association, represents over 200 licensed pharmacists and technicians in the State of Alaska. On behalf of our membership I would like to thank you for sponsoring HB 270 "an Act relating to the licensure of pharmacists." Our membership includes pharmacy staff members in retail, hospital, clinic, and institutional practice sites. All of these practice sites rely on the Board of Pharmacy to license professionals that are fit and competent to practice pharmacy.

As you are aware the statutory changes made by HB270 are needed in order for the Board of Pharmacy (BOP) to deny pharmacy licenses to individuals with questionable backgrounds. Currently the BOP has no specific statutory authority to deny individuals licenses to individuals who may have felony drug convictions or drug abuse problems, unless they had been previously licensed by the BOP. The current situation potentially puts both the safety of the public and the profession of pharmacy at risk.

Our association has put a high priority on getting the statutory changes included in HB270 into law. We thank you once again for sponsoring and introducing this bill. Please do not hesitate to contact our association or me directly at 907-225-6186 should you have any questions.

Sincerely,

Barry Christensen, Pharmacist  
Chair, Legislative Committee

# ALASKA STATE LEGISLATURE

*Vice Chair:*  
Joint Armed Services Committee

*Member:*  
Military and Veterans Affairs Committee  
Labor and Commerce Committee  
State Affairs Committee  
Economic Development, Trade, &  
Tourism Committee



*Session:*  
Alaska State Capitol  
Juneau, AK 99801-1182  
Phone: (907) 465-3783  
Fax: (907) 465-2293  
Toll Free (877) 460-3783

*Interim:*  
716 West 4<sup>th</sup> Avenue  
Anchorage, AK 99501-2133  
Phone: (907) 269-0174  
Fax: (907) 269-0177

## REPRESENTATIVE NANCY DAHLSTROM

ELMENDORF AFB • FORT RICHARDSON • BIRCHWOOD • FIRE LAKE • GOVERNMENT HILL • MULDOON  
Representative\_Nancy\_Dahlstrom@legis.state.ak.us

## MEMORANDUM

To: House Labor and Commerce Committee members  
Representative Tom Anderson, Chairman  
Representative Bob Lynn  
Representative Carl Gatto  
Representative Norm Rokeberg  
Representative Harry Crawford  
Representative David Guttenberg

From: Representative Nancy Dahlstrom

Date: May 6, 2003

Re: House Bill 270, Pharmacist Licensing

In yesterday's meeting of the House Labor and Commerce Committee, the question was asked regarding the appeal process for an applicant or a licensee whom has been denied their Pharmacist license or have had their license revoked. Margaret Soden, Chair of the Board of Pharmacy mentioned that she believed that it was located in the Administrative Procedure Act, but was not sure where.

My staff met with Rick Urion, Director, Division of Occupational Licensing, who stated that all appeals either for applicants or for licensees are indeed covered in the Administrative Procedure Act and in AS 44.62.370, AS 44.62.450, AS 44.62.500 and AS 44.62.560 in particular. The listed statutes are included with this memo for your review.

I am hopeful that this addresses the questions raised by the committee. HB 270 is a bill that the Board of Pharmacy and the Alaska Pharmaceutical Association would like to have, as it will allow for greater protection for the citizens of Alaska.

If you have further questions or need more information, please call Robin in my office at 465-6884 for assistance.

Thank you.

**Subject: HB 270**

**Date:** Tue, 6 May 2003 23:25:18 -0800

**From:** "Eric and Angie LeBoeuf" <ericleb@alaska.net>

**To:** <Representative\_Tom\_Anderson@legis.state.ak.us>

Dear Representative Anderson,

I am writing to ask that you vote in favor of HB 270 when it comes to your committee.

Thank you,

Sincerely,

Angie LeBoeuf,RPh

South Anchorage

**Subject: HB 270 Denial of Pharmacy License**

**Date:** Wed, 07 May 2003 10:05:59 +0000

**From:** aimee.mortemore@att.net

**To:** Representative\_Tom\_Anderson@legis.state.ak.us,  
Representative\_Bob\_Lynn@legis.state.ak.us,  
Representative\_Nancy\_Dahlstrom@legis.state.ak.us,  
Representative\_Carl\_Gatto@legis.state.ak.us,  
Representative\_Norm\_Rokeberg@legis.state.ak.us,  
Representative\_Harry\_Crawford@legis.state.ak.us,  
Representative\_David\_Guttenberg@legis.state.ak.us

Please vote in support of HB 270 that gives the right to deny a license to a pharmacist. This is just a housekeeping measure, but it would save a lot of wasted time for the state and the board of pharmacy.

Thank You,

Aimee Mortemore  
330 Old Steese Hwy #344  
Fairbanks, AK 99701  
aimee.mortemore@att.net

HB

272



AMENDMENT

Offered by Rep. Weyhrauch

Page 2, Line 7

INSERT: (3) Purchased directly from consumer for purposes of resale; or  
(4) Vehicle has been in service with a bona fide rental fleet for 6 months.

# Alaska State Legislature



Rep. Tom Anderson, Chair  
Rep. Bob Lynn, Vice - Chair  
Rep. Nancy Dahlstrom, Member  
Rep. Carl Gatto, Member  
Rep. Norman Rokeberg, Member  
Rep. Harry Crawford, Member  
Rep. David Guttenberg, Member

State Capitol  
Juneau, Ak 99801-1182  
(907) 465-4954  
Fax: (907) 465-2418

## House Labor & Commerce Committee

Date: May 8, 2003  
To: Suzi Lowell, Chief Clerk  
From: Representative Tom Anderson, Chairman *T.a.*  
House Labor & Commerce Committee  
Re: House Labor & Commerce Overview Schedule

---

The House Labor & Commerce Committee has scheduled to hear the following bills:

**Friday, May 9<sup>th</sup>** at 3:15 pm. Room 17

+ HB 277            - Pipeline Utilities Regulation

Bills Previously Heard/Scheduled

- + - Teleconferenced
- \* - First Hearing in First Committee of Referral
- = - Bill was Previously Heard/Scheduled

# Alaska State Legislature

Rep. Tom Anderson, Chair  
Rep. Bob Lynn, Vice - Chair  
Rep. Nancy Dahlstrom, Member  
Rep. Carl Gatto, Member  
Rep. Norman Rokeberg, Member  
Rep. Harry Crawford, Member  
Rep. David Guttenberg, Member



State Capitol  
Juneau, Ak 99801-1182  
(907) 465-4954  
Fax: (907) 465-2418

## House Labor & Commerce Committee

Date: May 7, 2003  
To: Suzi Lowell, Chief Clerk  
From: Representative Tom Anderson, Chairman *T.A.*  
House Labor & Commerce Committee  
Re: House Labor & Commerce Overview Schedule

---

The House Labor & Commerce Committee has scheduled to hear the following bills:

Friday, May 9<sup>th</sup> at 3:15 pm. Room 17

+ HB 272	- Motor Vehicle Dealers
+ HB 288	- Changing Name of Dept of Comm & Econ Dev <Pending Referral>
+ HB 305	- Unemployment Compensation Benefits

Bills Previously Heard/Scheduled

+ - Teleconferenced  
\* - First Hearing in First Committee of Referral  
= - Bill was Previously Heard/Scheduled

# FISCAL NOTE

STATE OF ALASKA  
2003 LEGISLATIVE SESSION

Fiscal Note Number: \_\_\_\_\_  
Bill Version: HB 272  
( ) Publish Date: \_\_\_\_\_

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Administration  
Title An act relating to motor vehicle BRU Motor Vehicles  
dealers. Component Motor Vehicles  
Sponsor Representative Weyhrauch  
Requester (H) L & C Component No. 2348

**Expenditures/Revenues** (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>						
-----------------------------	--	--	--	--	--	--

<b>CHANGE IN REVENUES ( )</b>						
-------------------------------	--	--	--	--	--	--

**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2003) cost: 0.0  
Check this box (X) if funding for this bill is included in the Governor's FY 2004 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

**ANALYSIS:** (Attach a separate page if necessary)

This bill has no fiscal or operating impact on the Division of Motor Vehicles.

Prepared by: Charles R. Hosack Phone 269-5559  
Division Motor Vehicles Date/Time 4/28/03  
Approved by: Mike Miller, Commissioner Date 4/28/2003  
Agency Department of Administration

# STATE OF ALASKA

DEPARTMENT OF LAW  
OFFICE OF THE ATTORNEY GENERAL

FRANK H. MURKOWSKI,  
GOVERNOR

1031 WEST 4<sup>TH</sup> AVENUE, SUITE 200  
ANCHORAGE, ALASKA 99501-5903  
PHONE: (907)269-5100  
FAX: (907)276-8554

April 28, 2003

Representative Tom Anderson  
Chairman, House Labor & Commerce Committee  
Room 432  
State Capital  
Juneau, Alaska 99801

Re: House Bill 272 relating to motor vehicle dealers

Dear Chairman Anderson and Members of the Committee:

The Attorney General submits these comments in support of HB 272, "an Act relating to motor vehicle dealers." This legislation amends and clarifies Alaska Statutes 08.66.015 and several provision of AS 45.25.400 *et seq.* AS 45.25 was enacted in 2002, and was the result of several years of negotiations and compromise by auto dealers, manufacturers, and the Alaska Attorney General's Office. This legislation has now been in effect for nearly a year. During that time, this office and the Alaska auto dealers have had an opportunity to work with its provisions and have discovered a few areas of the statute that need revision.

HB 272 addresses these concerns. This office has worked closely with the Alaska Auto Dealers Association on these changes and fully supports them. The changes to AS 45.25 are intended to clarify and simplify the statutory language to accomplish the intent of the law. A few provisions are being deleted because we found there was no useful application of the provisions given the unique circumstance of auto dealers in Alaska. For example, HB 272 propose: the deletion of AS 45.25.460(a)(12), which makes it difficult for a dealer to sell a vehicle with accessories (like a block heater) unless they are already installed by the manufacturer. In this same section of the bill, AS 45.25.460(a)(11) is also deleted. That section made it illegal for a dealer to advertise a sale without specifying a time frame for the sale. Because many manufacturer promotions are not time specific, this makes it impossible for dealers to effectively advertise certain sale events.

Representative Tom Anderson  
Chairman, House labor & Commerce Committee

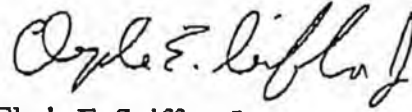
April 28, 2003  
Page 2

Representatives from the Auto Dealers Association, like Mr. Steve Alwind, will be available to explain these changes in more detail through their testimony. If you have any questions, please contact me at any time.

Sincerely,

GREGG D. RENKES  
ATTORNEY GENERAL

By:



Clyde E. Sniffen, Jr.  
Assistant Attorney General

CES/sjm

# ALASKA STATE LEGISLATURE

REPRESENTATIVE BRUCE WEYHRAUCH  
HOUSE DISTRICT 4



ALASKA  
STATE CAPITOL  
JUNEAU, ALASKA  
99801-1182

(907) 465-3744  
FAX (907) 465-2273

## Sponsor Statement

HB 272

### Revisions to the Comprehensive Motor Vehicle Sales & Dealers Act

In 2002, the 22<sup>nd</sup> Legislature passed HB 182, which addressed the relationship between dealers and manufacturers of motor vehicles. Together with the Attorney General's office and others, the sponsor of HB 182 crafted a bill that leveled the playing field between dealers & manufacturers in terms of how franchises in the state are conducted. It established guidelines for dispute resolution, uniform processes for transferring and terminating franchise agreements and provided protections to dealers for placement of new dealerships within proximity of established ones.

A final benefit, HB 182 concerned itself with protections for consumers from deceptive advertising.

Since HB 182 became law in July 2002, it has become apparent that some technical amendments and the repeal of several unenforceable provisions related to advertising are necessary. As such, the Alaska Automobile Dealers Association (AADA) and the Attorney General's Office of Fair Business Practices collaborated once more to affect these changes to the Motor Vehicle Sales & Dealers Act.

Contact: Linda Sylvester  
465-3744

Released: April 25, 2003

# ALASKA STATE LEGISLATURE

REPRESENTATIVE BRUCE WEYHRAUCH  
HOUSE DISTRICT 4



ALASKA  
STATE CAPITOL  
JUNEAU, ALASKA  
99801-1182

(907) 465-3744  
FAX (907) 465-2273

## Sectional Analysis

### HB 272

#### Revisions to the Comprehensive Motor Vehicle Sales & Dealers Act

**Section 1.** Prohibits a dealer from selling or offering to sell a motor vehicle as new unless the vehicle retains the manufacturer's certificate of origin. Prohibits a dealer from selling or offering to sell a motor vehicle as a current model motor vehicle unless one of two conditions are met:

1. The dealer has a current sales & service agreement with the manufacturer; or
2. The vehicle is a current model used vehicle received as a trade-in in the normal course of business.

**Section 2.** Prohibits a motor vehicle dealer, when using certain terms in an advertisement to sell a motor vehicle, from representing that a savings occurs at a lower price.

**Section 3.** Prohibits a dealer from advertising a new motor vehicle at a specified dealer price with the intent not to supply reasonably expected demand, unless the advertisement discloses the number of vehicles in stock at the advertised price.

**Section 4.** Requires dealer to include in an advertisement of a motor vehicle for sale all fees or charges, except fees or charges to be paid to a third party. Prohibits a dealer from advertising an offer for the sale, lease, or purchase of a motor vehicle that does not contain the name of the dealer. Repeals AS 45.25.460(a)(11) and (12). Makes conforming style changes.

**Section 5.** Adds an alternative criterion for determining when written disclosure is required where there has been damage and repair to a new motor vehicle.

**Section 6.** Removes language related to the repeal of AS 45.25.610(b) by sec. 8 of the bill.

**Section 7.** Removes a financing approval time limit related to the requirement that a down payment and any trade-in be returned to the buyer. Increases to 100 miles the mileage that may be accumulated on the trade-in before the required return.

**Section 8.** Repeals AS 45.25.460(b) and 45.25.610(b).

Released: April 25, 2003

Attachment No. 1

HB 182

*Motor Vehicle Sales and Dealers Act*

Sponsored by Rep. Lisa Murkowski,  
Chair, Labor & Commerce

Effective Date: July 1, 2003

SENATE CS FOR CS FOR HOUSE BILL NO. 182(L&C)  
IN THE LEGISLATURE OF THE STATE OF ALASKA  
TWENTY-SECOND LEGISLATURE - SECOND SESSION

BY THE SENATE LABOR AND COMMERCE COMMITTEE

Offered: 4/26/02

Referred: Judiciary, Finance

Sponsor(s): REPRESENTATIVES MURKOWSKI, Halcro, Hayes

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to certain vehicles, including motorcycles and trailers; relating to the  
2 registration, bonding, and other regulation of motor vehicle dealers; relating to the  
3 registration and other regulation of certain motor vehicle buyers' agents; relating to acts  
4 and transactions involving vehicles, including trailers, and to the acts and practices of  
5 certain persons and entities involved in vehicle transactions, including trailer  
6 transactions; relating to consumer protection for used vehicle buyers; amending Rule 3,  
7 Alaska Rules of Civil Procedure; and providing for an effective date."

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

9 \* Section 1. AS 08.66.010 is amended to read:

10           Sec. 08.66.010. Dealers to register. A dealer in motor vehicles [,  
11 TRAILERS, OR SEMI-TRAILERS] shall, as a condition to engaging in business in  
12 the state, register biennially with the department [DEPARTMENT OF  
13 ADMINISTRATION].

1 \* Sec. 2. AS 08.66.030 is amended to read:

2           Sec. 08.66.030. **Form of application.** The department [DEPARTMENT OF  
3 ADMINISTRATION] shall prescribe and furnish the form of application for dealer  
4 registration under AS 08.66.010. The application must contain

5                   (1) the name under which the business is conducted;

6                   (2) the location of the business;

7                   (3) the name and address of all persons having an interest in the  
8 business and, in the case of a corporation, the application shall contain the name and  
9 address of the two principal officers;

10                  (4) the name and make of all vehicles handled;

11                  (5) a statement of whether or not used vehicles are handled;

12                  (6) a statement that the applicant is a bona fide dealer in motor  
13 vehicles [, TRAILERS, OR SEMI-TRAILERS] with an established business at the  
14 location given;

15                  (7) if the applicant sells a motor vehicle as a new or current model  
16 motor vehicle having a manufacturer's warranty, the name of the manufacturer of the  
17 motor vehicle and the date and duration of the applicant's sales and service agreement  
18 with the manufacturer; and

19                  (8) other information the department [DEPARTMENT OF  
20 ADMINISTRATION] requires to administer this chapter [AS 08.66.010 -  
21 08.66.090].

22 \* Sec. 3. AS 08.66.040 is amended to read:

23           Sec. 08.66.040. **Filing application for registration.** The application shall be  
24 filed with the department [DEPARTMENT OF ADMINISTRATION]. Upon receipt  
25 of the application, the department shall examine it and may make an investigation of  
26 the information in it. If the department is satisfied that the dealer is entitled to  
27 registration, and the fees have been paid and a bond filed, the department shall assign  
28 a distinctive registration number to the dealer and file the dealer's application and  
29 index it alphabetically and numerically. A dealer is registered when the department  
30 assigns a registration number.

31 \* Sec. 4. AS 08.66.050 is amended to read:

1           **Sec. 08.66.050. Renewal of registration.** A dealer shall renew the  
 2 registration required by this chapter [AS 08.66.010 - 08.66.090] before January 1  
 3 every two years.

4 \* **Sec. 5.** AS 08.66.060 is repealed and reenacted to read:

5           **Sec. 08.66.060. Bond.** (a) An applicant for a dealer registration under  
 6 AS 08.66.010 shall file with the application and shall maintain in force while  
 7 registered a bond in favor of the state that is executed by a surety approved by the  
 8 commissioner. The amount of the bond shall be \$50,000, except that the amount of a  
 9 bond for a dealer who sells only motorcycles shall be \$25,000. The bond must be  
 10 conditioned on the dealer's

11                   (1) doing business in compliance with this chapter and the other laws  
 12 of this state; and

13                   (2) not committing fraud or making fraudulent representations in the  
 14 course of doing business as a dealer.

15           (b) A surety may cancel the bond required by (a) of this section by giving  
 16 notice in writing to the commissioner or the commissioner's designee. However,  
 17 cancellation does not relieve a surety of liability arising before cancellation or a  
 18 liability that has accrued on the bond before cancellation. The commissioner or the  
 19 commissioner's designee shall retain the canceled bond on file and may not relieve a  
 20 surety of a liability arising before cancellation or accruing on the bond before  
 21 cancellation.

22           (c) A bond filed under (a) of this section is valid for renewal of a dealer  
 23 registration unless the surety has provided a written notice of cancellation to the  
 24 commissioner.

25           (d) In this section, "commissioner" means the commissioner of administration.

26 \* **Sec. 6.** AS 08.66.070 is amended to read:

27           **Sec. 08.66.070. Action on bond.** If a person suffers loss or damage by reason  
 28 of fraud, fraudulent representations, or a violation of a [ANY] provision of this  
 29 chapter or another law of this state [AS 08.66.010 - 08.66.090] by a dealer, the  
 30 person has a right of action against the dealer and a personal right of action against the  
 31 surety upon the bond. The aggregate liability of the surety may [DOES] not exceed

1 the amount of the bond.

2 \* Sec. 7. AS 08.66.080 is amended to read:

3 Sec. 08.66.080. Penalties. A dealer who fails to register and file a bond as  
4 required by this chapter [AS 08.66.010 - 08.66.090] is guilty of a violation. A dealer  
5 who knowingly violates a provision of this chapter [AS 08.66.010 - 08.66.090] is  
6 guilty of a class A misdemeanor.

7 \* Sec. 8. AS 08.66.350 is repealed and reenacted to read:

8 Sec. 08.66.350. Definitions. In this chapter,

9 (1) "buyer's agent" means a person who does business in the state by  
10 negotiating on behalf of a buyer the purchase of a motor vehicle from a motor vehicle  
11 dealer;

12 (2) "department" means the Department of Administration;

13 (3) "motor vehicle" means a motor vehicle that is required to be  
14 registered under AS 28.10;

15 (4) "motor vehicle dealer" or "dealer"

16 (A) means

17 (i) a buyer's agent; or

18 (ii) a person, other than a manufacturer, who sells,  
19 leases, solicits, or arranges for the sale or lease of five or more motor  
20 vehicles in any 12 consecutive months, regardless of who owns the  
21 vehicles;

22 (B) does not include

23 (i) a receiver, a trustee, an administrator, an executor, a  
24 guardian, or another person appointed by a court or a person  
25 performing duties as a public officer;

26 (ii) a person disposing of a motor vehicle acquired and  
27 actually used for the person's own use or for the use of a family  
28 member of the person, or acquiring a motor vehicle for the person's  
29 own use or for the use of a family member of the person if the vehicle  
30 is acquired and used in good faith and not for the purpose of avoiding  
31 the provisions of this chapter;

1 (iii) a person who sells motor vehicles as an incident of  
 2 the person's principal business but who is not engaged primarily in the  
 3 selling of motor vehicles;

4 (iv) an employee of an organization arranging for the  
 5 purchase or lease by the organization of a vehicle for use in the  
 6 organization's business;

7 (v) a publication, broadcast, or other communications  
 8 media when engaged in the business of advertising, but not otherwise  
 9 arranging for the sale of a motor vehicle owned by another person.

10 \* Sec. 9. AS 45 is amended by adding a new chapter to read:

11 **Chapter 25. Motor Vehicle Transactions.**

12 **Article 1. Applicability; Venue; Corporate Affiliates.**

13 **Sec. 45.25.010. Applicability.** AS 45.25.020 - 45.25.320 apply to franchise  
 14 contracts between a manufacturer and its new motor vehicle dealers in this state.

15 **Sec. 45.25.020. Jurisdiction; choice of law.** (a) The courts of this state have  
 16 jurisdiction over a legal dispute between a manufacturer located in or outside this state  
 17 and a new motor vehicle dealer located in this state, and the dispute is governed by  
 18 and interpreted and adjudicated under the law of this state.

19 (b) Venue for a dispute under (a) of this section is in the judicial district of this  
 20 state where the new motor vehicle dealer's principal place of business is located.

21 **Sec. 45.25.030. Corporate affiliates.** (a) A manufacturer may not use a  
 22 subsidiary corporation, affiliated corporation, partnership, association, or other person  
 23 to accomplish what would be prohibited for the manufacturer under this chapter.

24 (b) This section does not limit the right of a person included within the scope  
 25 of this section to engage in reasonable and appropriate business practices consistent  
 26 with an existing trade practice that is not prohibited by this chapter.

27 **Article 2. Franchise Agreements.**

28 **Sec. 45.25.100. Consistency with state law.** The terms and conditions in an  
 29 agreement between a manufacturer and a new motor vehicle dealer in this state,  
 30 including a motor vehicle franchise agreement, that are inconsistent with the law of  
 31 this state do not have any force or effect in this state.

1           **Sec. 45.25.110. Termination of franchise agreements.** (a) A manufacturer  
2 may not terminate a franchise with a new motor vehicle dealer unless

3                   (1) the manufacturer has

4                           (A) satisfied the notice requirements of this chapter;

5                           (B) shown that there is good cause for the termination of the  
6 franchise, and, if the reasons underlying the good cause can be corrected by the  
7 new motor vehicle dealer, the new motor vehicle dealer has failed for 60 days  
8 after delivery of the notice required by AS 45.25.120 to make the corrections;  
9 the circumstances identified under AS 45.25.120(a)(2) for which a 15-day  
10 notice of termination is required do not qualify as reasons for which correction  
11 is allowed under this paragraph; or

12                   (2) the new motor vehicle dealer has systematically engaged in fraud  
13 against consumers or the manufacturer or in the operation of the new motor vehicle  
14 dealership.

15           (b) Notwithstanding (a)(1) of this section, a manufacturer may not terminate a  
16 franchise agreement with a new motor vehicle dealer because of the death or  
17 incapacity of an owner if the owner is not listed in the franchise as one on whose  
18 expertise and abilities the manufacturer relied in the granting of the franchise.

19           (c) In this section, "good cause" includes when the new motor vehicle dealer  
20 fails to comply with or observe a material provision of the franchise agreement. For  
21 the purposes of determining good cause under this subsection, reasonable sales and  
22 service performance criteria and capital and facility requirements may be considered  
23 material provisions only if the criteria or requirements were communicated in writing  
24 to the new motor vehicle dealer within a reasonable period before the effective date of  
25 the termination or nonrenewal so that a reasonable opportunity was afforded over a  
26 period of not less than six months to comply with the criteria or requirements.

27           **Sec. 45.25.120. Notice of termination.** (a) A manufacturer shall furnish a  
28 notice of termination of a franchise agreement to a new motor vehicle dealer at least

29                   (1) 90 days before the effective date of a termination, except as  
30 required under (2) or (3) of this subsection;

31                   (2) 15 days before the effective date of a termination when the new

1 motor vehicle dealer

2 (A) is insolvent or is the subject of a bankruptcy or receivership  
3 proceeding;

4 (B) has failed to conduct its customary sales and service  
5 operations during its customary business hours for seven consecutive business  
6 days; this subparagraph does not apply to closures due to acts of God or  
7 circumstances beyond the direct control of the new motor vehicle dealer; or

8 (C) is convicted of a felony involving moral turpitude or fraud  
9 under the law of this state, another state, the federal government, a territory of  
10 the United States, or the District of Columbia;

11 (3) 180 days before the effective date of the termination if the  
12 manufacturer or distributor is discontinuing the sale of the product line.

13 (b) Notice required under (a) of this section must be in writing, shall be sent  
14 by certified mail or personally delivered to the new motor vehicle dealer, and must  
15 contain

16 (1) a statement of intention to terminate the franchise;

17 (2) a statement of the reasons for the termination; and

18 (3) the date on which the termination takes effect.

19 **Sec. 45.25.130. Threat of termination.** (a) A manufacturer or manufacturer  
20 representative may not coerce or attempt to coerce a new motor vehicle dealer to enter  
21 into an agreement with the manufacturer or a subsidiary of the manufacturer, or to do  
22 any other act unfair to the new motor vehicle dealer, by threatening to terminate a  
23 franchise agreement between the manufacturer or subsidiary of the manufacturer and  
24 the new motor vehicle dealer.

25 (b) This section does not prohibit a voluntary agreement between a  
26 manufacturer and a new motor vehicle dealer or between a distributor and a new  
27 motor vehicle dealer to settle legitimate disputes.

28 **Sec. 45.25.140. Repurchase obligations on termination.** (a) Upon the  
29 termination of a new motor vehicle dealer's franchise agreement by the manufacturer  
30 or distributor, the manufacturer or distributor shall repurchase from the new motor  
31 vehicle dealer at

1 (1) the new motor vehicle dealer's net acquisition cost, if the motor  
2 vehicles have not been materially altered or damaged, all inventory consisting of  
3 unsold new motor vehicles that are current models and models that have been acquired  
4 from the manufacturer within the past two model years before receipt of the notice of  
5 termination;

6 (2) the new motor vehicle dealer price listed in the current parts  
7 catalog, less applicable allowances, new unused undamaged parts in their original,  
8 unbroken packaging, listed in the current price catalog and acquired from the  
9 manufacturer or distributor;

10 (3) fair market value, signs, equipment, and furnishings that bear a  
11 trademark or trade name, that have not been altered or damaged, and that were  
12 required by the manufacturer or distributor within five years preceding the notice of  
13 termination; and

14 (4) the new motor vehicle dealer's net acquisition cost, special tools  
15 that have not been altered or materially damaged that were purchased from the  
16 manufacturer or distributor within three years preceding the date of the termination.

17 (b) Within 90 days after the effective date of the termination, the new motor  
18 vehicle dealer shall return the property required by (a) of this section to be  
19 repurchased to the manufacturer or distributor at the manufacturer's or distributor's  
20 expense. The manufacturer or distributor shall pay the compensation for the property  
21 within 60 days after the tender of inventory and other items if the new motor vehicle  
22 dealer has clear title to the property and is in a position to convey that title to the  
23 manufacturer or distributor. If the property is subject to a security interest, the  
24 manufacturer or distributor may make payment jointly to the new motor vehicle dealer  
25 and the holder of the security interest, and the manufacturer or distributor may offset  
26 these payments.

27 **Sec. 45.25.150. Required compensation for new motor vehicle dealer**  
28 **facilities.** (a) Upon termination by the manufacturer or distributor, the manufacturer  
29 or distributor shall compensate the new motor vehicle dealer for new motor vehicle  
30 dealer facilities a sum equivalent to the

31 (1) rent for the unexpired term of the lease or 18 months, whichever

1 period is shorter, if the new motor vehicle dealer is leasing the new motor vehicle  
2 dealership facilities from a lessor other than the manufacturer or distributor; or

3 (2) reasonable rental value of the new motor vehicle dealership  
4 facilities for 18 months or until the facilities are leased or sold, whichever period is  
5 shorter, if the new motor vehicle dealer owns the new motor vehicle dealership  
6 facilities; the sum may be paid in monthly installments at the election of the  
7 manufacturer or distributor.

8 (b) This section does not relieve a new motor vehicle dealer of the obligation  
9 to mitigate damages under a lease, prevent a manufacturer from occupying and using  
10 the new motor vehicle dealer's facilities while paying rent, or preclude a manufacturer  
11 from negotiating a lease termination, sublease, or new lease.

12 (c) This section does not apply to a termination for

13 (1) insolvency of the new motor vehicle dealer or the filing of any  
14 petition by or against the new motor vehicle dealer under a bankruptcy or receivership  
15 law;

16 (2) failure of the new motor vehicle dealer to conduct its customary  
17 sales and service operations during its customary business hours for seven consecutive  
18 business days;

19 (3) conviction of the new motor vehicle dealer or its principal owners  
20 of a felony or a misdemeanor regardless of the punishment if the crime involves theft,  
21 dishonesty, or false statement;

22 (4) revocation of a license required for the new motor vehicle dealer to  
23 operate; or

24 (5) a fraudulent misrepresentation by the new motor vehicle dealer to  
25 the manufacturer or distributor that is material to the new motor vehicle dealer's  
26 agreement.

27 (d) The payment required under (a) of this section is only required to the  
28 extent that the facilities were used for activities under the franchise agreement and  
29 only to the extent the facilities were not leased for unrelated purposes.

30 (e) If payment under (a) of this section is made, the manufacturer or  
31 distributor is entitled to possession and use of the new motor vehicle dealership

1 facilities for the period for which the payment is paid.

2 **Sec. 45.25.160. Prevention or refusal to honor transfer of new motor**  
3 **vehicle dealership ownership.** A manufacturer may not unreasonably prevent or  
4 refuse to honor a transfer of ownership of a new motor vehicle dealership.

5 **Sec. 45.25.170. Succession.** (a) A manufacturer or distributor may not  
6 prevent or refuse to honor the succession to a new motor vehicle franchise of an heir  
7 or devisee under a will of a franchisee, under a written instrument filed with the  
8 manufacturer or distributor designating any person as the successor franchisee, or  
9 under AS 13.06 - AS 13.36 (Uniform Probate Code), except that

10 (1) a designated successor must, within 60 days after the owner's death  
11 or incapacity, give the manufacturer or distributor written notice of the intent to  
12 succeed, and the designee must agree to be bound by all the terms and conditions of  
13 the current franchise agreement;

14 (2) the manufacturer or distributor may request from the designated  
15 successor personal and financial data that are reasonably necessary to determine the  
16 qualifications of the designated successor; the designated successor shall provide the  
17 information within 60 days after receiving the request;

18 (3) the manufacturer or distributor may not unreasonably withhold  
19 approval of the succession, if the manufacturer or distributor refuses to honor the  
20 succession, the manufacturer or distributor shall send written notice to the proposed  
21 successor within 60 days after receiving the information requested in (2) of this  
22 subsection or within 60 days after receiving the notice of the proposed successor's  
23 intent to succeed, whichever is later.

24 (b) The notice required by (a)(3) of this section must state the specific grounds  
25 for not approving the proposed successor. Within 30 days after the proposed  
26 successor's receipt of the notice, the proposed successor may file a protest with the  
27 superior court to determine whether the manufacturer or distributor has unreasonably  
28 withheld approval.

29 (c) This section does not preclude the owner of a new motor vehicle  
30 dealership from filing with the manufacturer or distributor a written instrument  
31 designating any person as a successor. If there are competing successors, the written

1 instrument governs who may submit a proposal as a successor.

2 Sec. 45.25.180. New dealerships. (a) Before a manufacturer or distributor  
3 enters into a franchise establishing or relocating a new motor vehicle dealer within a  
4 relevant market area where the same line make is represented, the manufacturer or  
5 distributor shall give 90 days' written notice to each new motor vehicle dealer of the  
6 same line make in the relevant market area of the intention to establish an additional  
7 new motor vehicle dealer or to relocate an existing new motor vehicle dealer within  
8 that relevant market area.

9 (b) Within 30 days after receiving the notice required under (a) of this section  
10 or within 30 days after the end of any appeal procedure provided by the manufacturer  
11 or distributor, a new motor vehicle dealer may bring a declaratory judgment action in  
12 the superior court of this state to determine whether good cause exists for the  
13 establishment or relocation of a proposed new motor vehicle dealer. If an action is  
14 filed, the manufacturer or distributor may not establish or relocate the proposed new  
15 motor vehicle dealer until the court has rendered a decision on the matter.

16 (c) This section does not prohibit

17 (1) the relocation of an existing new motor vehicle dealer to a new  
18 location not within four miles of an existing new motor vehicle dealer;

19 (2) the appointment of a successor new motor vehicle dealer at the  
20 same location as its predecessor or within a two-mile radius from any boundary of the  
21 predecessor's former location within two years from the date when the predecessor  
22 ceased operations or was terminated, whichever occurred later; or

23 (3) the entering into of a renewal of, replacement of, or succeeding  
24 franchise agreement with an existing new motor vehicle dealer whose operations will  
25 continue at the existing new motor vehicle dealer's current location.

26 (d) When determining whether good cause exists for establishing or relocating  
27 an additional new motor vehicle dealer for the same line make, the superior court shall  
28 consider the existing circumstances, including

29 (1) whether the establishment of an additional franchise or relocation  
30 of the existing new motor vehicle dealer appears to be warranted by economic and  
31 marketing conditions, including anticipated future changes;

1 (2) the retail sales and service business transacted by the protesting  
 2 new motor vehicle dealer and other new motor vehicle dealers of the same line make  
 3 with a place of business in the relevant market area to be served by the additional  
 4 franchise or proposed new location of an existing new motor vehicle dealer during the  
 5 three-year period immediately preceding the notice;

6 (3) the investment necessarily made and obligations incurred by the  
 7 protesting new motor vehicle dealer to perform the protesting new motor vehicle  
 8 dealer's obligations under existing franchise agreements;

9 (4) the permanency of the investment of the protesting new motor  
 10 vehicle dealer; and

11 (5) whether it is beneficial or injurious to the public welfare for an  
 12 additional franchise to be established or for the existing new motor vehicle dealer to  
 13 be relocated.

14 (e) In this section,

15 (1) "relevant market area" means the greater of the area

16 (A) within a radius of 14 miles around an existing new motor  
 17 vehicle dealer; or

18 (B) of responsibility defined in a governing franchise  
 19 agreement;

20 (2) "relocate" and "relocation" do not include the relocation of a new  
 21 motor vehicle dealer within two miles of the new motor vehicle dealer's established  
 22 place of business.

23 **Sec. 45.25.190. Arbitration.** In a controversy between a manufacturer and a  
 24 new motor vehicle dealer under AS 45.25.010 - 45.25.320, neither the manufacturer  
 25 nor the new motor vehicle dealer is required to submit the controversy to arbitration.  
 26 If both the manufacturer and the new motor vehicle dealer agree to submit a  
 27 controversy under AS 45.25.010 - 45.25.320 to arbitration, the arbitration shall be  
 28 conducted under AS 09.43.020 - 09.43.180 (Uniform Arbitration Act), the  
 29 manufacturer and the new motor vehicle dealer shall each select one arbitrator, and  
 30 both the manufacturer and the new motor vehicle dealer shall select the third  
 31 arbitrator.

1                   **Article 3. Manufacturer and Distributor Practices.**

2                   **Sec. 45.25.300. New motor vehicle dealership location and facilities.** A  
3 manufacturer may not require, coerce, or attempt to coerce a new motor vehicle dealer  
4 to change the location of the new motor vehicle dealership, or to make any substantial  
5 alterations to the new motor vehicle dealership premises or facilities if the change or  
6 alteration would be unreasonable or if there is not a sufficient supply of new motor  
7 vehicles to justify the expansion in light of the current market and economic  
8 conditions.

9                   **Sec. 45.25.310. Discrimination.** A manufacturer may not unfairly  
10 discriminate among new motor vehicle dealers with respect to warranty  
11 reimbursements or authority granted new motor vehicle dealers to make warranty  
12 adjustments with retail customers.

13                   **Sec. 45.25.320. Claim audits and charge backs.** (a) A manufacturer or  
14 distributor may not audit a claim, deny a claim, reduce the amount of a claim to be  
15 reimbursed to a new motor vehicle dealer, or charge back a portion of the claim to a  
16 new motor vehicle dealer if 18 or more months have passed since the new motor  
17 vehicle dealer submitted the claim, or, if 18 or more months have passed from the end  
18 of a manufacturer sponsored incentive program related to the claim, whichever 18-  
19 month period ends later.

20                   (b) The time restriction in (a) of this section does not apply if the manufacturer  
21 reasonably suspects that fraud is involved in the claim.

22                   (c) In this section, "claim" means a claim made by a new motor vehicle dealer  
23 for compensation by the manufacturer or distributor for sales incentives, warranty  
24 repairs, and service incentives.

25                   **Article 4. Dealer Practices.**

26                   **Sec. 45.25.400. Prohibited use of advertising terms.** (a) A motor vehicle  
27 dealer may not use the term "invoice," "factory invoice," "dealer invoice," "dealer  
28 cost," "wholesale price," or any other term of similar meaning in an advertisement for  
29 the sale of a motor vehicle.

30                   (b) A motor vehicle dealer may use the term "manufacturer's suggested retail  
31 price," "MSRP," or "list price" in an advertisement for the sale of a motor vehicle,

1 subject to the restriction on price comparisons in AS 45.25.450 and the following:

2 (1) the advertised price must reference the final price listed by the  
3 manufacturer on the monroney sticker, including accessories and options physically  
4 attached to the vehicle at the time of delivery to the dealer, plus any transportation  
5 charges, and minus all manufacturer discounts and savings;

6 (2) the manufacturer's suggested retail price or the list price does not  
7 include charges added by the dealer or options added to the vehicle by the dealer; and

8 (3) whenever using the term "manufacturer's suggested retail price,"  
9 "MSRP," or "list price," the dealer shall provide in the advertisement a clear and  
10 conspicuous disclosure that states that a sale may not have occurred at that price.

11 **Sec. 45.25.410. Availability of advertised items.** A motor vehicle dealer  
12 may not advertise vehicles and related goods or services at a specified dealer price  
13 with the intent not to supply reasonably expected demand, unless the advertisement  
14 discloses the number of vehicles in stock at the advertised price.

15 **Sec. 45.25.420. Display of motor vehicles.** A motor vehicle dealer shall  
16 display all vehicles advertised for sale for the duration of the sale period in a  
17 conspicuous and clearly visible location on the dealer's premises. The advertised sale  
18 price for each vehicle must be clearly marked on the vehicle so the consumer can  
19 readily identify the advertised price for the vehicle.

20 **Sec. 45.25.430. Refusal to sell on advertised terms and conditions.** A  
21 motor vehicle dealer may not refuse to sell a motor vehicle on the terms and  
22 conditions that the dealer has advertised. This section does not apply if

23 (1) the dealer can document that the advertised term or condition was  
24 the result of an error on the part of the advertising medium or an outside advertising  
25 agent; or

26 (2) the refusal is based on an error that was made in good faith by the  
27 dealer and was clearly and conspicuously a mistake, and the dealer corrected the error  
28 as soon as the dealer knew or reasonably should have known of the error.

29 **Sec. 45.25.440. Advertised price.** (a) When selling a motor vehicle, a motor  
30 vehicle dealer may not charge dealer fees or costs, except for fees actually paid to a  
31 state agency for licensing, registration, or title transfers, unless the fees or costs are

1 included in the advertised price.

2 (b) In this section, "dealer fees or costs" includes dealer preparation fees,  
3 document preparation fees, surcharges, and other dealer imposed fees and costs.

4 **Sec. 45.25.450. Advertised price comparisons, reductions, and discounts.**

5 (a) A motor vehicle dealer may not make a price comparison, price reduction, or price  
6 discount in an advertisement unless the comparison, reduction, or discount complies  
7 with this section.

8 (b) A motor vehicle dealer may advertise a price comparison for a new motor  
9 vehicle with the manufacturer's suggested retail price only if

10 (1) the dealer only uses the term "manufacturer's suggested retail  
11 price," "MSRP," or "list price";

12 (2) the advertised price references the final price listed by the  
13 manufacturer on the monroney sticker;

14 (3) the manufacturer's suggested retail price, MSRP, or list price does  
15 not include charges added by the dealer or options added to the vehicle by the dealer;

16 (4) the dealer clearly discloses that the manufacturer's suggested retail  
17 price, MSRP, or list price may not reflect the actual selling price for the vehicle in the  
18 dealer's trade area; and

19 (5) the dealer does not make a representation in the advertisement,  
20 including a reference to a "sale," "reduction," or "discount," that the comparison  
21 represents a saving to the consumer.

22 (c) A motor vehicle dealer may not use a competitor's price as a reference  
23 price unless

24 (1) the reference price is the competitor's current, bona fide price in the  
25 trade area of the dealer making the comparison;

26 (2) the comparison is to an identical or nearly identical vehicle that  
27 does not materially differ in model, style, design, name, brand, kind, or quality from  
28 the advertised product; and

29 (3) the dealer includes in the advertised price all charges that the  
30 competitor includes in the competitor's price.

31 (d) A motor vehicle dealer shall be in possession of documents and all other

1 information necessary to substantiate all reference price claims when the claims are  
2 made and shall maintain this information in a readily accessible place for two years  
3 after the time the reference price claims are made.

4 **Sec. 45.25.460. Advertising and selling practices generally.** (a) In addition  
5 to the provisions of AS 45.50.471 and regulations adopted under AS 45.50.471, a  
6 motor vehicle dealer may not

7 (1) exclude from an advertisement of a motor vehicle for sale that  
8 taxes, if applicable, vehicle registration fees, finance charges, charges for the issuance  
9 of any certificate of compliance or noncompliance required by statute, or other fees or  
10 charges to be paid to a third party that are not otherwise included in the advertised  
11 price will be added to the advertised price at the time of the sale;

12 (2) represent the dealer document preparation fee as a government fee;

13 (3) advertise a specific motor vehicle for sale without identifying the  
14 vehicle by either its vehicle identification number, vehicle stocking number, or license  
15 number;

16 (4) advertise that free merchandise, gifts, or services will be provided  
17 by the dealer if a vehicle is purchased; in this paragraph, "free" includes merchandise  
18 or services offered for sale at a price less than the dealer's cost for the merchandise or  
19 services;

20 (5) use the term "rebate," "cash back," or a similar term in advertising  
21 the sale of a motor vehicle unless the rebate is expressed in a specific dollar amount  
22 and is in fact a rebate offered by the vehicle manufacturer or distributor directly to the  
23 retail buyer of the vehicle;

24 (6) require a person, in order to receive the advertised credit terms, to  
25 pay a higher price for a motor vehicle and any related goods or services than the cash  
26 price the same person would have to pay to purchase the same vehicle and related  
27 goods or services;

28 (7) advertise a guaranteed trade in allowance or range of allowances  
29 unless the guarantee is provided by the manufacturer or distributor;

30 (8) affix to a new motor vehicle a supplemental price sticker  
31 containing a price that represents the dealer's asking price, if the supplemental price

1 sticker exceeds the manufacturer's suggested retail price, unless the supplemental  
2 sticker

3 (A) clearly and conspicuously, in the largest print appearing on  
4 the sticker other than the print size used for the dealer's name, discloses that  
5 the supplemental sticker price is the dealer's asking price, or words of similar  
6 meaning, and is not the manufacturer's suggested retail price;

7 (B) clearly and conspicuously discloses the manufacturer's  
8 suggested retail price; and

9 (C) states, if the supplemental sticker price is greater than the  
10 sum of the manufacturer's suggested retail price and the price of the items  
11 added by the dealer, the difference and describes it as additional dealer mark-  
12 up;

13 (9) advertise or otherwise represent, or knowingly allow to be  
14 advertised or represented on behalf of the dealer, that a down payment is not required  
15 in connection with the sale of a motor vehicle when a down payment is in fact  
16 required;

17 (10) advertise an offer for the sale, lease, or purchase of a motor  
18 vehicle that creates the false impression that the vehicle is being offered by a private  
19 party or a motor vehicle agent or that does not contain the name of the dealer;

20 (11) use an advertisement for a motor vehicle that contains language  
21 that falsely, implicitly, or explicitly suggests that, to take advantage of an offer, a  
22 consumer must act within a certain period of time when, in fact, the vehicles will  
23 continue to be available at the advertised price beyond that time period;

24 (12) require a buyer of a new motor vehicle, as a condition of sale and  
25 delivery, to also purchase special features, appliances, accessories, or equipment not  
26 desired or requested by the buyer unless the special features, appliances, equipment, or  
27 accessories are already installed on the vehicle when received by the dealer;

28 (13) represent and sell as a new motor vehicle a demonstrator vehicle  
29 or a motor vehicle that is a used motor vehicle; in this paragraph, "demonstrator  
30 vehicle"

31 (A) means a motor vehicle

1 (i) that has been assigned by a dealer for use by the  
2 dealership as an executive vehicle for promotional purposes, including  
3 being driven in the community;

4 (ii) that has not been licensed by a retail buyer; and

5 (iii) the title of which has not been transferred to a retail  
6 buyer;

7 (B) does not include a motor vehicle that has only been driven  
8 to demonstrate the motor vehicle to a prospective buyer;

9 (14) advertise that the dealer finances any person, or does not reject  
10 any person's credit, or make similar claims;

11 (15) advertise or make a statement, declaration, or representation in an  
12 advertisement that cannot be substantiated in fact; the burden of proof of the factual  
13 basis for the statement, declaration, or representation is on the dealer. 45.25.460(b)

14 (b) A motor vehicle dealer shall disclose a beginning and ending date in all  
15 motor vehicle sale advertisements.

16 Sec. 45.25.465. Sales of used motor vehicles. (a) Before the sale of a used  
17 motor vehicle, a motor vehicle dealer shall,

18 (1) when obtaining a used motor vehicle from an individual consumer,  
19 make a reasonable inquiry of the seller into the condition of the vehicle, including the  
20 accident and repair history of the vehicle; the information shall be recorded in writing  
21 and verified by the seller; the dealer shall provide this information to a prospective  
22 purchaser of the vehicle;

23 (2) when a motor vehicle dealer obtains a used motor vehicle from  
24 another motor vehicle dealer, a wholesaler, or an auction, disclose to a prospective  
25 purchaser of the vehicle that the vehicle was purchased from another dealer, a  
26 wholesaler, or an auction.

27 (L) Nothing in this section creates an express warranty by the dealer.

28 Sec. 45.25.470. Sales of vehicles manufactured for sale in a foreign  
29 country. Before sale, a motor vehicle dealer shall disclose in writing whether a motor  
30 vehicle was originally manufactured for sale in Canada or another foreign country.

31 Sec. 45.25.480. Identification number plates. A motor vehicle dealer may

1 not knowingly purchase or sell a vehicle that has an altered or removed vehicle  
2 identification number plate, or alter or remove a vehicle identification number plate.

3 **Sec. 45.25.490. Required documentation.** A motor vehicle dealer may not  
4 sell or offer to sell a motor vehicle unless the motor vehicle dealer holds a  
5 manufacturer's statement of origin, a title, or another properly executed document  
6 reasonably necessary to obtain the statement of origin or title for transfer of the  
7 vehicle to the buyer.

8 **Sec. 45.25.500. Trade-ins.** A motor vehicle dealer may not transfer title to a  
9 trade-in vehicle or perform any repairs or reconditioning on a trade-in vehicle before  
10 the completion of the sales transaction for which the vehicle is a trade-in.

11 **Sec. 45.25.510. Disclosure of damages.** (a) Before entering into a new  
12 motor vehicle sales contract, a new motor vehicle dealer shall disclose in writing to a  
13 buyer of the new motor vehicle any known damage and repair to the new motor  
14 vehicle if the damage exceeds five percent of the manufacturer's suggested retail price  
15 as calculated at the dealer's authorized warranty rate for labor and parts. A new motor  
16 vehicle dealer is not required to disclose to a buyer that glass, tires, bumpers, or  
17 cosmetic parts of a new motor vehicle were damaged at any time if the damaged item  
18 has been replaced with original or comparable equipment. A replaced part is not part  
19 of the cumulative damage required to be disclosed under this subsection.

20 (b) If disclosure is not required under this section, a buyer may not revoke or  
21 rescind a sales contract due to the fact that the new motor vehicle was damaged and  
22 repaired before completion of the sale.

23 (c) In this section,

24 (1) "cosmetic parts" means parts that are attached by and can be  
25 replaced in total through the use of screws, bolts, or other fasteners without the use of  
26 welding or thermal cutting and includes windshields, bumpers, hoods, or trim panels;

27 (2) "manufacturer's suggested retail price" means the retail price of the  
28 new motor vehicle suggested by the manufacturer and includes the retail delivered  
29 price suggested by the manufacturer for each accessory or item of optional equipment  
30 physically attached to the new motor vehicle at the time of delivery to the new motor  
31 vehicle dealer that is not included within the retail price suggested by the manufacturer

1 for the new motor vehicle.

2 Sec. 45.25.520. Form of disclosures. Except as provided in  
3 AS 45.25.460(a)(8)(A), if a disclosure is required by this chapter with respect to a  
4 motor vehicle advertisement, the disclosure must be made in a clear and conspicuous  
5 manner.

6 Sec. 45.25.590. Definitions. In AS 45.25.400 - 45.25.590,

7 (1) "advertise," "advertised," "advertising," and "advertisement"  
8 include representations, whether made on or off store premises, made to persons in the  
9 print media, in the broadcast media, on the computer, in a brochure, in a flyer, by  
10 direct mail, by sign, or on a tag;

11 (2) "monrone sticker" means the window sticker required by 15  
12 U.S.C. 1231 - 1233 (Automobile Information Disclosure Act);

13 (3) "motor vehicle," notwithstanding the definition of "motor vehicle"  
14 in AS 45.25.990, means a vehicle, including a trailer, that is required to be registered  
15 under AS 28.10, but does not include a motorcycle;

16 (4) "new motor vehicle," notwithstanding the definition of "new motor  
17 vehicle" in AS 45.25.990, means a motor vehicle that has not been titled to anyone and  
18 still retains the original manufacturer's certificate of origin.

19 Article 5. Sales and Service Contracts.

20 Sec. 45.25.600. Title transfer. A motor vehicle dealer may not transfer the  
21 title for a motor vehicle to a buyer before all of the sale documents, including any  
22 finance contract arranged by the seller, are complete and executed in final form by all  
23 parties to the sale.

24 Sec. 45.25.610. Sales contracts. (a) A motor vehicle sales contract must be  
25 in writing, signed by both the seller and buyer, and completed as to all essential  
26 provisions before the signing of the contract by the buyer and before delivery of the  
27 vehicle to the buyer.

28 (b) A motor vehicle dealer may not obtain a signed motor vehicle sales  
29 contract from the buyer until any financing terms reflected on the motor vehicle  
30 installment contract are final and complete.

31 (c) Notwithstanding the requirements of this section, if a motor vehicle dealer

CS 45.25.610(b)

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

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

9 (2) the separate agreement clearly and conspicuously informs the  
10 buyer that accepting delivery of the vehicle before final financing approval obligates  
11 the buyer to terms of the motor vehicle sales contract if the terms on the separate  
12 agreement are identical to the terms finally approved by the financing entity; and

13 (3) the separate agreement provides that the separate agreement, the  
14 motor vehicle sales contract, and any and all other conditions of the purchase will be  
15 void if any of the terms contained in the separate agreement are changed by either the  
16 motor vehicle dealer or the financing institution as a condition of sale or final  
17 financing approval.

18 (d) If a buyer's final financing is not approved within seven business days  
19 from the date of the separate agreement and, as a result, the transaction is not  
20 completed, the motor vehicle dealer shall return the buyer's entire down payment, and  
21 the buyer's trade-in, if any, shall be returned to the buyer in the same condition and  
22 with not more than 10 miles accumulated on the odometer from when the motor  
23 vehicle was delivered to the motor vehicle dealer.

24 (e) In this section, "sales contract" includes an installment sales contract, a  
25 short-term sales contract, and a single-payment contract.

26 **Sec. 45.25.620. Service contracts.** (a) A motor vehicle service contract must  
27 be in writing and contain all essential provisions regarding the administration of the  
28 contract. If a motor vehicle dealer presents a service contract to the customer as an  
29 "application" for a contract, it must be clearly and conspicuously marked as an  
30 application and must disclose the applicable rules for obtaining a final service  
31 contract.

1 (b) If a service contract is included in a motor vehicle sale, the seller shall,  
 2 before delivery of the motor vehicle, give to the buyer a written statement with all  
 3 pertinent blank spaces filled in that shall be signed by both the buyer and seller and  
 4 that clearly and conspicuously

5 (1) explains the difference between a service contract and a warranty;

6 (2) discloses the maker of or obligor on the service contract;

7 (3) describes the relationship between the maker and the seller of the  
 8 service contract;

9 (4) for a vehicle that is a used vehicle, notifies the buyer that the seller  
 10 may not disclaim implied warranties if the seller is the maker or obligor of the service  
 11 contract; and

12 (5) includes all other disclosures required by law.

13 (c) A motor vehicle dealer may not disclaim or limit implied warranties for a  
 14 motor vehicle for which the motor vehicle dealer is a maker of a service contract sold  
 15 for that motor vehicle. However, a motor vehicle dealer may disclaim or limit implied  
 16 warranties as otherwise allowed by law, regardless of the make or model of the motor  
 17 vehicle if the motor vehicle dealer is merely the seller, not the maker, of the service  
 18 contract and does not otherwise extend any written warranties on the motor vehicle  
 19 that is purchased.

20 (d) In this section, "maker" means the person that makes, frames, and executes  
 21 a service contract and assumes any obligation due to the buyer, but does not include a  
 22 motor vehicle dealer who merely sells the service contract as the agent of a service  
 23 contract company doing business in this state.

#### 24 Article 6. General Provisions.

25 Sec. 45.25.900. **Applicability.** If a provision of this chapter conflicts with  
 26 another provision of this title, this chapter controls.

27 Sec. 45.25.910. **Remedial purpose.** The provisions of this chapter are  
 28 remedial.

29 Sec. 45.25.990. **Definitions.** In this chapter,

30 (1) "dealer" means a new motor vehicle dealer or used motor vehicle  
 31 dealer;

1                   (2) "dealership" means the business entity that is operated by a motor  
2 vehicle dealer;

3                   (3) "distributor" means a person or entity who sells or distributes new  
4 or used motor vehicles to motor vehicle dealers or who maintains or sends distributor  
5 representatives within or to this state to sell or distribute new or used motor vehicles to  
6 motor vehicle dealers in this state; in this paragraph, "distributor representative"  
7 means a representative employed by a distributor branch, distributor, or wholesaler  
8 who sells or distributes new or used motor vehicles to franchised motor vehicle dealers  
9 in this state;

10                  (4) "distributor branch" means a branch office maintained by a  
11 distributor or wholesaler who sells or distributes new or used motor vehicles to  
12 franchised motor vehicle dealers in this state;

13                  (5) "franchise" means a written arrangement for a definite or indefinite  
14 period in which a manufacturer, distributor, or motor vehicle wholesaler grants to a  
15 motor vehicle dealer a license, sales and service agreement, or contract of any kind to  
16 use a trade name, service mark, or related characteristic, and in which there is a  
17 community of interest in the wholesale or retail marketing of related motor vehicles or  
18 services;

19                  (6) "franchised" means having a franchise;

20                  (7) "fraud" includes a promise or representation not made honestly or  
21 in good faith, and an intentional failure to disclose a material fact;

22                  (8) "good faith" means honesty in fact and the observation of  
23 reasonable commercial standards of fair dealing in the trade;

24                  (9) "lease," except in AS 45.25.150, means a contract by which a  
25 person owning a motor vehicle grants to another person the right to possess, use, and  
26 enjoy the motor vehicle for a specified period of time in exchange for periodic  
27 payment of a stipulated price, and in which the use of the vehicle is granted for a  
28 period of 12 or more months;

29                  (10) "manufacturer" means a person or the person's subsidiary who  
30 manufactures, imports, distributes, or assembles new motor vehicles and includes an  
31 administrator, a distributor, a distributor branch, and a factory branch; in this

1 paragraph, "factory branch" means a branch office maintained by a manufacturer for  
2 directing and supervising the representatives of the manufacturer;

3 (11) "manufacturer representative" means any employee or agent of a  
4 manufacturer who engages in the business of contacting a manufacturer's respective  
5 franchised dealers for the purpose of making or promoting the sale of the  
6 manufacturer's vehicles, parts, accessories, or services;

7 (12) "motor vehicle" means a motor vehicle that is required to be  
8 registered under AS 28.10, but does not include a motor home, a recreational vehicle,  
9 or a motorcycle;

10 (13) "motor vehicle dealer" has the meaning given in AS 08.66.350,  
11 except that, in this paragraph, notwithstanding the definition of "motor vehicle" given  
12 in AS 08.66.350, "motor vehicle" has the meaning given in this section;

13 (14) "motor vehicle salesperson" means a person who is employed by  
14 a motor vehicle dealer as a salesperson or sales representative to solicit, sell, lease, or  
15 exchange motor vehicles under the direction of a motor vehicle dealer;

16 (15) "new motor vehicle" means a motor vehicle that has not been  
17 previously sold to and registered to a person except a distributor, wholesaler, or motor  
18 vehicle dealer for resale;

19 (16) "new motor vehicle dealer" means a motor vehicle dealer for new  
20 motor vehicles or for new and used motor vehicles;

21 (17) "sale" means the issuance, transfer, agreement for transfer,  
22 exchange, gift, pledge, hypothecation, or mortgage in any form, whether by transfer in  
23 trust or otherwise, of a motor vehicle, an interest in a motor vehicle, or a related  
24 franchise;

25 (18) "service contract" means an optional agreement that is separate  
26 from a contract for the sale of a motor vehicle, and that covers certain repair or  
27 maintenance functions beyond coverage provided by a warranty;

28 (19) "terminate" includes nonrenewal or cancellation;

29 (20) "used motor vehicle" means a motor vehicle that has been  
30 previously sold to and registered to a person other than a distributor, wholesaler, or  
31 motor vehicle dealer;

1 (21) "used motor vehicle dealer" means a motor vehicle dealer for used  
2 motor vehicles.

3 \* Sec. 10. AS 45.50.471(b)(33) is amended to read:

4 (33) violating AS 08.66 [AS 08.66.010 - 08.66.090] (motor vehicle  
5 dealers);

6 \* Sec. 11. AS 45.50.471(b) is amended by adding a new paragraph to read:

7 (43) violating AS 45.25.400 - 45.25.590 (motor vehicle dealer  
8 practices).

9 \* Sec. 12. AS 45.50.572 is amended by adding a new subsection to read:

10 (k) AS 45.50.562 - 45.50.596 do not apply to action taken by a person to  
11 comply with AS 45.25 or to action refrained from by a person in order to comply with  
12 AS 45.25 (motor vehicle transactions).

13 \* Sec. 13. AS 08.66.090, 08.66.200, 08.66.210, 08.66.220, 08.66.230, 08.66.240,  
14 08.66.250, and 08.66.330 are repealed.

15 \* Sec. 14. The uncodified law of the State of Alaska is amended by adding a new section to  
16 read:

17 INDIRECT COURT RULE AMENDMENT. AS 45.25.020(b), enacted by sec. 9 of  
18 this Act, amends Rule 3, Alaska Rules of Civil Procedure, by establishing a different rule for  
19 determining where a legal dispute described in AS 45.25.020(a), enacted by sec. 9 of this Act,  
20 may be brought.

21 \* Sec. 15. The uncodified law of the State of Alaska is amended by adding a new section to  
22 read:

23 APPLICABILITY. Sections 9, 11, and 12 of this Act apply to a franchise, as that term  
24 is defined in AS 45.25.990, added by sec. 9 of this Act that is entered into on or after the  
25 effective date of this Act.

26 \* Sec. 16. The uncodified law of the State of Alaska is amended by adding a new section to  
27 read:

28 CONDITIONAL EFFECT. AS 45.25.020(b), enacted by sec. 9 of this Act, takes  
29 effect only if sec. 14 of this Act receives the two-thirds majority vote of each house required  
30 by art. IV, sec. 15, Constitution of the State of Alaska.

31 \* Sec. 17. This Act takes effect July 1, 2002.

May 6, 2003

ALL WEST TRUCKS INC  
10664 N. GOVERNMENT WAY  
HAYDEN LAKE, ID 83835

To Labor & Commerce Committee members

In Response to House Bill 272, ALL WEST TRUCKS INC., a Registered Importer with D.O.T. is opposed to section 1 of House Bill 272 "An Act relating to motor vehicle dealers"

We ask that the members of the committee remove section 1 of HB 272, on the basis that this section is harmful to the interests of consumers and competition and is an illegal trade restriction that exposes the State government to liability under the North American Free Trade Agreement.

Section 1 of HB 272 was crafted for the sole benefit of franchised vehicle dealers who are trying to prevent competition from independent dealers who import and sell Canadian cars. These cars meet United States safety and emissions standards and are identical to American models. The only difference is price.

As a Registered Importer, whose sole business depends on the cross border sales of motor vehicles, the passing of House Bill 272 will eliminate the need for our company to exist. Also this bill, if passed, will directly take away the jobs of our employees and the jobs of the Canadian independent brokers who rely on the automotive industry to provide a source of income for their livelihood.

We understand that the dealers who are franchised need to invest substantial amounts of money for their franchises, but it should not be overlooked that we too have invested large amounts of money to keep our business profitable and operational. We have strict rules and regulations that we must comply with that are regularly changing in order to meet the standards of the Department of Transportation. With these rules come changes, special licensing and further upgrading of our resources and abilities to meet the needs needed for our clients.

The process that we provide is available to all automotive consumers from the franchised dealers to the independent brokers, thus, we feel that all auto dealers can benefit from the cross border sales. But, a law prohibiting the sale of current model year vehicles by non-franchised independent dealers is absurd and does not seem to have any benefits.

We feel that it would be inappropriate for the government to eliminate companies, like ours, that enable businesses to supply identical goods at any costs.

Thank you in advance for your consideration of this matter.

Respectfully

Jennifer Chabeniuk  
Manager, All West Trucks Inc.  
Tel: 208-762-9451  
Fax: 208-762-9432

◆ U.S.  
REGISTERED  
IMPORTER

# Cross Border Trading

338 MAIN STREET, HILL SPRING, AB T0K 1E0

◆ TRANSPORTATION  
◆ SPEEDO CHANGE  
◆ TITLING

To: Chairman Tom Anderson

Fax: 907-465-2418

Date: 5-8-03

From: Mike Gibb

Re: Section 1 HB 272

Pages to follow: 0

---

My name is Michael Gibb, and I represent Cross Border Trading who is a registered importer with the US Department of Transportation.

We ask that the members of the committee remove section 1 of HB 272, on the basis that this action is harmful to the interests of consumers and competition and is an illegal trade restriction that exposes the State government to liability under the North American Free Trade Agreement

Thank You

Michael Gibb

# P.N.T. REGISTERED IMPORTERS INC.

955 Kernan, P.O. Box 565  
Oroville, Washington, U.S.A. 9884  
866-862-8665

May 5/03

Attention: The Alaska Labor and Commerce Committee

Allow me to introduce my company P.N.T. Registered Importers (USA) Inc. of Oroville, Washington.

As you are aware, we are the people who do the import paperwork for vehicles being imported into Alaska and all other states of the United States of America from Canada.

In regards to the House Bill 272, we are openly and strongly opposed to section 1 of the House Bill. This Bill could and will cause high damage to our business, our employees and their families, others in our industry, and in related industries.

Bill 272 would seriously inhibit free trade between the U.S.A. and Canada and greatly reduce the ability of the American retail customer to freely buy the used car or truck of his or her choice, and from the automobile dealer of his or her choice.


Free trade between the United States of America and Canada was set in place for the people by the people, and the proposed legislation would financially harm those people and reduce their freedom of choice.

We add our voice to the voices raised against passage of this bill and ask that it be set aside, in the interests of the people whom it will harm.

I am available to discuss this matter further at your convenience.

**P.N.T. Registered Importers (USA) Inc.**

per:

  
Randall Reid, president

May 7,2003

To Labor & Commerce Committee members,

In response to House Bill 272, the North American Automobile Trade Association and its Alaskan members are opposed to section 1 of House Bill 272, "An act relating to motor vehicle dealer

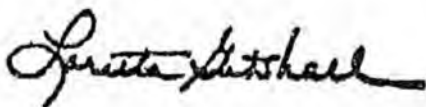
We ask that the members of the committee remove section 1 of HB 272, on the basis that this section is harmful to the interests of consumers and competition and is an illegal trade restriction that exposes the State government to liability under the North American Trade Agreement.

We are a Registered Importer in Spokane, Wa. And are extremely opposed to section 1 of House Bill 272. This House Bill would have outstanding effects to our business as we have clients who rely on sales to Alaskan Independent Dealers.

VIP traders Inc. asks that section 1 of House Bill 272 be removed, on the basis that this section will be harmful to our business, our customers and our customers Independent Dealers. Ultimately, the Consumer will suffer the most, with little or no competition in their trading area.

V.I.P. Traders Inc.

Loretta Gutshall (President)



May 7, 2003

**To Labor & Commerce Committee members,**

In response to House Bill 272, the North American Automobile Trade Association And its Alaskan members are opposed to section 1 of House Bill 272, "An act relating to motor vehicle dealers"

We ask that members of the committee remove section 1 of HB 272, on the basis that this section is harmful to the interests of consumers and competition and is an illegal trade restriction that exposes the State government to liability under the North American Free Trade Agreement.

We are a wholesale distributor of Canadian vehicles based in Bigfork, MT. and are extremely opposed to section 1, House Bill 272.

Several of our major clients are Independent Alaskan Dealers and House Bill 272 would unfairly disallow them to be competitive.

The North American Free Trade Agreement would be violated by the House Bill 272 and the consumer would ultimately pay more with little or no competitive pricing. Why should franchised dealers be allowed to control pricing?

Custom Auto Brokers asks that section 1 of House Bill 272 be removed on the basis that this section will be harmful to our right to market vehicles under the North American Free Trade Agreement.

Custom Auto Brokers

*Mike E. Corbett for Custom Auto Brokers*

THE  
FOLLOWING  
DOCUMENT(S)  
ARE  
POOR  
ORIGINAL  
COPIES

**Lyberger's Car and Truck Sales, LLC**



8550 Old Seward Hwy. Anchorage, Alaska 99515.

**HB272**

**Section 1 Should be removed completely!!**

State of Alaska AG's office says that section 1 is there because of unfair trade practices because of Canadian imported vehicles.

This issue should not be in the State of Alaska Legislature.

Congress has spoken on this issue. (NAFTA)

What happened to free trade and competition.

This is a special interest legislation. This is the government protecting the franchised dealers.

Our Government and Attorney General Office should be spending their time and money going after the manufacturers. They set the prices for US and Canadian vehicles. Independent dealers do not. Manufacturers sell to the franchised dealer (US or Canadian) their product for a certain price which includes the manufacturers warranty. Which is taken away from the US(Alaska) consumer.

All of us (State of Alaska, AG's Office, Franchised Dealers and the Independent Dealers) should be helping the consumers, not hurting.

**SECTION 1 SHOULD BE REMOVED!!!!**

*Carrol Lyberger*

May 8, 2003

To Labor & Commerce Committee members,

In response to House Bill 272, the North American Automobile Trade Association And its Alaskan members are opposed to section 1 of House Bill 272, "An act relating to motor vehicle dealers"

We ask that members of the committee remove section 1 of HB 272, on the basis that this section is harmful to the interests of consumers and competition and is an illegal trade restriction that exposes the State government to liability under the North American Free Trade Agreement.

We are a wholesale distributor of Canadian vehicles based in Spokane, Wa. and are extremely opposed to section 1, House Bill 272.

Several of our major clients are Independent Alaskan Dealers and House Bill 272 would unfairly disallow them to be competitive.

The North American Free Trade Agreement would be violated by the House Bill 272 and the consumer would ultimately pay more with little or no competitive pricing. Why should franchised dealers be allowed to control pricing?

Fleming Motors of U.S.A. asks that section 1 of House Bill 272 be removed on the basis that this section will be harmful to our right to market vehicles under the North American Free Trade Agreement.



Fleming Motors  
Gay Fleming (President)

## **Consumer Rights**

**Take care of what you already have!**

**You may not be aware that**

**Your Rights are about to be compromised**

**The RIGHT to be informed;**

**The RIGHT to a consumer education;**

**The RIGHT to choose**

**And**

**The RIGHT to be heard.**

Section 1 of House Bill 272 was written for the sole benefit of franchised vehicle dealers who are trying to prevent (YOU) the consumer from saving thousands by purchasing a Canadian car from an independent dealer if you wanted to.

The manufacturers and their dealers are using your government in attempt to wipe out competition from independent dealers who import and sell Canadian cars. These vehicle meet the safety and emission standards of the United States and are identical to the American models. The only difference is price.

Section 1 of House Bill 272 not only will take away your right to choose, it takes away your bargaining power.

House Bill 272 will empower the Franchised Dealer, you will not be able to get the best deal in town, why? because there will be no where to go. You will be forced to buy your vehicles from a franchised dealer, you will be at the mercy of the franchised dealer if you come on hard times.

**Take RESPONSIBILITY to make your own independent and informed consumer choices;**

**Don't let the Franchised Dealers and the Office of the Attorney General make those choices for you.**

**Lybergor's Car and Truck Sales, LLC**



9530 Old Seward Hwy ♦ Anchorage, Alaska 99515.

**HB272**

To Whom It May Concern:

\* Section 1. AS 08.66.015 is amended to read:

Sec. 1. AS 08.66.015 Sale of motor vehicle. (a) A person who does business as a dealer in the state may not offer to sell or sell a motor vehicle as new motor vehicle unless the motor vehicle retains the manufacturer's certificate of origin.

**OMIT THIS SECTION**

~~(b) A person who does business as a dealer in the state may not offer to sell or sell a motor vehicle as a current model motor vehicle unless~~

~~(1) the dealer has a current sales and service agreement with the manufacturer or~~

~~(2) the vehicle is a current model used vehicle received as a trade in in the normal course of business.~~

~~OMIT THIS (B) (1) (2)~~

\* Sec. 2. AS 45.25.400(b) is amended to read:

(b) etc

This is how this should be written.

# Affordable USED CARS

## BAD LAW

HB272

### SECTION 1. AS 08.66.015 SALE OF MOTOR VEHICLES

Today you the members of the House Labor and Commerce Committee will hear testimony from both sides concerning this issue. One point that will come up is the fact that we have a current law prohibiting the sale of current model vehicles without a manufactures cert. of origin. This law is not enforceable because it would mean that franchised dealers could not sell these current model year used vehicles either.

At this time we have one bad (unenforceable) law on the books now. The current bad law is at least fair to everyone. By adding this language contained in HB272, section 1. it will make a bad law worse, because it will not be fair to all dealers. It will give a certain dealerbody a monopoly on a segment of used vehicles for a period of 15 to 16 months. This is unfair trade and the Alaskan consumer will suffer.

Alaskans do not need to be told what a used vehicle is. The public and the dealers know that a used vehicle is one that is not new. This seems to be common sense. With the name Affordable Used Cars Inc. we have never had a customer come back mad because they thought they bought a new car.

Please remove section 1. of HB272 and let the rest of this bill pass. If that is not possible, vote against moving this bill forward.

Jim Arpino G.M.



928 East 8th Avenue • Anchorage, Alaska 99501 • (907) 274-2277 • Fax (907) 274-2278

2528 S. Cushman • Fairbanks, Alaska 99701 • (907) 482-5707 • Fax 482-8241

#125-6080 Russ Baker Way  
Richmond, B.C.  
Canada V7B 1B4

Toll Free 1-800-291-8971  
Tel: (604) 278-4551  
Fax: (604) 278-3292



www.orcaimports.com



May 9, 2003

To Labour & Commerce Committee members  
Alaska Capitol

*Att: Tom Anderson*

From: Callum J.M. Herdson  
ORCA AUTO SALES LTD.  
Richmond, B.C., Canada

Gentlemen; RE: House Bill 272 "An Act relating to motor vehicle dealers"

We ask that the members of this committee remove section 1 of HB 272, on the basis that this section is harmful to the interest of consumers and competition and is an illegal trade restriction that exposes the State government to liability under the North American Free Trade Agreement.

Orca Auto Sales Ltd. is an independent car dealer and international wholesaler of quality used vehicles. We feel that this House Bill will have a serious negative impact on our ability to supply the quality vehicles requested by our Alaskan customers, and their ability to supply their customers with vehicles at more reasonable cost. As a matter of fact Orca Auto Sales Ltd. provides vehicles to franchised car dealers throughout the U.S.A. We also receive ex-rental vehicles after 4 months of service and supply these to dealers in Alaska and elsewhere.

We would think that the elected officials in Alaska would be dedicated to the principle of fair trade and competitive prices for all the consumers (their constituents).

Please reconsider section 1 of HB 272 and remove it from the legislation. Stand up for fair trade and competitiveness.

Yours truly,  
Orca Auto Sales Ltd.

Callum J. Herdson  
President



**Total Vehicles Services:**

- *Restyling*
- *Reconditioning*
- *Remarketing*

*Phone: 604-248-1700*

*Fax: 604-248-1704*

*Email: [info@cnsvehicles.com](mailto:info@cnsvehicles.com)*

*Website: [www.cnsvehicles.com](http://www.cnsvehicles.com)*

May 8, 2003

Tom Anderson  
Chairman  
Alaska Labor and Commerce Committee

Fax (907) 465-2418

**RE: Section 1 House Bill 272**

**CNS Vehicles wish to register its objection to section 1 of HB 272 and believe that this section should be removed from the proposed legislation.**

CNS Vehicles, a registered importer for over twenty years, will be directly and dramatically affected by this bill. The Attorney General's office and the Alaska Motor Vehicle Dealers Association must be commended in proposing the above bill which is obviously intended to protect the Alaskan consumer. However, the vehicles being supplied by registered importers such as ourselves are supplying vehicles identical to those supplied by franchised dealers at competitive prices which gives the consumer a choice.

Both the profitability of CNS Vehicles and non-franchised dealers who are selling "current model" vehicles will be severally affected. Ultimately consumers will pay more for vehicles in Alaska if this bill is to be passed. Consumers bargaining power will basically be eliminated as they will be able to purchase current model vehicles only from the respective franchise dealer.

Therefore the original intention of protecting the Alaskan consumer results in the same consumer being financially penalized because of lack of choice.

Yours sincerely

A handwritten signature in black ink, appearing to read "Thomas Carter", with a large, sweeping flourish extending to the right.

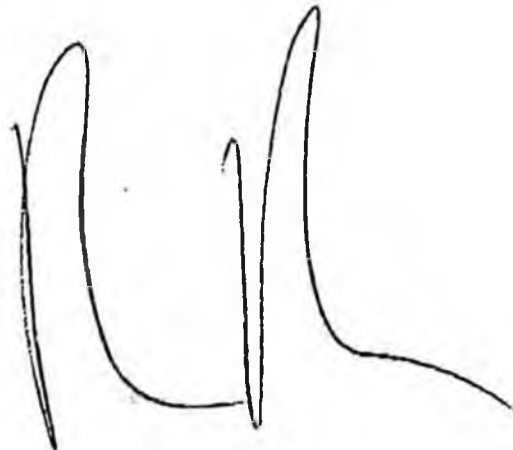
Thomas Carter - President

\* 304 Stafford Drive N, Lethbridge AB T1H 2A6 \* 4431 Vanguard Road, Richmond, B.C. V6X-2P6  
\* 100 Americana Way, Sweetgrass, MT 59484 \* 3416 South Post Road, Indianapolis, IN 46239

To Tom Anderson

I am opposed to section one of bill 272.. I would like to see it removed..  
I believe the government has no right to remove competition, and this will cause  
Americans to get ripped off. I am of the belief that this will expose you to liability under  
the NAFTA agreement.

Dennis Dudeck R&D IMPORTS TERRE HAUTE IN.

A handwritten signature in black ink, appearing to be 'D. Dudeck', written in a cursive style.

2390 S. Service Rd. W.  
Oakville, Ontario  
Canada L8L 5M8  
1 (888) 578 8888



To:

- Tom Anderson, Chairman Labor & Commerce, tel: 907-465-4939, fax: 907-465-2418,
- Josh Applebee, Committee Aid for Labor & Commerce,  
tel: 907-465-4939, fax: 907-465-2418
- Ethan Berkowitz, Minority House Leader, House of Rep., tel: 907-465-4919, fax: 907-465-2137
- Bruce Wehrauch, House of Rep., tel: 907-465-3744, fax: 907-465-2273

May 1, 2003

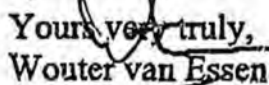
Gentleman,

In Response to House Bill 272, our company is opposed to section 1 of House Bill 272 "An Act relating to motor vehicle dealers"

We ask that the members of the committee remove section 1 of HB '272, on the basis that this section is harmful to the interests of consumers.

Our company supplies new and used Ford Windstar converted for wheelchair access to the North-American market. It would be impractical and very expensive for our Alaska clients including taxi companies to ship their vehicle from Alaska to our plant in Oakville, Ontario, Canada for conversion. The normal procedure is that our clients purchase Ford Windstar converted for wheelchair access from our inventory. This would be impossible if the clients would be required to purchase a Ford Windstar from a local dealer and be forced to ship it to our company for conversion.

Thank you for your consideration,

Yours very truly,  
  
Wouter van Essen

**Lyberger's Car and Truck Sales, LLC**



9530 Old Seward Hwy † Anchorage, Alaska 99515.

7

Labor & Commerce Committee

Ref: HB272

May 8, 2003

I have enclosed 2 letters that were written by 2 franchised dealerships in November of 1999. This is the real issue for HB272. This was their position in 1999. **Nothing has changed since then.** I took this as collusion in the market place, with the express purpose for restricted competition. The attorney general has sided with the franchise dealers to use our government in attempting to wipe out competition from independent dealers who sell Canadian vehicles. Selling Canadian vehicles is not illegal. Trying to restrict trade is.

A handwritten signature in cursive script that reads "Carrol Lyberger". The signature is written in black ink and is positioned above the printed name and contact information.

Carrol Lyberger  
907-349-3343 Anchorage  
877-349-3343 Toll Free



# Alaska Sales and Service

SERVING ALASKANS SINCE 1944

1300 E. 5th. Avenue  
Anchorage, Alaska 99501  
Phone (907) 279-9641

November 8, 1999

Dear Mr. Lyberger,

*Not New  
Used*

*We are not a  
Broker, we have a  
dealer license*

*Reason  
for Sect. 1  
HB 272*

Effective upon your receipt of this letter, Alaska Sales & Service will take the position that new vehicles acquired for the purpose of resale by a broker in direct competition with this dealership will not be eligible for warranty repairs at our shop.

To save your customers from any unnecessary inconvenience please inform them of our position. A copy of this letter will be shown to all of your customers attempting to have their vehicle serviced at our shop.

The following vehicle identification numbers, which represent your current GM inventory, will be flagged in our computer system as vehicles that are not eligible for warranty repairs by our company. We will continue to add to this list as your inventory changes.

Sincerely,

*[Signature]*  
Leonard G. Bryant  
Dealer/President

*Alaska Sales & Service sent an employee over @  
around 6:00 AM on a cold day to get VIN #'S*

- |                   |                   |                   |
|-------------------|-------------------|-------------------|
| 1GTGK23J9YF402620 | 1GCGK23J3YF410616 | 1GCGK29U9YZ112796 |
| 1GCEK19T0YE104358 | 1GCGK29U5YZ122340 | 2GCEK19T7Y1109459 |
| 1GCGK29U6YE102931 | 1GCGK29U4YZ122815 | 1GCGK23J4YF409376 |
| 1GCGK29U1YZ110475 | 1GTGK29U4YE110610 |                   |

VIA FAX to Tony Marletto at Tony Chevrolet  
VIA FAX to Chuck Singletary at Valley Motors

# Tony Chevrolet of Anchorage



9100 Old Seward Highway  
Anchorage, Alaska 99515  
(907) 365-8600  
Fax (907) 365-8660

November 10, 1999

Dear Mr. Lyberger,

Effective upon your receipt of this letter, Tony Chevrolet of Anchorage, will take the position that new vehicles acquired for the purpose of resale by a broker in direct competition with this dealership will not be eligible for warranty repairs at our shop.

To save your customers from any unnecessary inconvenience please inform them of our position. A copy of this letter will be shown to all of your customers attempting to have their vehicle serviced at our shop.

The following vehicle identification numbers, which represent your current GM inventory, will be flagged in our computer system as vehicles that are not eligible for warranty repairs by our company. We will continue to add to this list as your inventory changes.

Sincerely,

Tony Marietto  
Dealer/President

1GTGK23J9YF402620	1GCGK23J3YF410616	1GCGK29U9YZ112796
1GCEK19T0Y3104358	1GCGK29U5YZ122340	2GCEK19T7Y1109459
1GCGK29U6YE102931	1GCGK29U4YZ122815	1GCGK23J4YF409376
1GCGK29U1YZ110475	1GTGK29U4YE110610	

# GM honors warranties on gray-market cars

**JOE MILLER**  
Staff Reporter

General Motors pulled down a barrier to the gray market March 17 by saying it will honor the factory warranties on GM gray-market vehicles — those imported by a dealer or broker from another country, primarily Canada, and resold in the United States.

But GM said it is not endorsing the gray market and will continue to prohibit its dealers in Canada from knowingly selling new vehicles to wholesalers and brokers who intend to resell the vehicles in the United States.

GM's policy change is a welcome surprise to some GM dealers who are desperate for product but afraid to buy gray-market GM vehicles. But at least one Chevrolet dealer near the Canadian border would rather see GM improve its U.S. allocation system and send him more vehicles.

The move leaves American Honda Motor Co. Inc. as the only major U.S. car company that does

not honor the Canadian factory warranties on gray-market vehicles.

## RISING IMPORTS

A booming U.S. car market and a weak Canadian dollar caused imports of gray-market vehicles from Canada to rise to about 78,000 units in 1998, more than triple the 1997 figure. The majority of the vehicles were light trucks, said the U.S. National Highway Traffic Safety Administration, which oversees registered vehicle importers.

During the first two months of 1999, about 21,000 Canadian vehicles were imported into the United States, NHTSA said.

Although automakers discourage their franchised Canadian dealers from selling new vehicles to known import/export companies, a growing number of new vehicles have come to the United States — where most states require they be sold as used — through wholesalers, brokers and fleet companies.

The vehicles must go through a registered U.S. vehicle importer that verifies the vehicles meet U.S. regulations and insures the vehicles against past and future recalls. Typically, the importer installs a new odometer that reads miles instead of kilometers.

Ford Motor Co., DaimlerChrysler, Nissan North America Inc. and Toyota Motor Sales U.S.A. Inc. say they honor the factory warranties on their vehicles imported from Canada.

American Honda has said otherwise. American Honda sent a letter to its dealers this month restating that Honda vehicles imported from any country are not eligible for warranty coverage from American Honda.

Art Garner, an American Honda spokesman, said U.S. Honda and Acura dealers who resell Canadian vehicles typically buy extended warranties from independent companies to replace the factory warranties.

Until now, GM stuck by its ser-



ported vehicles, and that GM reserves the right to address each warranty on a case-by-case basis.

Despite the caveat, Brian Høglund, director of warranty operations at GM, said GM will honor the factory warranty whether or not the consumer knew the vehicle originally was sold in Canada. The policy change is "purely for customer satisfaction," Høglund said.

Even before GM changed the policy, some GM dealers risked buying Canadian vehicles to fulfill demand and to compete with non-GM dealers who also were buying gray-market GM vehicles.

A Chevrolet dealer near the Canadian border, who asked not to be named, said several independent used-car dealers and the local Dodge dealership have nearly new 1999 Chevrolet Silverado light trucks on their lots from Canada.

If GM cannot get him vehicles, he said, he has no choice but to buy gray-market cars and light trucks. **AM**

vice policy manual, which stated that the customer must be charged for warranty repairs if the GM vehicle was allocated originally to a Canadian dealer and resold in the United States.

The exception was Canadian citizens who had relocated to the United States with a GM vehicle.

## CUSTOMER FIRST

In its new policy, GM has softened the language by saying that the warranty "may be void" on im-

## FORD

### Nasser goes outside to find executives

continued from PAGE 1



customer service and Ford Motor Credit Co.

Nasser wants to change Ford's corporate DNA with new ideas. His ambitious mission: to transform the company into one of the world's premier customer-pleasing corporations, automotive or nonautomotive.

But the game plan carries risks as well as opportunities. Already, loyal Ford employees are uncertain about their chances of promotion. In October 1998, when Nasser handpicked his new team, seven vice presidents left.

### Fresh blood

Here are our Ford Motor Co. executives hired from outside the company.

 <p><b>Louise Gosser</b>, 46 Title: vice president/quality Previous job: Whitcomb Corp. vice president of quality and general manager of refrigeration products for North America</p>	 <p><b>Shamel Rushnik</b>, 42 Title: vice president/advanced manufacturing engineering Previous job: vice president of international manufacturing and minivan assembly operations at DaimlerChrysler</p>
--	---

### More fresh blood

Other significant outsiders hired by Ford Motor Co. in the past 30 months:

<p><b>Chris Bird</b>, 42 Title: Director of design, small- and medium-car vehicle center Previous job: Chief designer, Audi AG</p>	<p><b>Ann O'Neill</b>, 40 Title: Ford customer service division director of vehicle service and programs Previous job: Vice president of quality and continuous improvement, United Technologies Automotive</p>
<p><b>Janet Klug</b>, 39 Title: Marketing communications manager, Ford Division Previous job: Senior vice president, Leo Burnett USA</p>	<p><b>Philippa Pallant</b>, 47 Title: Ford Financial Services Group president, Ford Motor Credit Co. chairman Previous job: Group executive</p>
<p><b>Mike Lombardi</b>, 47 Title: North American business development manager, Ford</p>	

MAY 09 03 08:41 E



May 9, 2003

To whom it may concern:

In response to House Bill 272, which has been recently introduced to legislature in the State of Alaska. Bill 272 is calling for a ban on the sale of current model year Canadian vehicles by independent dealers.

Niagara Speedometer, an industry leader in speedometer conversion, specializing in speedometer/odometer conversion from kilometers (Kph) to miles (Mph). Since 1999 Niagara Speedometer has assisted Automotive Importers/Exporters with over 40,000 conversions, with some of our clients conducting business in the State Of Alaska.

The passing of Bill 272 in the State of Alaska would set a bad precedent for the import/export industry and would ultimately be at the cost of the consumer. Bill 272 will eliminate the benefits of competition and drive vehicle prices up.

Section 1 of Bill 272 should be reconsidered and removed to protect the American Consumer, and also relieve possible legal liability for Alaska under the North American Free Trade Agreement (NAFTA).

Please put serious thought into this matter, and reconsider all repercussions that would affect both the Import/Export industry and the American Consumer at a national level.

Thank you,

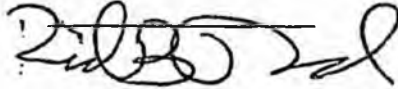
Rick Audette  
President, Niagara Speedometer  
Phone (905) 704-0645  
Fax (905) 704-1746

Niagara Speedometer

403 Broadview Ave. Unit 4 St. Catharines, ON Canada L2M 6G2

Section 1 of House Bill 272 was written to create a monopoly for franchised dealers. This also Will prevent consumers like you from saving thousands when buying a late model vehicle such as Canadian cars or trucks from a small independent dealer. These vehicles meet USA emissions and Safety standards. THE ONLY DIFFERENCE IS PRICE. If this bill passes you will be forced to buy from A franchised dealer. I also feel this bill was quietly slipped under the back door without informing the public. The manufactures and their dealers are using their money and power to control the late model car and truck market. Please stop this non-sense from going any farther. What ever happened to free trade?

U Park We Sell LLC  
907-336-7275  
135 W. Dimond Blvd.  
Anchorage, Alaska 99515  
Richard B Drummond CEO



May 08 03 09:36p