

ALASKA LEGISLATURE COMMITTEE FILES 2003-2004 8672

11045 HOUSE STATE AFFAIRS



# Miscellaneous Provisions

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★ **Help America Vote College Program**

★ **\$5 million to encourage college students to participate by volunteering as poll workers.**

★ **Help America Vote Foundation**

★ **\$5 million to encourage high school students to participate by volunteering as poll workers.**



**Now What....**

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**What Alaska Needs to Accomplish for  
the Implementation of  
HAVA**



# **Changes Needed in Alaska**

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- ★ Submit certification for Title 1 funds.**
- ★ Establish State Plan for Requirements Payment.**
- ★ DRE in each polling place.**
- ★ Voter education information for provisional voting, and other election information at polling places.**
- ★ Free access system for voters to obtain election information, provisional voting information.**



## **Changes Needed - continued**

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- ★ Enhance statewide voter list to make interactive.**
- ★ Coordinate statewide voter list with DMV and PFD.**
- ★ Modify voter registration form and absentee ballot application. (AK driver's license, last 4 digits of SSN, and birthdate, as well as US citizenship and 18 years old questions.)**
- ★ Establish system to track registration applications submitted by mail that do not contain ID.**
- ★ Establish system for first time absentee voters who vote by mail and who initially registered by mail and did not submit ID.**



## **Even More Changes.....**

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- ★ Establish administrative complaint process for Title III violations.**
- ★ Establish system for military and overseas voters to apply for absentee ballot for two general elections with a single application.**
- ★ Improve election worker training methods.**
- ★ Determine polling place accessibility needs.**



# **Title 15 Changes**

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- ★ Clarify what constitutes a vote.**
- ★ Change “Questioned Voting” to “Provisional Voting”.**
- ★ Add to Title 15 the voter information that is necessary at each polling place.**
- ★ Include AK driver’s license, last 4 SSN and birthdate as mandatory information when registering.**
- ★ Include types of ID outlined in HAVA as acceptable ID when voting and registering**

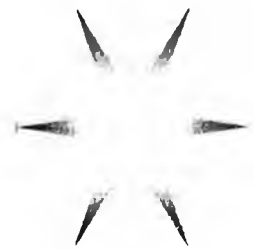


## **Title 15 Changes - continued**

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- ★ Include reasons why an absentee or provisional ballot would not count and how voters can determine the reason the ballot was not counted.**
- ★ Amend absentee by mail statute to allow single application for military and overseas voters for next two general elections.**
- ★ Remove non-partisan and undeclared as party affiliation choices.**

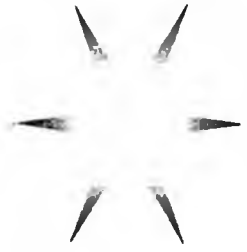
**All Title 15 changes MUST be precleared by US Dept. of Justice prior to implementation**



# **Use of Federal Funding**

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- ★ Improving election administration for federal elections.**
- ★ Voter education.**
- ★ Training election officials and poll workers.**
- ★ Developing the State Plan.**
- ★ Improving election systems.**
- ★ Improving quantity of polling places and access for individuals with disabilities.**
- ★ Establishing toll free hot-line for voters to obtain information and report fraud.**



# **State Plan Committee's Role**

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- ★ Review and provide input on proposed Alaska State Plan to assist Alaska with the implementation of HAVA.**
- ★ Help gain support for passage of proposed legislation changes as early as possible.**
- ★ Help the Division of Elections inform Alaskans of the new requirements.**



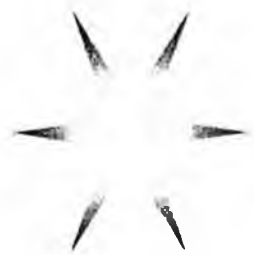
# State of Alaska Division of Elections

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## *Help America Vote Act of 2002*



**Summary for Alaska State Plan Committee**



# **Funding for Federal Election Administration**

## **★ Significant funding has been appropriated**

**Provides payments to State to improve the administration of federal elections and replace voting systems.**

**Requires each State to assure access to disabled voters, including one DRE at each polling place.**

## **★ Estimated Funding for Alaska**

**Election Administration and Voting Assistance - \$5 million**

**Requirements Payments - up to \$15 million with 5% state match required.**



# **Punch Card Replacement**

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- ★ States must use the money directly or as a reimbursement.**
- ★ States must replace machines with equipment that meets standards in HAVA.**
- ★ A state receiving money must replace all punch card equipment by 2004, or 2006 if a waiver is requested.**

**Although Alaska no longer uses punch card voting systems, we can use the funding to expand the use of our optical scan system.**



# **Election Administration Improvement**

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- ★ **Guaranteed minimum payment of up to \$5 million.**
- ★ **In order to receive funding the chief executive officer, in consultation with the chief election official, must certify that the state will use the money to improve elections and how the payment will be used.**
- ★ **Certification is due April 29, 2003.**

**Certification includes that use of the funds will be consistent with existing federal laws and the act.**

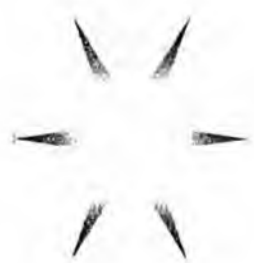


# **Requirements Payments**

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- ★ **Payments to states in Fiscal Years 2003-2005.**
- ★ **Funding must be used to meet requirements in Title III.**
- ★ **Requires yearly report detailing how funds were used.**
- ★ **In order to receive funding for a fiscal year, the chief executive officer must, in consultation with the chief election official, file a certification with the EAC.**
- ★ **Certification requires submission of state plan to EAC.**

**Requirement payments available as early as  
4/29/03.**



# **Election Assistance Commission (EAC)**

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- ★ **A new independent agency consisting of 4 members appointed by the President and confirmed by the Senate.**
- ★ **The EAC must adopt Voluntary Voting System Guidelines and conduct various studies.**
- ★ **The EAC has no rule-making authority or ability to take action that imposes a requirement on a state or locality.**
- ★ **Administers all the grant programs established by the Act.**



# **Election Assistance Standards Board**

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- ★ **110 members, comprised of 55 state and 55 local election officials.**
- ★ **Laura Glaiser and Shelly Growden have been nominated as the Alaska representatives to this board.**
- ★ **Responsible for reviewing Voluntary Voting System Guidelines and voluntary guidelines for meeting the requirements of HAVA.**
- ★ **Must meet once a year.**



## **Other Boards**

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**★ Election Assistance Board of Advisors**

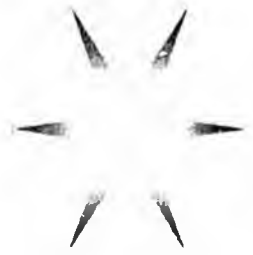
**37 members from a wide variety of different interest groups.**

**Votes on adopting Voluntary Voting System Guidelines once a year.**

**★ Technical Guidelines Development Committee**

**15 members appointed by the EAC and the National Institute of Standards and Technology.**

**Will assist in development of Voluntary Voting System Guidelines.**

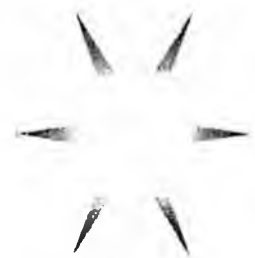


# **Voting System Standards**

## **Effective January 1, 2006**

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- ★ **Provide voters an opportunity to check for and correct ballot errors.**
- ★ **Requires a manual audit capacity with paper record.**
- ★ **Provide at least 1 voting machine at each polling place that is accessible to the disabled.**
- ★ **Provide alternative language accessibility.**
- ★ **Provide voting system with error rate that does not exceed the existing rate established by Federal Election Commission.**
- ★ **Define what constitutes a legal vote.**



# **Voting System Standards**

## **Effective January 1, 2004**

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- ★ **Provide for provisional ballots.**
- ★ **Provide sample ballot and other voter information at each polling place on election day.**
- ★ **Implement a uniform, computerized statewide voter registration database and conduct list maintenance to maintain an accurate list.**
- ★ **Requires an individual to provide driver's license or last 4 of SSN when registering to vote.**
- ★ **Requires first-time voters who registered by mail must provide identification when they cast their ballot.**



# **Provisional ballots**

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- ★ **Allows voters to vote a provisional ballot if their name does not appear on the precinct register.**
- ★ **Alaska meets this requirement with “Questioned Ballots”.**
- ★ **Required to provide a free access system so that voters can ascertain if their provisional ballot counted, and if it was not counted, the reason why.**

**Toll Free Number**

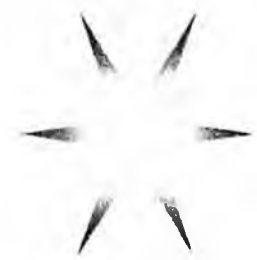
**Website**



# **Voting Information at Polling Places**

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- ★ **Sample Ballot - Alaska provides.**
- ★ **Election date and the hours the polls are open.**
- ★ **Instructions on how to vote - Alaska provides.**
- ★ **Instructions on how to cast a provisional ballot.**
- ★ **Instructions for first time voters who registered by mail.**
- ★ **General information on voting rights.**
- ★ **General information on the prohibitions on acts of fraud and misrepresentation.**



# **Computerized Statewide Voter Registration List**

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★ The Act requires a *“single, uniform, official, centralized, interactive computerized statewide voter registration list, defined, maintained and administered at the State level that contains the name and registration information of every legally registered voter in the State.”*

**Alaska has a statewide voter list but it  
doesn't meet all requirements.**



## **Voter Registration List - continued**

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- ★ **The voter registration list must be coordinated with other state agency databases - Alaska to use PFD and DMV.**
- ★ **The list serves as the official list of registered voters for federal elections.**
- ★ **List maintenance must be performed on a regular basis following National Voter Registration Act (NVRA) standards.**
- ★ **Alaska currently has a list maintenance system in place that meets NVRA.**



# **Voter Registration Requirements**

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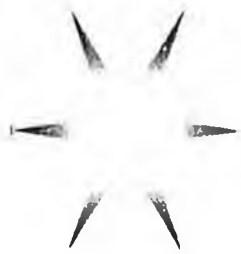
- ★ A voter registration applicant must provide a driver's license number or the last four digits of the applicant's social security number at the time of registration.**
- ★ A registration application may not be processed if the applicant does not provide the driver's license or last four digits of the social security number if the applicant has been issued one of these numbers.**



## **Voter Registration - continued**

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- ★ If an applicant has not been issued a driver's license number or social security number, the State must assign a number which will serve to identify the applicant for voter registration purposes.**
- ★ Alaska assigns unique voter ID numbers.**
- ★ An individual who initially registers to vote by mail must provide certain identification when registering or voting.**



# **By Mail Voter Registration Requirements**

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- ★ **Applies to persons who have not previously voted in a federal election.**
  
- ★ **An individual who initially registers to vote by mail is required to provide one of the following forms of ID:**
  - Copy of their current photo identification**
  - Copy of some other form of identification (i.e. utility bill, government check stub, etc.)**
  
- ★ **Does not apply if the registration application submitted by mail includes the voter's name, date of birth, driver's license number or last four digits of the SSN and they match an existing State identification record - PFD or DMV.**



# **Identification Requirements for By Mail Registrants**

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- ★ **If the applicant fails to provide the required ID and the applicant's driver's license or last 4 of SSN cannot be verified, the voter must provide the required ID when voting for the first time.**
- ★ **Applies to voters who vote by mail. Voters will be required to submit the required identification with their ballot if not previously provided.**

**HB**

**270**



# FISCAL NOTE

**STATE OF ALASKA**  
**2004 LEGISLATIVE SESSION**

Fiscal Note Number: 1  
 Bill Version: SB 270  
 (S) Publish Date: 2/4/04

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Public Safety  
 Title Avalanche Awareness Month RDU Alaska State Troopers  
 Component Search and Rescue  
 Sponsor Sen. Green  
 Requester (S) State Affairs Component No. 513

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

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

| OPERATING EXPENDITURES | FY 2005    | FY 2006    | FY 2007    | FY 2008    | FY 2009    | FY 2010    |
|------------------------|------------|------------|------------|------------|------------|------------|
| 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> |

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| <b>CAPITAL EXPENDITURES</b> |  |  |  |  |  |  |
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| <b>CHANGE IN REVENUES ( )</b> |  |  |  |  |  |  |
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**FUND SOURCE** (Thousands of Dollars)

|   |            |            |            |            |            |            |
|---|------------|------------|------------|------------|------------|------------|
| 1002 Federal Receipts                   |            |            |            |            |            |            |
| 1003 GF Match                           |            |            |            |            |            |            |
| 1004 GF                                 |            |            |            |            |            |            |
| 1005 GF/Program Receipts                |            |            |            |            |            |            |
| 1037 GF/Mental Health                   |            |            |            |            |            |            |
| Other (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 (FY2004) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2005 budget proposal:

**POSITIONS**

|           |  |  |  |  |  |  |
|-----------|--|--|--|--|--|--|
| Full-time |  |  |  |  |  |  |
| Part-time |  |  |  |  |  |  |
| Temporary |  |  |  |  |  |  |

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

This bill would make November of each year "Avalanche Awareness Month".

The Department of Public Safety has a vested interest in educating citizens about the risks of avalanches. Educational efforts that should be dovetailed into November being "Avalanche Awareness Month" can be covered by existing resources.

No fiscal impact to the Department of Public Safety is anticipated.

Prepared by: Lt. Al Storey  
 Division: Alaska State Troopers  
 Approved by: Commissioner William Tandeske  
 Agency: Department of Public Safety

Phone 269-4532  
 Date/Time 2/2/04 9:34 AM  
 Date 2/2/2004

# ALASKA STATE LEGISLATURE



*Interim:*  
600 East Railroad Avenue  
Wasilla, Alaska 99654  
(907) 376-3370  
(907) 376-3157 Fax

*Session:*  
State Capitol  
Juneau, Alaska 99801-1182  
(907) 465-6600  
(907) 465-3805 Fax

**SENATOR LYDA GREEN**  
SENATE DISTRICT G

## SPONSOR STATEMENT FOR SB270

### **A Resolution relating to Avalanche Awareness Month**

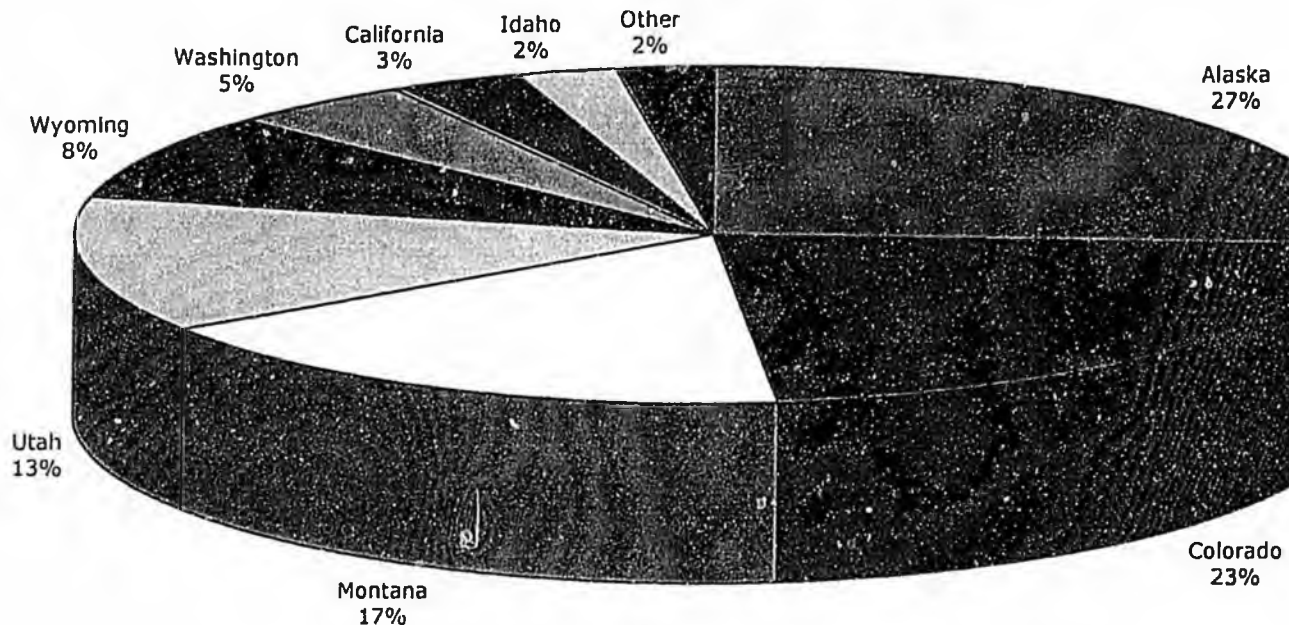
Alaska is avalanche country. Each year Alaska loses more people to avalanches than any other state, regardless of population. During the last four winters alone, 28 Alaskans have died in avalanches. Last winter, avalanche dust clouds hit school buses on Thane road in Juneau two times. It is chilling to think of the possible outcomes. While often little can be done to prevent the occurrence of an avalanche, **much can be done to prevent the loss of life from avalanches.**

Senate Bill 270 would establish November as Avalanche Awareness Month. This designation would serve to raise public awareness of the hazards associated with avalanches, and of the opportunities to participate in avalanche safety training at the beginning of the winter recreational season. It is hoped that public participation in avalanche safety programs will be increased. This increased participation will equip Alaskans with the skills necessary to survive potentially fatal encounters with avalanches and result in saved lives.

### US Avalanche Fatalities by State, 1998-2002

N=121

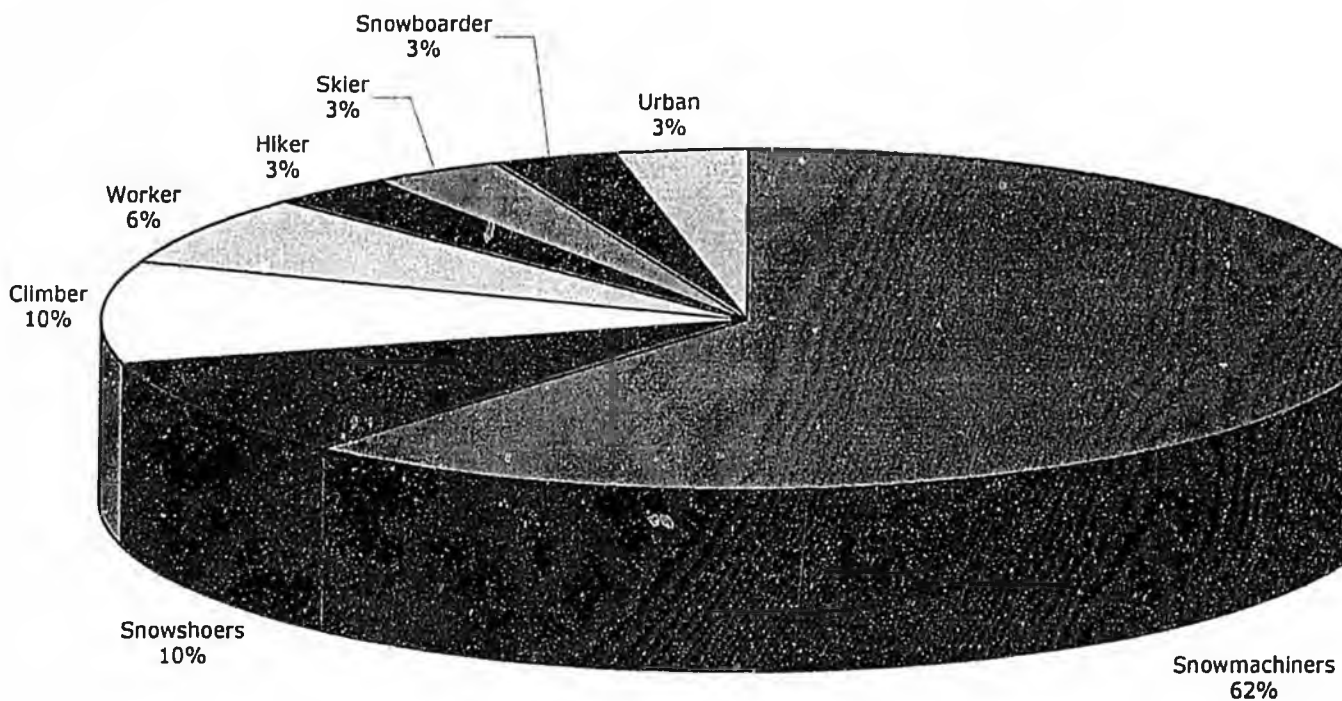
Compiled by Southeast Alaska Avalanche Center, 06-24-02



### Alaska Avalanche Fatalities by Activity 98-02

N=31

Compiled by Southeast Alaska Avalanche Center, 06-24-02



HB

272

# HOUSE COMMITTEE REPORT

5-16-03

(7)  
Date Referred to Committee: May 12, 2003

FURTHER REFERRALS:

Date of Committee Action: May 16, 2003

Rules

The STATE AFFAIRS Committee considered:

HB 272

HOUSE BILL NO. 272

MOTOR VEHICLE DEALERS

"An Act relating to motor vehicle dealers."

Recommends it be replaced with  HCS or  CS for HB 272 ( STA )  
For Senate Bills with new title:  Technical Title  New Title: HCR \_\_\_\_\_  Same Title  New Title

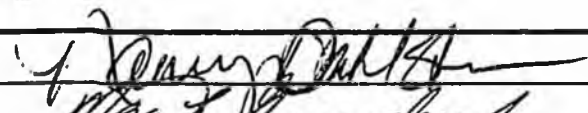
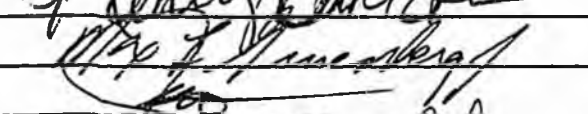
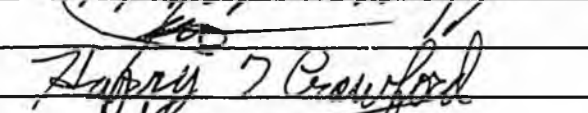
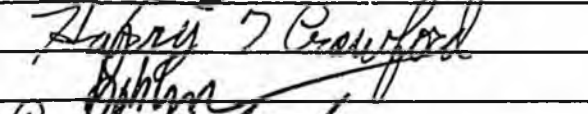
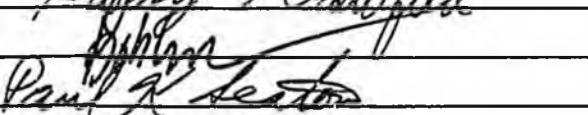
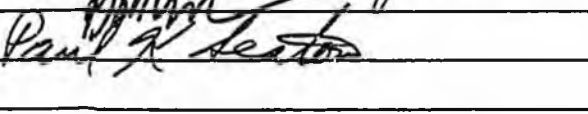
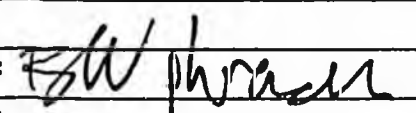
- attach amendments
- add new referral to \_\_\_\_\_ Committee
- Letter of Intent \_\_\_\_\_ Committee

List of  
Abbrev  
for  
Depts.:

- ADM
- CED
- COR
- CRT
- EED
- DEC
- DFG
- GOV
- HSS
- LEG
- LAW
- LWF
- MVA
- DNR
- DPS
- REV
- DOT
- UA

| <u>NEW FISCAL NOTES</u>           |      |        |        |      |
|-----------------------------------|------|--------|--------|------|
| *Assigned by Chief Clerk's Office |      |        |        |      |
| List by Dept(s):                  | *FN# | Fiscal | Indet. | Zero |
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| <u>PREVIOUS FISCAL NOTES</u> |     |        |        |      |
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| List by Dept(s):             | FN# | Fiscal | Indet. | Zero |
| LAW                          | 1   |        |        | ✓    |
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| <u>Signing with recommendations</u>  | Printed Last Name | DP  | DNP | NR  | AM    |
|--|-------------------|-----|-----|-----|-------|
|         | Dahlstrom         | (3) |     | (1) | (3) X |
|         | Gruenewald        |     |     |     | -     |
|         | HOLMAN            |     |     | ✓   |       |
|         | CRAWFORD          | X   |     |     |       |
|         | LYNN              | X   |     |     |       |
|         | SEASON            |     |     |     | ✓     |
|  |                   |     |     |     |       |
|  |                   |     |     |     |       |
|  |                   |     |     |     |       |
| Chair:  | W. Phrasman       | X   |     |     |       |
| Chair:   |                   |     |     |     |       |

# LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES  
LEGISLATIVE AFFAIRS AGENCY  
STATE OF ALASKA

(907) 465-3867 or 465-2450  
FAX (907) 465-2029  
Mail Stop 3101


State Capitol  
Juneau, Alaska 99801-1182  
Deliveries to: 129 6th St., Rm. 329

## MEMORANDUM

May 17, 2003

**SUBJECT:** CSHB 272(STA) (Work Order No. 23-LS0975\Q)

**TO:** Representative Bruce Weyhrauch  
Chair, House State Affairs Committee  
Attn: Ginny

**FROM:**   
Theresa L. Bannister  
Legislative Counsel

This memo accompanies the bill described above.

Federal used motor vehicle regulations. Please be aware that federal law (16 CFR 455) regulates certain used car sales. The regulations establish certain duties for the dealers, including providing a buyer's guide that deals in large part with warranty disclosures. The provisions of 16 CFR 455.6 provide for states to receive exemptions from the regulation if the state requirements afford equal or greater protection to the consumer. I have not had time to research how the provisions of new sec. 45.25.465(c) would interact with the federal regulation. Initially, though, it appears that the warranty disclosure of sec. 45.25.465(c)(2) may already be covered by the federal requirement. A copy of 16 CFR 455.6 is attached for your information.

If I may be of further assistance, please advise.

TLB:mdr  
03-123:mdr

Enclosure:

THE  
FOLLOWING  
DOCUMENT(S)  
ARE  
POOR  
ORIGINAL  
COPIES

will explain the reason in writing the statement we provide describing the funeral goods and services you selected." Provided, however, that if the charge for "services of funeral director and staff" cannot be declined by the purchaser, the statement shall include the sentence: "However, any funeral arrangements you select will include a charge for our basic services" between the second and third sentences of the statement specified above herein. The statement may include the phrase "and overhead" after the word "services" if the fee includes a charge for the recovery of unallocated funeral provider overhead;

(B) Place the following disclosure in the statement of funeral goods and services selected, required by § 453.2(b)(5)(i): "Charges are only for those items that you selected or that are required. If we are required by law by a cemetery or crematory to use certain items, we will explain the reasons in writing below."

(ii) A funeral provider shall not violate this section by failing to comply with a request for a combination of funeral goods or services which would be impossible, impractical, or excessively burdensome to provide.

### § 453.5 Services provided without prior approval.

(a) *Unfair or deceptive acts or practices.* Selling or offering to sell funeral goods or funeral services to the public, is an unfair or deceptive act or practice for any provider to embalm a deceased human body for a fee unless:

(1) State or local law or regulation requires embalming in the particular circumstances regardless of any funeral choice which the family might make; or

(2) Prior approval for embalming (expressly so described) has been obtained from a family member or other authorized person; or

(3) The funeral provider is unable to contact a family member or other authorized person after exercising due diligence, has no reason to believe the family does not want embalming performed, and obtains subsequent approval for embalming already performed (expressly so described). In obtaining approval, the funeral provider

must disclose that a fee will be charged if the family selects a funeral which requires embalming, such as a funeral with viewing, and that no fee will be charged if the family selects a service which does not require embalming, such as direct cremation or immediate burial.

(b) *Preventive requirement.* To prevent these unfair or deceptive acts or practices, funeral providers must include on the itemized statement of funeral goods and services selected, required by § 453.2(b)(5), the statement: "If you selected a funeral that may require embalming, such as a funeral with viewing, you may have to pay for embalming. You do not have to pay for embalming you did not approve if you selected arrangements such as a direct cremation or immediate burial. If we are charged for embalming, we will explain why below."

### § 453.6 Retention of documents.

To prevent the unfair or deceptive acts or practices specified in §§ 453.2 and 453.3 of this rule, funeral providers must retain and make available for inspection by Commission officials true and accurate copies of the price lists specified in §§ 453.2(b)(2) through (4), as applicable, for at least one year after the date of their last distribution to customers, and a copy of each statement of funeral goods and services selected, as required by § 453.2(b)(5), for at least one year from the date of the arrangements conference.

### § 453.7 Comprehension of disclosures.

To prevent the unfair or deceptive acts or practices specified in §§ 453.2 through 453.5, funeral providers must make all disclosures required by those sections in a clear and conspicuous manner. Providers shall not include in the casket, outer burial container, and general price lists, required by §§ 453.2(b)(2)-(4), any statement or information that alters or contradicts the information required by this part to be included in those lists.

### § 453.8 Declaration of intent.

(a) Except as otherwise provided in § 453.2(a), it is a violation of this rule to engage in any unfair or deceptive acts or practices specified in this rule, or to

fail to comply with any of the preventive requirements specified in this rule;

(b) The provisions of this rule are separate and severable from one another. If any provision is determined to be invalid, it is the Commission's intention that the remaining provisions shall continue in effect.

(c) This rule shall not apply to the business of insurance or to acts in the conduct thereof.

### § 453.9 State exemptions.

If, upon application to the Commission by an appropriate state agency, the Commission determines that:

(a) There is a state requirement in effect which applies to any transaction to which this rule applies; and

(b) That state requirement affords an overall level of protection to consumers which is as great as, or greater than, the protection afforded by this rule; then the Commission's rule will not be in effect in that state to the extent specified by the Commission in its determination, for as long as the State administers and enforces effectively the state requirement.

## PART 455—USED MOTOR VEHICLE TRADE REGULATION RULE

### Sec.

- 455.1 General duties of a used vehicle dealer; definitions.
- 455.2 Consumer sales—window form.
- 455.3 Window form.
- 455.4 Contrary statements.
- 455.5 Spanish language sales.
- 455.6 State exemptions.
- 455.7 Severability.

AUTHORITY: 08 Stat. 2189, 15 U.S.C. 2309; 38 Stat. 717, as amended 15 U.S.C. 41 et seq.

SOURCE: 49 FR 45725, Nov. 19, 1984, unless otherwise noted.

### § 455.1 General duties of a used vehicle dealer; definitions.

(a) It is a deceptive act or practice for any used vehicle dealer, when that dealer sells or offers for sale a used vehicle in or affecting commerce as *commerce* is defined in the Federal Trade Commission Act:

(1) To misrepresent the mechanical condition of a used vehicle;

(2) To misrepresent the terms of any warranty offered in connection with the sale of a used vehicle; and

(3) To represent that a used vehicle is sold with a warranty when the vehicle is sold without any warranty.

(b) It is an unfair act or practice for any used vehicle dealer, when that dealer sells or offers for sale a used vehicle in or affecting commerce as *commerce* is defined in the Federal Trade Commission Act:

(1) To fail to disclose, prior to sale, that a used vehicle is sold without any warranty; and

(2) To fail to make available, prior to sale, the terms of any written warranty offered in connection with the sale of a used vehicle.

(c) The Commission has adopted this Rule in order to prevent the unfair and deceptive acts or practices defined in paragraphs (a) and (b). It is a violation of this Rule for any used vehicle dealer to fail to comply with the requirements set forth in §§ 455.2 through 455.5 of this part. If a used vehicle dealer complies with the requirements of §§ 455.2 through 455.5 of this part, the dealer does not violate this Rule.

(d) The following definitions shall apply for purposes of this part:

(1) *Vehicle* means any motorized vehicle, other than a motorcycle, with a gross vehicle weight rating (GVWR) of less than 3500 lbs., a curb weight of less than 6,000 lbs., and a frontal area of less than 46 sq. ft.

(2) *Used vehicle* means any vehicle driven more than the limited use necessary in moving or road testing a new vehicle prior to delivery to a consumer, but does not include any vehicle sold only for scrap or parts (title documents surrendered to the State and a salvage certificate issued).

(3) *Dealer* means any person or business which sells or offers for sale a used vehicle after selling or offering for sale five (5) or more used vehicles in the previous twelve months, but does not include a bank or financial institution, a business selling a used vehicle to an employee of that business, or a lessor

selling a leased vehicle by or to that vehicle's lessee or to an employee of the lessee.

(4) *Consumer* means any person who is not a used vehicle dealer.

(5) *Warranty* means any undertaking in writing, in connection with the sale by a dealer of a used vehicle, to refund, repair, replace, maintain or take other action with respect to such used vehicle and provided at no extra charge beyond the price of the used vehicle.

(6) *Implied warranty* means an implied warranty arising under State law (as modified by the Magnuson-Moss Act) in connection with the sale by a dealer of a used vehicle.

(7) *Service contract* means a contract in writing for any period of time or any specific mileage to refund, repair, replace, or maintain a used vehicle and provided at an extra charge beyond the price of the used vehicle, provided that such contract is not regulated in your State as the business of insurance:

(8) *You* means any dealer, or any agent or employee of a dealer, except where the term appears on the window form required by § 455.2(a).

#### § 455.2 Consumer sales—window form.

(a) *General duty.* Before you offer a used vehicle for sale to a consumer, you must prepare, fill in as applicable and display on that vehicle a "Buyers Guide" as required by this Rule.

(1) The Buyers Guide shall be displayed prominently and conspicuously in any location on a vehicle and in such a fashion that both sides are readily readable. You may remove the form temporarily from the vehicle during any test drive, but you must return it as soon as the test drive is over.

(2) The capitalization, punctuation and wording of all items, headings, and text on the form must be exactly as required by this Rule. The entire form must be printed in 100% black ink on a white stock no smaller than 11 inches high by 7¼ inches wide in the type styles, sizes and format indicated.

selling a leased vehicle by or to that vehicle's lessee or to an employee of the lessee.

(4) *Consumer* means any person who is not a used vehicle dealer.

(5) *Warranty* means any undertaking in writing, in connection with the sale by a dealer of a used vehicle, to refund, repair, replace, maintain or take other action with respect to such used vehicle and provided at no extra charge beyond the price of the used vehicle.

(6) *Implied warranty* means an implied warranty arising under State law (as modified by the Magnuson-Moss Act) in connection with the sale by a dealer of a used vehicle.

(7) *Service contract* means a contract in writing for any period of time or any specific mileage to refund, repair, replace, or maintain a used vehicle and provided at an extra charge beyond the price of the used vehicle, provided that such contract is not regulated in your State as the business of insurance:

(8) *You* means any dealer, or any agent or employee of a dealer, except where the term appears on the window form required by § 455.2(a).

#### § 455.2 Consumer sales—window form.

(a) *General duty.* Before you offer a used vehicle for sale to a consumer, you must prepare, fill in as applicable and display on that vehicle a "Buyers Guide" as required by this Rule.

(1) The Buyers Guide shall be displayed prominently and conspicuously at any location on a vehicle and in such a fashion that both sides are readily readable. You may remove the form temporarily from the vehicle during any test drive, but you must return it as soon as the test drive is over.

(2) The capitalization, punctuation and wording of all items, headings, and text on the form must be exactly as required by this Rule. The entire form must be printed in 100% black ink on a white stock no smaller than 11 inches high by 7½ inches wide in the type styles, sizes and format indicated.

## BUYERS GUIDE

**IMPORTANT:** Spoken promises are difficult to enforce. Ask the dealer to put all promises in writing. Keep this form.

VEHICLE MAKE \_\_\_\_\_ MODEL \_\_\_\_\_ YEAR \_\_\_\_\_ VIN NUMBER \_\_\_\_\_

DEALER STOCK NUMBER (Optional) \_\_\_\_\_

WARRANTIES FOR THIS VEHICLE:

**AS IS - NO WARRANTY**

YOU WILL PAY ALL COSTS FOR ANY REPAIRS. The dealer assumes no responsibility for any repairs regardless of any oral statements about the vehicle.

**WARRANTY**

**FULL LIMITED WARRANTY.** The dealer will pay \_\_\_\_\_% of the labor and \_\_\_\_\_% of the parts for the covered systems that fail during the warranty period. Ask the dealer for a copy of the warranty document for a full explanation of warranty coverage, exclusions, and the dealer's repair obligations. Under state law, "implied warranties" may give you even more rights.

SYSTEMS COVERED:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

DURATION:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**!! SERVICE CONTRACT.** A service contract is available at an extra charge on this vehicle. Ask for details as to coverage, deductible, price, and exclusions. If you buy a service contract within 90 days of the time of sale, state law "implied warranties" may give you additional rights.

**PRE PURCHASE INSPECTION: ASK THE DEALER IF YOU MAY HAVE THIS VEHICLE INSPECTED BY YOUR MECHANIC EITHER ON OR OFF THE LOT.**

**SEE THE BACK OF THIS FORM** for important additional information, including a list of some major defects that may occur in used motor vehicles.

28 pt. Trumwise Bold caps

2 pt. Rule

10/12 Trumwise Bold c & ic  
flush left ragged right  
maximum line 42 picas

10 pt. Baseline Rule  
8 pt. Trumwise Bold caps

10 pt. Baseline Rule  
8 pt. Trumwise Bold caps

10 pt. Trumwise Bold caps

2 pt. Rule

54 pt. Box  
42 pt. Trumwise Bold caps

10/10 Trumwise Bold c & ic  
flush left ragged right  
maximum line 42 picas

1 pt. Rule

54 pt. Box  
42 pt. Trumwise Bold caps

10/10 Trumwise Bold c & ic  
4 1/2 picas margin on 2nd  
line

10 pt. Trumwise Bold caps

10 pt. Baseline Rule

10/10 Trumwise Bold c & ic  
maximum line 42 picas

10/10 Trumwise Bold caps  
flush left ragged right  
maximum line 42 picas

10/10 Trumwise Bold c & ic  
flush left ragged right  
maximum line 42 picas

Below is a list of some major defects that may occur in used motor vehicles.

- Frame & Body**
  - Flame-treated corrective welds or fused through
  - Distorts—dent or twisted frame
- Engine**
  - Oil leakage excluding normal seepage
  - Cracked block or head
  - Belts missing or inoperable
  - Knock or misfires related to camshaft wear and push rods
  - Abnormal exhaust discharge
- Transmission & Drive Shaft**
  - Improper fluid level or leakage excluding normal seepage
  - Cracked or damaged case which is visible
  - Abnormal noise or vibration caused by faulty transmission or drive shaft
  - Improper shifting or functioning in any gear
  - Manual clutch slips or chatters
- Differential**
  - Improper fluid level or leakage excluding normal seepage
  - Cracked or damaged housing which is visible
  - Abnormal noise or vibration caused by faulty differential
- Cooling System**
  - Leakage including radiator
  - Improperly functioning water pump
- Electrical System**
  - Battery leakage
  - Improperly functioning alternator/generator
  - Battery or starter
- Fuel System**
  - Visible leakage
- Inoperable Accessories**
  - Gauges or warning devices
  - Air conditioner
  - Heater & Defroster

- Brake System**
  - Pressure warning light broken
  - pedal not firm under pressure (DOT spec)
  - Not enough pedal reserve (DOT spec)
  - Does not stop vehicle in straight (DOT spec)
  - Motor damaged
  - Drum or rotor too thin (Mfg. Spec)
  - Lining or pad thickness less than 1/32 inch
  - Power unit not operating or leaking
  - Structural or mechanical parts damaged
- Steering System**
  - Too much free play at steering wheel (DOT spec)
  - Free play in linkage more than 1/4 inch
  - Steering gear binds or jams
  - Front wheels aligned improperly (DOT spec)
  - Power unit belts cracked or slipping
  - Power unit fluid level improper
- Suspension System**
  - Flat tire seats damaged
  - Structural parts bent or damaged
  - Stabilizer bar disconnected
  - Spring broken
  - Shock absorber mounting loose
  - Rubber bushings damaged or missing
  - Fluids not damaged or missing
  - Shock absorber leaking or functioning improperly
- Tires**
  - Tread depth less than 2/32 inch
  - Sizes mismatched
  - Visible damage
- Wheels**
  - Visible cracks damage or repairs
  - Mounting bolts loose or missing
- Exhaust System**
  - Leakage

17 pt Trumwate Bold & flush left ragged right maximum line 42 pica

2 pt Rule

6/3 Trumwate Bold c & l; flush left ragged right maximum line 20 pica 1 em indent on 2nd line

DEALER

ADDRESS

MAIL FOR COMPLAINTS

2 pt Rule

13 pt Baseline Rule 8 pt Trumwate Bold caps

2 pt Rule

**IMPORTANT:** The information on this form is part of any contract to buy this vehicle. Removal of this label before consumer purchase (except for purpose of test-driving) is a violation of federal law (16 C.F.R. 455).

10/12 Trumwate Bold c & l; maximum line 42 pica

When filling out the form, follow the directions in (b) through (e) of this section and § 455.4 of this part.

(b) **Warranties**—(1) *No Implied Warranty*—“As Is/No Warranty. (i) If you offer the vehicle without any implied warranty, i.e., “as is,” mark the box provided. If you offer the vehicle with implied warranties only, substitute the disclosure specified below, and mark the box provided. If you first offer the vehicle “as is” or with implied warranties only but then sell it with a war-

ranty, cross out the “As Is—No Warranty” or “Implied Warranties Only” disclosure, and fill in the warranty terms in accordance with paragraph (b)(2) of this section.

(ii) If your State law limits or prohibits “as is” sales of vehicles, that State law overrides this part and this rule does not give you the right to sell “as is.” In such States, the heading “As Is—No Warranty” and the paragraph immediately accompanying that phrase must be deleted from the form,



this sale." You may pre-print this language on the form if you choose.

[49 FR 45725, Nov. 19, 1984, as amended at 60 FR 62205, Dec. 5, 1995]

#### §455.3 Window form.

(a) *Form given to buyer.* Give the buyer of a used vehicle sold by you the window form displayed under §455.2 containing all of the disclosures required by the Rule and reflecting the warranty coverage agreed upon. If you prefer, you may give the buyer a copy of the original, so long as that copy accurately reflects all of the disclosures required by the Rule and the warranty coverage agreed upon.

(b) *Incorporated into contract.* The information on the final version of the window form is incorporated into the contract of sale for each used vehicle you sell to a consumer. Information on the window form overrides any contrary provisions in the contract of sale. To inform the consumer of these facts, include the following language conspicuously in each consumer contract of sale:

The information you see on the window form for this vehicle is part of this contract. Information on the window form overrides any contrary provisions in the contract of sale.

#### §455.4 Contrary statements.

You may not make any statements, oral or written, or take other actions which alter or contradict the disclosures required by §§455.2 and 455.3. You may negotiate over warranty coverage, as provided in §455.2(b) of this part, as long as the final warranty terms are identified in the contract of sale and summarized on the copy of the window form you give to the buyer.

#### §455.5 Spanish language sales.

If you conduct a sale in Spanish, the window form required by §455.2 and the contract disclosures required by §455.3 must be in that language. You may display on a vehicle both an English language window form and a Spanish language translation of that form. Use the following translation and layout for Spanish language sales:<sup>4</sup>

<sup>4</sup>Use the following language for the "Implied Warranties Only" disclosure when required by §455.2(b)(1):

#### Garantías implícitas solamente

Este término significa que el vendedor no hace promesas específicas de arreglar lo que requiera reparación cuando usted compra el vehículo o después del momento de la venta. Pero, las "garantías implícitas" de la ley estatal pueden darle a usted algunos derechos y hacer que el vendedor resuelva problemas graves que no fueron evidentes cuando usted compró el vehículo.

Use the following language for the "Service Contract" disclosure required by §455.2(b)(3):

CONTRATO DE SERVICIO. Este vehículo tiene disponible un contrato de servicio a un precio adicional. Pida los detalles en cuanto a cobertura, deducible, precio y exclusiones. Si adquiere usted un contrato de servicio dentro de los 90 días del momento de la venta, las "garantías implícitas" de acuerdo a la ley del estado pueden concederle derechos adicionales.



A continuación presentamos una lista de algunos de los principales defectos que pueden ocurrir en vehículos usados.

|  |  |
|--|--|
| <p><b>Chasis y carrocería</b><br/>Chasis que sea manufacturado colectivamente u otro chasis chasis obtenido a torti-do</p> <p><b>Motor</b><br/>Fuga de aceite en cualquier estado normal<br/>Oleaje a tipo de resaca en el escape<br/>Correas que fallen o no funcionen<br/>Freno a discar<br/>Embrague y sistema de freno por el sistema de escape</p> <p><b>Transmisión y eje de carter</b><br/>Nivel de líquido inadecuado o fuga en cualquier fricción normal<br/>Cambio irregular o dificultad en la vibración o ruido anormal ocasionado por una transmisión o eje de carter defectuosos<br/>Cambio de marchas o funcionamiento inadecuado en cualquier marcha<br/>Embrague manual suave o vibrate</p> <p><b>Direccional</b><br/>Nivel de líquido inadecuado o fuga en cualquier fricción normal<br/>Cubierta de goma o de metal visible<br/>Ruido o vibración anormal ocasionado por dirección defectuosa</p> <p><b>Sistema de refrigeración</b><br/>Fuga, ruido en el radiador<br/>Bomba de agua defectuosa</p> <p><b>Sistema eléctrico</b><br/>Fuga en las baterías<br/>Alimentador general de batería o motor de arranque defectuosos</p> <p><b>Sistema de combustible</b><br/>Escape visible de combustible</p> <p><b>Accesorios operados</b><br/>Los controles o medidores del cuadro de instrumentos<br/>Acondicionador de aire<br/>Calefactor o calefactores</p> | <p><b>Sistema de frenos</b><br/>Luz de advertencia de freno defectuosa<br/>Freno no toma peso cuando el Speed o Stop de freno<br/>Juego excesivo en el pedal (Speed o Stop de freno)<br/>Freno que se aplica en líneas rectas (Speed o Stop de freno)<br/>Conducción defectuosa<br/>Luz de freno muy desgastado (Speed o Stop de freno)<br/>Cilindro de las bombas de freno menos de 1/32 de pulgada<br/>Sistema de servofreno del tipo o con escape<br/>Partes estructurales o mecánicas dañadas</p> <p><b>Sistema de dirección</b><br/>Juego excesivo en el volante (Speed o Stop de freno)<br/>Juego en el volante en exceso de 1 1/4 pulgadas<br/>Españamiento del volante de dirección en volante<br/>Ruedas con tiras metálicas (Speed o Stop de freno)<br/>Correas del sistema de servofreno del tipo o con escape<br/>Falta del líquido del sistema de servofreno inadecuado</p> <p><b>Sistema de suspensión</b><br/>Senso de control de rodamientos defectuosos<br/>Rozas estructurales o de chasis o chasis<br/>Barras de estabilización desconectadas<br/>Resaca o no<br/>Monitoreo del amortiguador fuga<br/>Buen de goma o de metal o de metal<br/>Estabilizador para curvas dañadas o ausentes<br/>Amortiguador que fuga o funciona defectuosamente</p> <p><b>Llantas</b><br/>Profundidad de la banda de rodadura menor de 2/32 de pulgada<br/>Diferentes tamaños de llanta<br/>Daños visibles</p> <p><b>Ruedas</b><br/>Otras eslabos, danos o reparaciones<br/>Pericos de montaje, tuercas o alfileres</p> <p><b>Sistema de Escape</b><br/>Fuga</p> |
|--|--|

12 pt. Helvetica Bold c  
Ruled left margin only  
maximum line 42 lines

2 pt. Rule

10 pt. Helvetica Bold c & k  
Ruled left margin only  
maximum line 20 lines  
1 em indent on 2nd line

|                         |  |
|-------------------------|--|
| EMERGENCIA              |  |
| DIRECCION               |  |
|                         |  |
|                         |  |
| VERSE PARA REGULACIONES |  |

2 pt. Rule

10 pt. Helvetica Bold  
6 pt. Helvetica Bold caps

**IMPORTANTE:** La información contenida en este formulario forma parte de todo contrato de compra de este vehículo. Constituye una transacción de la ley federal (16 C.F.R. 455) quitar este rollo antes de la compra del vehículo por el consumidor (salvo para conducir el automóvil en calidad de prueba).

2 pt. Rule

10 1/2 pt. Helvetica Bold c & k  
maximum line 42 lines

[49 FR 45725, Nov. 19, 1984, as amended at 60 FR 62205, Dec. 5, 1995]

§ 455.6 State exemptions.

(a) If, upon application to the Commission by an appropriate State agency, the Commission determines, that—

(1) There is a State requirement in effect which applies to any transaction to which this rule applies; and

(2) That State requirement affords an overall level of protection to consumers which is as great as, or greater than, the protection afforded by this Rule; then the Commission's Rule will not be in effect in that State to the extent specified by the Commission in its determination, for as long as the State

administers and enforces effectively the State requirement.

(b) Applications for exemption under subsection (a) should be directed to the Secretary of the Commission. When appropriate, proceedings will be commenced in order to make a determination described in paragraph (a) of this section, and will be conducted in accordance with subpart C of part 1 of the Commission's Rules of Practice.

§ 455.7 Severability.

The provisions of this part are separate and severable from one another. If

any provision is determined to be invalid, it is the Commission's intention that the remaining provisions shall continue in effect.

## PART 456—OPHTHALMIC PRACTICE RULES

### Sec.

456.1 Definitions.

456.2 Separation of examination and dispensing.

456.3 Federal or State employees.

456.4 Declaration of Commission intent.

AUTHORITY: 15 U.S.C. 57a; 5 U.S.C. 552.

SOURCE: 57 FR 18822, May 1, 1992, unless otherwise noted.

### § 456.1 Definitions.

(a) A *patient* is any person who has had an eye examination.

(b) An *eye examination* is the process of determining the refractive condition of a person's eyes or the presence of any visual anomaly by the use of objective or subjective tests.

(c) *Ophthalmic goods* are eyeglasses, or any component of eyeglasses, and contact lenses.

(d) *Ophthalmic services* are the measuring, fitting, and adjusting of ophthalmic goods subsequent to an eye examination.

(e) An *ophthalmologist* is any Doctor of Medicine or Osteopathy who performs eye examinations.

(f) An *optometrist* is any Doctor of Optometry.

(g) A *prescription* is the written specifications for lenses for eyeglasses which are derived from an eye examination, including all of the information specified by state law, if any, necessary to obtain lenses for eyeglasses.

### § 456.2 Separation of examination and dispensing.

It is an unfair act or practice for an ophthalmologist or optometrist to:

(a) Fail to provide to the patient one copy of the patient's prescription immediately after the eye examination is completed. Provided: An ophthalmologist or optometrist may refuse to give the patient a copy of the patient's prescription until the patient has paid for the eye examination, but only if that ophthalmologist or optometrist would have required immediate payment

from that patient had the examination revealed that no ophthalmic goods were required;

(b) Condition the availability of an eye examination to any person on a requirement that the patient agree to purchase any ophthalmic goods from the ophthalmologist or optometrist;

(c) Charge the patient any fee in addition to the ophthalmologist's or optometrist's examination fee as a condition to releasing the prescription to the patient. Provided: An ophthalmologist or optometrist may charge an additional fee for verifying ophthalmic goods dispensed by another seller when the additional fee is imposed at the time the verification is performed; or

(d) Place on the prescription, or require the patient to sign, or deliver to the patient a form or notice waiving or disclaiming the liability or responsibility of the ophthalmologist or optometrist for the accuracy of the eye examination or the accuracy of the ophthalmic goods and services dispensed by another seller.

### § 456.3 Federal or State employees.

This rule does not apply to ophthalmologists or optometrists employed by any Federal, State or local government entity.

### § 456.4 Declaration of Commission Intent.

In prohibiting the use of waivers and disclaimers of liability in § 456.2(d), it is not the Commission's intent to impose liability on an ophthalmologist or optometrist for the ophthalmic goods and services dispensed by another seller pursuant to the ophthalmologist's or optometrist's prescription.

## PART 460—LABELING AND ADVERTISING OF HOME INSULATION

### Sec.

460.1 What this regulation does.

460.2 What is home insulation.

460.3 Who is covered.

460.4 When the rules apply.

460.5 R-value tests.

460.6 "Representative thickness" testing.

460.7 Which test version to use.

460.8 R-value tolerances.

460.9 What test records you must keep.

460.10 How statements must be made.

460.11 Rounding off R-values.

~~Correction to amendment 1~~  
~~5/8/03 noted on Fax~~  
~~to Leg Legal~~  
By Rep. Gruenberg

AMENDMENT <sup>4</sup>  
to CSHB 272 (STA), Draft Version "H"

1 Page 5, following line 22:

2 Insert a new bill section to read:

3 **\*\*Sec. 5.** AS 45.25.465 is amended by adding a new subsection to read:

4 (c) When a motor vehicle dealer sells a used motor vehicle, the  
5 motor vehicle dealer shall disclose to the buyer in writing in a manner that  
6 is clear and conspicuous *and posted in the window of the car*

7 (1) that the warranty provisions of AS 45.45.300-  
8 45.45.360 do not apply to the purchase of the motor vehicle; ~~and~~

9 (2) that, if applicable, the vehicle is not subject to a  
10 manufacturer's warranty." *and*

11 ~~(3) that, if applicable, the vehicle is~~  
12 Renumber the following bill sections accordingly *subject to AS 45.25.470."*

*on a current model used motor vehicle*

*adopted 5-1*

*To Members of House State Affairs Committee  
From Max Gruenberg Max*

*It was my impression that the highlighted language was included in the amendment. However the secretarial notes + chair's notes do not reflect this. If you agree that it should <sup>have been</sup> included, please ~~OK~~ below and we'll have the bill drafter insert it in the C/S. Thanks.*

*Rep Weyhrauch BW  
Rep Dahlstrom Y.D.*

*Rep Lynn MLW Rep Crawford RSC  
Rep Seaton Paul Rep Holm JH*

AMENDMENT

OFFERED IN THE HOUSE  
BY REP. \_\_\_\_\_

#1

*Adopted*  
*5/16/03*  
*1:43 pm*

*insert between*  
*5 and 6*

- 1 Page 2, Line 11:
- 2 Insert "<sup>5</sup>The vehicle is a current model used vehicle that has been leased by a
- 3 consumer and has been returned to the leasing dealer; or"

Renumber accordingly.

~~#1~~ ~~#3~~  
AMENDMENT

#2 adopted  
5/16/03

OFFERED IN THE HOUSE

BY REPRESENTATIVE GRUENBERG

TO: CSHB 272(STA), Draft Version "H"

- 1 Page 6, following line 1:  
2       Insert a new bill section to read:  
3       "\* Sec. 6. AS 45.25 is amended by adding a new section to read:  
4               **Sec. 45.25.530. Disclosure regarding receipt of commissions.** If a motor  
5       vehicle dealer's service operations employees receive a commission for the amount of  
6       work they perform, the motor vehicle dealer shall post a conspicuous sign that is  
7       visible to service customers that the dealer's service operations employees work on  
8       commission."  
9  
10       Renumber the following bill sections accordingly.

23-LS0975VH.5

Bannister

5/16/03

#3  
Withdrawn  
5/16/01

AMENDMENT

OFFERED IN THE HOUSE BY REPRESENTATIVE GRUENBERG  
TO: CSHB 272(STA), Draft Version "H"

1 Page 1, line 8, through page 2, line 6:

2 Delete all material and insert:

3 "(b) A person who does business as a dealer in the state may not offer to sell or  
4 sell a motor vehicle as a new or current model motor vehicle [HAVING A  
5 MANUFACTURER'S WARRANTY] unless

6 (1) if the vehicle is offered for sale or sold as having a  
7 manufacturer's warranty, the dealer has a current sales and service agreement with  
8 the manufacturer and the agreement requires the dealer, upon demand of the motor  
9 vehicle buyer, to perform or arrange for, within a reasonable distance of the dealer's  
10 place of business in the state, the repair and replacement work required of the  
11 manufacturer under the warranty; [OR]

12 (2) the vehicle is a current model used vehicle received as a trade-  
13 in in the normal course [DEALER OFFERS TO GIVE THE BUYER A REBATE  
14 TO COVER THE REPAIR AND REPLACEMENT WORK THAT THE DEALER  
15 CANNOT PERFORM OR ARRANGE FOR WITHIN A REASONABLE  
16 DISTANCE OF THE DEALER'S PLACE] of business;"

AMENDMENT *#4*  
to CSHB 272 (STA), Draft Version "H"

*adopted  
5/16/03*

By Rep. Gruenberg

*Y Y Y A N Y  
Z H S D L C W*

*passes  
5-1*

1 Page 5, following line 22:

2 Insert a new bill section to read:

3 **\*\*Sec. 5.** AS 45.25.465 is amended by adding a new subsection to read:

4 (c) When a motor vehicle dealer sells a used motor vehicle, the  
5 motor vehicle dealer shall disclose to the buyer in writing in a manner that  
6 is clear and conspicuous ~~and provide the information~~

*or a  
current  
model  
used  
motor  
vehicle,*

7 (1) that the warranty provisions of AS 45.45.300-

8 45.45.360 do not apply to the purchase of the motor vehicle; and

9 (2) that, if applicable, the vehicle is not subject to a

10 manufacturer's warranty. *"and"*

11 *\*conceptual* *(3) that, if applicable, the vehicle is*  
*subject to AS 45.25.470*

12 Renumber the following bill sections accordingly

*in addition to any disclosure  
required by .470*

AMENDMENT # 5  
to CSHB 272 (STA), Draft Version "H"

adopted 5/16/03  
By Rep. Gruenberg

- 1 Page 2, lines 27-28:
- 2 Delete "represent that a savings occurs at a lower [HAVE
- 3 OCCURRED AT THAT] price."
- 4 Insert "represent that a buyer would save money by paying a
- 5 [HAVE OCCURRED AT THAT] price that is lower than the
- 6 "manufacturer's suggested retail price." "MSRP," or "list price."

OK

AMENDMENT

# 6  
Y/H Y/S N/D N/L N/C Y/G N/W  
filed 4-3  
5/16/03

OFFERED IN THE HOUSE

BY REPRESENTATIVE GRUENBERG

TO: CSHB 272(STA), Draft Version "II"

1 Page 2, lines 2 - 3:

2 Delete "received as a trade-in"

3 Insert "manufactured for sale in the United States and acquired by the dealer"

4

5 Page 2, line 6:

6 Delete "i."

7 Insert "; or"

8

9 Page 2, lines 7 - 13:

10 Delete all material and insert:

11 "(3) the vehicle is a current model used vehicle not manufactured for sale in the  
12 United States, the dealer acquired the vehicle in the normal course of business, and the  
13 dealer complies with AS 45.25.470."

14

15 Page 5, following line 22:

16 Insert a new bill section to read:

17 "\*\* Sec. 5. AS 45.25.470 is amended to read:

18 Sec. 45.25.470. Sales of vehicles manufactured for sale in a foreign  
19 country. Before the sale of [,] a motor vehicle not manufactured for sale in the  
20 United States, a motor vehicle dealer shall disclose to the consumer in writing, in  
21 addition to any other disclosures required for the sale of a used [WHETHER A  
22 MOTOR] vehicle, [WAS ORIGINALLY MANUFACTURED FOR SALE IN  
23 CANADA OR ANOTHER FOREIGN COUNTRY]

- 1                   (1) that the vehicle was originally manufactured for sale in Canada
- 2                   or another specified foreign country;
- 3                   (2) if applicable, that the vehicle was originally sold new in the
- 4                   specified foreign country identified under (1) of this section and imported into the
- 5                   United States;
- 6                   (3) that the vehicle's odometer was converted from kilometers to
- 7                   miles, and shall provide the consumer with a legal vehicle title, an odometer
- 8                   verification certificate, or another document that verifies the mileage reading
- 9                   after the conversion;
- 10                  (4) if applicable, that the vehicle does not have a manufacturer's
- 11                  warranty; and
- 12                  (5) any other information required by regulations adopted by the
- 13                  attorney general."

14

15    Renumber the following bill sections accordingly.

23-LS0975D.2  
Bannister  
5/14/03

~~HOLMA~~  
AMENDMENT #1

w/draw

OFFERED IN THE HOUSE  
TO: CSHB 272(L&C)

1 Page 2, lines 2 - 3:

2 Delete "received as a trade-in"

3 Insert "manufactured for sale in the United States and acquired by the dealer"

5 Page 2, line 6:

6 Delete "i;"

7 Insert "or"

9 Page 2, lines 7 - 10:

10 Delete all material and insert:

11 "(3) the vehicle is a current model used vehicle not manufactured for sale in the  
12 United States, the dealer/acquired the vehicle in the normal course of business, and the  
13 dealer complies with AS 45.25.470."

15 Page 5, following line 19:

16 Insert a new bill section to read:

17 "\* Sec. 5. AS 45.25.470 is amended to read:

18 Sec. 45.25.470. Sales of vehicles manufactured for sale in a foreign  
19 country. Before sale of [,] a motor vehicle not manufactured for sale in the United  
20 States, a motor vehicle dealer shall disclose to the consumer in writing, in addition  
21 to any other disclosures required for the sale of a used [WHETHER A MOTOR]  
22 vehicle, [WAS ORIGINALLY MANUFACTURED FOR SALE IN CANADA OR  
23 ANOTHER FOREIGN COUNTRY]

23-LS0975\D.2

- 1                   (1) that the vehicle was originally manufactured for sale in Canada
- 2                   or another specified foreign country;
- 3                   (2) if applicable, that the vehicle was originally sold new in the
- 4                   specified foreign country identified under (1) of this section and imported into the
- 5                   United States;
- 6                   (3) that the vehicle's odometer was converted from kilometers to
- 7                   miles, and shall provide the consumer with a legal vehicle title, an odometer
- 8                   verification certificate, or another document that verifies the mileage reading
- 9                   after the conversion;
- 10                  (4) if applicable, that the vehicle does not have a manufacturer's
- 11                  warranty; and
- 12                  (5) any other information required by regulations adopted by the
- 13                  attorney general."

14

15    Renumber the following bill sections accordingly.

# ~~6~~ 6  
 failed by  
 23-LS0975HL5  
 Bannister  
 5/16/03  
 4-3  
 5/16/03

AMENDMENT

OFFERED IN THE HOUSE

BY REPRESENTATIVE GRUENBERG

TO: CSHB 272(STA), Draft Version "H"

- 1 Page 1, line 8, through page 2, line 6:
- 2 Delete all material and insert:
- 3 "(b) A person who does business as a dealer in the state may not offer to sell or
- 4 sell a motor vehicle as a new or current model motor vehicle [HAVING A
- 5 MANUFACTURER'S WARRANTY] unless
- 6 (1) if the vehicle is offered for sale or sold as having a
- 7 manufacturer's warranty, the dealer has a current sales and service agreement with
- 8 the manufacturer and the agreement requires the dealer, upon demand of the motor
- 9 vehicle buyer, to perform or arrange for, within a reasonable distance of the dealer's
- 10 place of business in the state, the repair and replacement work required of the
- 11 manufacturer under the warranty; [OR]
- 12 (2) the vehicle is a current model used vehicle received as a trade-
- 13 in in the normal course [DEALER OFFERS TO GIVE THE BUYER A REBATE
- 14 TO COVER THE REPAIR AND REPLACEMENT WORK THAT THE DEALER
- 15 CANNOT PERFORM OR ARRANGE FOR WITHIN A REASONABLE
- 16 DISTANCE OF THE DEALER'S PLACE] of business;"

HB 272

Rep. Crawford's  
amendment not offered

Sect. 1 to read as follows:

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

(b) Except as provided below, 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;
- (2) the vehicle is a current model used vehicle manufactured for sale in the United States and acquired by the dealer in the normal course of business; or
- (3) the vehicle is a current model used vehicle not manufactured for sale in the United States, acquired by the dealer in the normal course of business, and about which the dealer makes disclosures to a consumer as required by AS 45.25.470.

Amended AS 45.25.470:

Current language: Before sale, a motor vehicle dealer shall disclose in writing whether a motor vehicle was originally manufactured for sale in Canada or another foreign country.

New language:

Before sale of a motor vehicle not manufactured for sale in the United States, a motor vehicle dealer shall disclose to the consumer, in writing, in addition to any other disclosures required under this chapter for the sale of a used vehicle:

- (a) That the vehicle was originally manufactured for sale in Canada or another specified foreign country;
- (b) If applicable, that the vehicle was originally sold new in the specified country and imported into the United States;
- (c) That the vehicle's odometer was converted from kilometers to miles; the dealer shall provide to the consumer a legal vehicle title, Odometer Verification Certificate, or similar verification evidencing the mileage reading after conversion;
- (d) If applicable, that the vehicle has no manufacturer's warranty; and
- (e) Any other information required by regulations adopted by the Department of Law.

5/15/03

23-LS0975\H  
Bannister  
5/14/03

CS FOR HOUSE BILL NO. 272(STA)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-THIRD LEGISLATURE - FIRST SESSION

BY THE HOUSE STATE AFFAIRS COMMITTEE

Offered:  
Referred:

*effective date  
7/1/04*

Sponsor(s); REPRESENTATIVE WEYHRAUCH

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to motor vehicle dealers."

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

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

4 Sec. 08.66.015. Sale of motor vehicle. (a) A person who does business as a  
5 dealer in the state may not offer to sell or sell a motor vehicle as a new [OR  
6 CURRENT MODEL] motor vehicle unless the motor vehicle retains the  
7 manufacturer's certificate of origin.

8 (b) A person who does business as a dealer in the state may [NOT] offer to  
9 sell or sell a motor vehicle as a [NEW OR] current model motor vehicle only if  
10 [HAVING A MANUFACTURER'S WARRANTY UNLESS]

11 (1) the dealer has a current sales and service agreement with the  
12 manufacturer [AND THE AGREEMENT REQUIRES THE DEALER, UPON  
13 DEMAND OF THE MOTOR VEHICLE BUYER, TO PERFORM OR ARRANGE  
14 FOR, WITHIN A REASONABLE DISTANCE OF THE DEALER'S PLACE OF  
15 BUSINESS IN THE STATE, THE REPAIR AND REPLACEMENT WORK

1 REQUIRED OF THE MANUFACTURER UNDER THE WARRANTY]; [OR]

2 (2) the vehicle is a current model used vehicle received as a trade-  
3 in in the normal course [DEALER OFFERS TO GIVE THE BUYER A REBATE  
4 TO COVER THE REPAIR AND REPLACEMENT WORK THAT THE DEALER  
5 CANNOT PERFORM OR ARRANGE FOR WITHIN A REASONABLE  
6 DISTANCE OF THE DEALER'S PLACE] of business;

7 (3) the vehicle has been purchased directly from a consumer in the  
8 United States for purposes of resale;

9 (4) the vehicle has been in service with a bona fide rental fleet for  
10 at least five months;

11 (5) the vehicle has been repossessed; or

12 (6) the vehicle was purchased at an auction and meets the  
13 requirements of (2), (3), (4), or (5) of this subsection.

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

15 (b) A motor vehicle dealer may use the term "manufacturer's suggested retail  
16 price," "MSRP," or "list price" in an advertisement for the sale of a motor vehicle,  
17 subject to the restriction on price comparisons in AS 45.25.450 and the following:

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

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

24 (3) whenever using the term "manufacturer's suggested retail price,"  
25 "MSRP," or "list price," the dealer [SHALL PROVIDE IN THE ADVERTISEMENT  
26 A CLEAR AND CONSPICUOUS DISCLOSURE THAT STATES THAT A SALE]  
27 may not represent that a savings occurs at a lower [HAVE OCCURRED AT  
28 THAT] price.

29 \* Sec. 3. AS 45.25.410 is amended to read:

30 Sec. 45.25.410. Availability of advertised items. A motor vehicle dealer  
31 may not advertise a new motor vehicle [VEHICLES AND RELATED GOODS OR

1 SERVICES] at a specified dealer price with the intent not to supply reasonably  
2 expected demand, unless the advertisement discloses the number of vehicles in stock  
3 at the advertised price.

4 \* Sec. 4. AS 45.25.460(a) is amended to read:

5 (a) In addition to the provisions of AS 45.50.471 and regulations adopted  
6 under AS 45.50.471, a motor vehicle dealer [MAY NOT]

7 (1) shall include in [EXCLUDE FROM] an advertisement of a motor  
8 vehicle for sale all [THAT TAXES, IF APPLICABLE, VEHICLE REGISTRATION  
9 FEES, FINANCE CHARGES, CHARGES FOR THE ISSUANCE OF ANY  
10 CERTIFICATE OF COMPLIANCE OR NONCOMPLIANCE REQUIRED BY  
11 STATUTE, OR OTHER] fees or charges, except fees or charges to be paid to a third  
12 party [THAT ARE NOT OTHERWISE INCLUDED IN THE ADVERTISED PRICE  
13 WILL BE ADDED TO THE ADVERTISED PRICE AT THE TIME OF THE SALE];

14 (2) may not represent the dealer document preparation fee as a  
15 government fee;

16 (3) may not advertise a specific motor vehicle for sale without  
17 identifying the vehicle by either its vehicle identification number, vehicle stocking  
18 number, or license number;

19 (4) may not advertise that free merchandise, gifts, or services will be  
20 provided by the dealer if a vehicle is purchased; in this paragraph, "free" includes  
21 merchandise or services offered for sale at a price less than the dealer's cost for the  
22 merchandise or services;

23 (5) may not use the term "rebate," "cash back," or a similar term in  
24 advertising the sale of a motor vehicle unless the rebate is expressed in a specific  
25 dollar amount and is in fact a rebate offered by the vehicle manufacturer or distributor  
26 directly to the retail buyer of the vehicle;

27 (6) may not require a person, in order to receive the advertised credit  
28 terms, to pay a higher price for a motor vehicle and any related goods or services than  
29 the cash price the same person would have to pay to purchase the same vehicle and  
30 related goods or services;

31 (7) may not advertise a guaranteed trade-in allowance or range of

1 allowances unless the guarantee is provided by the manufacturer or distributor;

2 (8) may not affix to a new motor vehicle a supplemental price sticker  
3 containing a price that represents the dealer's asking price if the supplemental price  
4 sticker exceeds the manufacturer's suggested retail price, unless the supplemental  
5 sticker

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

10 (B) clearly and conspicuously discloses the manufacturer's  
11 suggested retail price; and

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

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

20 (10) may not advertise an offer for the sale, lease, or purchase of a  
21 motor vehicle that [CREATES THE FALSE IMPRESSION THAT THE VEHICLE IS  
22 BEING OFFERED BY A PRIVATE PARTY OR A MOTOR VEHICLE AGENT OR  
23 THAT] does not contain the name of the dealer;

24 (11) [USE AN ADVERTISEMENT FOR A MOTOR VEHICLE  
25 THAT CONTAINS LANGUAGE THAT FALSELY, IMPLICITLY, OR  
26 EXPLICITLY SUGGESTS THAT, TO TAKE ADVANTAGE OF AN OFFER, A  
27 CONSUMER MUST ACT WITHIN A CERTAIN PERIOD OF TIME WHEN, IN  
28 FACT, THE VEHICLES WILL CONTINUE TO BE AVAILABLE AT THE  
29 ADVERTISED PRICE BEYOND THAT TIME PERIOD;

30 (12) REQUIRE A BUYER OF A NEW MOTOR VEHICLE, AS A  
31 CONDITION OF SALE AND DELIVERY, TO ALSO PURCHASE SPECIAL

1 FEATURES, APPLIANCES, ACCESSORIES, OR EQUIPMENT NOT DESIRED  
2 OR REQUESTED BY THE BUYER UNLESS THE SPECIAL FEATURES,  
3 APPLIANCES, EQUIPMENT, OR ACCESSORIES ARE ALREADY INSTALLED  
4 ON THE VEHICLE WHEN RECEIVED BY THE DEALER;

5 (13)] may not represent and sell as a new motor vehicle a  
6 demonstrator vehicle or a motor vehicle that is a used motor vehicle; in this paragraph,  
7 "demonstrator vehicle"

8 (A) means a motor vehicle

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

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

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

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

17 (12) may not [(14)] advertise that the dealer finances any person or  
18 does not reject any person's credit, or make similar claims;

19 (13) may not [(15)] advertise or make a statement, declaration, or  
20 representation in an advertisement that cannot be substantiated in fact; the burden of  
21 proof of the factual basis for the statement, declaration, or representation is on the  
22 dealer.

23 \* Sec. 5. AS 45.25.510(a) is amended to read:

24 (a) Before entering into a new motor vehicle sales contract, a new motor  
25 vehicle dealer shall disclose in writing to a buyer of the new motor vehicle any known  
26 damage and repair to the new motor vehicle if the damage exceeds five percent of the  
27 manufacturer's suggested retail price as calculated at the dealer's authorized warranty  
28 rate for labor and parts, or \$1,000, whichever amount is greater. A new motor  
29 vehicle dealer is not required to disclose to a buyer that glass, tires, bumpers, or  
30 cosmetic parts of a new motor vehicle were damaged at any time if the damaged item  
31 has been replaced with original or comparable equipment. A replaced part is not part

1 of the cumulative damage required to be disclosed under this subsection.

2 \* Sec. 6. AS 45.25.610(c) is amended to read:

3 (c) If [NOTWITHSTANDING THE REQUIREMENTS OF THIS SECTION,  
4 IF] a motor vehicle dealer arranges financing for a buyer, the motor vehicle dealer  
5 may deliver the motor vehicle to the buyer before final approval by the financing  
6 entity if

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

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

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

22 \* Sec. 7. AS 45.25.610(d) is amended to read:

23 (d) If a buyer's final financing is not approved [WITHIN SEVEN BUSINESS  
24 DAYS FROM THE DATE OF THE SEPARATE AGREEMENT] and, as a result, the  
25 transaction is not completed, the motor vehicle dealer shall return the buyer's entire  
26 down payment, and the buyer's trade-in, if any, shall be returned to the buyer in the  
27 same condition and with not more than 100 [10] miles accumulated on the odometer  
28 from when the motor vehicle was delivered to the motor vehicle dealer.

29 \* Sec. 8. AS 45.25.460(b) and 45.25.610(b) are repealed.

*from Lyberger*

**HB 272**

- This bill is anti-competitive
- It is plain and simple special interest legislation designed to benefit one small and powerful group of auto dealers to the specific and targeted harm of many others

31 new car franchise dealers in AK will benefit  
Hundreds of licensed independents will suffer

- Of course the dealers don't want anyone to sell vehicles that directly compete with their businesses.
- I'm sure Wal Mart would like to have state laws that prevent people from getting cheaper paper towels, but they don't—they have to compete like everyone else.
- The rep. From the Auto Dealers Assoc. said this is about consumers, and warranty coverage, and making sure the customer gets protected—that's not why they're here today; they're here to keep independent auto dealers from offering less expensive vehicles than they do.
- Remember, our vehicles come with full service agreements; there is a full disclosure form before anyone can buy one—they know they are from Canada and that they are used.
- We live in a free market capitalist society where competition is favored. Government should not be in the business of protecting one set of business dealers over another.
- This special interest bill will harm consumers—listen again—it will severely hamper Alaskans' abilities to purchase late model used cars at an affordable price. You don't hear them complaining here today—just the dealers who don't get their business. Make no mistake—this group of wealthy business owners with three high powered lobbyists

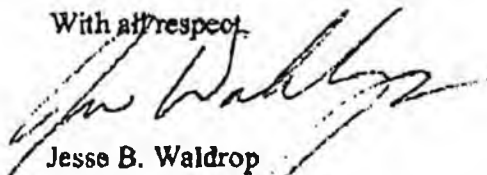
that have been retained and are trying to grease this bill are not here to help the average Joe on the street to get a good car. No sir, they are here because they want to maximize their profits at the expense of other, legitimate, independent businesses, like mine.

- The dealer rep. Here tells you that these cars are “intended for sale in Canada”—they are intended by the manufacturers for sale in Canada and why? Because they can make more money for their franchises if people sell the cars they want sold when and where and to whom they want them sold. It’s not the government or the public who intends for these Canadian cars to stay in Canada. Congress could easily have passed laws preventing resale of Canadian vehicles in America. But they haven’t. So why should you? It only helps the manufacturers earn bigger profits. **AND IT HURTS SMALL BUSINESS IN ALASKA. AND IT HURTS CONSUMERS IN ALASKA.**
- Lots of people go to Canada to take advantage of free trade and the “new world economy.” Snowmachines, refrigerators, cars—lots of folks like to purchase goods in Canada, and our government allows that. Why should Alaska go out of its way to do what Congress has not done?
- How would things look if our Canadian neighbors started passing laws preventing people from selling American goods in Canada?
- In conclusion, please understand what this bill is really doing to consumers and small businesses in Alaska before you vote on it. It is special interest legislation designed to help a small group of products dealers to the severe detriment of the rest of us. Don’t do it.

To whom it may concern:

I am writing in regards to your location in Anchorage, AK. I arranged an appointment to have my vehicle worked on March 17, 2003 with your dealership. When I arrived one of your employees saw that I had a Lyberger's Auto Sales tag on the front of my vehicle. Joe Cordero, the Service Manager went to talk Todd Harris, the General Manager. Joe came back to tell me that my vehicle did not have warranty. When I tried to explain that I did have warranty on my vehicle he rudely informed again that I did not. I then told him again that I did. Before I could finish he practically got into my face and told me again that I did not have warranty. After a few more minutes of arguing about the warranty I felt humiliated and embarrassed in front of your employees and the customers. I then asked him why he could not accept my Heritage Warranty and he said, "he would not accept Heritage Warranties and with a deceitful smile on his face he would only accept cash in full before working on my vehicle." I then took my vehicle back to Lyberger's and an employee named Bubba called Todd Harris at Lithia and said he would write a check for the cost of any repairs for my vehicle. Todd Harris said he would not accept Heritage Warranties on any 2003 Jeep vehicles, only 2002 and below or accept any cash to have my vehicle fixed. I had to settle for a non-authorized Jeep mechanic to have my repairs done. I felt like I was very inconvenienced and disappointed in the only authorized Jeep dealership in Anchorage. I will be calling Heritage Warranties, the Better Business Bureau, and N.A.D.A. on the way I was treated at Lithia Jeep. I feel discriminated against that I did not purchase my vehicle at Lithia. I am also disappointed with the disrespect I received from your employees and especially your General Manager, Todd Harris. I am sorry that Lyberger's provides better deals on Jeep vehicles than your own Lithia location. I do not think that warrants disrespect for Jeep owners that purchase vehicles from other dealers and denied service and disrespect from your service department. The service department represents Lithia Jeep's reputation and I will not be recommending anyone to purchase or have repairs done with your dealership.

With all respect,



Jesse B. Waldrop  
Feel free to contact me:  
907-644-6214  
907-351-4333

**NAATA  
THE NORTH AMERICAN AUTOMOBILE  
TRADE ASSOCIATION**

70 East Beaver Creek Rd., Suite 30, Richmond Hill, Ontario  
Canada L4B 3B2  
Phone: (905) 882-7040, Fax: (905) 882-7051  
www.naata.org

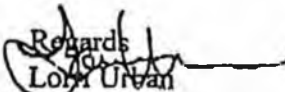
**FAX TRANSMITTAL**

|   |                                      |
|---|--------------------------------------|
| To Mr. Ed Sniffen                         | Lorri Urban-Manager, Member Services |
| Fax: 907-276-8554                         | Fax: 1-905-882-7051                  |
| Phone: 907-269-5100                       | Phone: 1-905-882-7040, Ext 2171      |
| E-mail: clyde_sniffen@law.state.ak.us.com | E-mail: lorri@naata.org              |

Date: Thursday, March 13, 2003                      2 pages (including cover)

Dear Mr. Sniffen

The attached letter is in response to a consumer complaint made against Lithia Jeep in Anchorage, AK, for denial of Heritage warranty on a Canadian motor vehicle. Jesse Waldrop the consumer is very upset that Lithia refused his after market warranty, as well as the treatment he received. I appreciate any effort to assist the consumer in this matter. If you have any questions please feel free to contact me directly.

Regards  
  
Lorri Urban  
70 East Beaver, 30 Unit  
Richmond Hill, Ontario  
Canada L4B-3B2

*Hyberger Problem.*

# 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  
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April 1, 2003

CONFIDENTIAL

Lori Urban  
NAATA  
70 East Beaver Creek Rd., Suite 30  
Richmond Hill, Ontario  
Canada L4B 3B2

Re: Chrysler Warranty Policy on Canadian Vehicles

Dear Ms. Urban:

Thank you for your letter dated March 13, 2003 regarding Mr. Jesse B. Waldrop. You attached a letter from Mr. Waldrop in which he explains that Lithia Chrysler Jeep in Anchorage refused to honor a Heritage after-market warranty on his 2003 Jeep. The Jeep was originally manufactured for sale in Canada. Mr. Waldrop purchased the vehicle from Lyberger's Car and Truck Sales in Anchorage.

Motor vehicle manufacturers, such as Chrysler, have seen a tremendous increase in the sales of newer, current model Canadian vehicles by non-franchised used car dealers because of the favorable exchange rates between Canada and the U.S. Some of these vehicles have fewer than 100 miles on them, and show up on used car lots before the franchised dealers can get them from the manufacturer. Used car dealers can sell these vehicles for thousands less than the identical U.S. counterpart. This has significantly impaired the ability of franchised dealers to compete with dealers selling Canadian imports.

The State of Alaska has been monitoring this issue for a couple years. Alaska statute 08.66.015 was passed in 1993 to stop this practice. That law prohibits the sale of new or current model year motor vehicles unless the motor vehicle retains the original certificate of origin. Thus, technically, Lyberger's cannot sell any current model year vehicles that are imported from Canada. We have declined to enforce this statute, however, because it unnecessarily prohibits the sale of *any* current model used vehicle by *anyone*, including franchised dealers. Thus, enforcing this statute would render every

Lori Urban  
NAATA

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current model used vehicle "non-sellable" by any motor vehicle dealer in the state. We do not believe this was the intent of the law, and are considering ways to amend the statute to address this issue.

Nonetheless, it is clear that the Alaska Legislature does not favor the practice of used car dealers selling low-mileage, current model Canadian vehicles that are imported for the sole purpose of undercutting the local franchised dealers. As I'm sure you know, this becomes particularly troublesome for franchised dealers who invest substantial sums of money to acquire and maintain their dealerships, including repair facilities, sometimes elaborate showrooms, and other expenses not incurred by other used car dealers. The "return" on this investment is the promise made to the dealer by the manufacturer that only authorized dealers can sell new products from the manufacturer. Because of the issues described above, manufacturers are having a difficult time keeping that promise.

To address this issue, Chrysler has adopted a policy that directs its dealers to not honor after-market warranties on current model year Canadian vehicles. This includes the Heritage warranty held by Mr. Waldrop. I spoke with Lithia's General Manager Todd Harris who states this policy is enforced for all current model Chrysler products, regardless of where they are purchased. There is no evidence that Mr. Lyberger is being "singled out." Nothing in Alaska's Unfair Trade Practices Act or Restraint of Trade Act requires a motor vehicle dealer to honor after-market warranties, and I cannot see how such a practice is inherently unfair or deceptive. Consumers who purchase such warranties are told (or should be told) about the scope of, and limitations on, after-market warranty products and service contracts.

Chrysler's policy does not prevent the sale of current model Canadian vehicles, nor does it prevent a consumer from having repairs done. Lithia indicated it would repair Mr. Waldrop's vehicle on a cash basis. Mr. Waldrop can also get his vehicle repaired by another repair facility, albeit an unauthorized one. These are simply things a consumer must consider when making the decision to purchase a current model Canadian vehicle without a factory warranty.

Other aspects of Mr. Waldrop's letter, however, do raise some concerns that I will discuss with Lithia. It appears that Lithia may not have dealt with Mr. Waldrop in a professional manner, and may have misled him about the nature of the warranty he does have. Lyberger's should also make it very clear to its customers that local dealers may not honor any warranty on current model vehicles. This should help avoid unreasonable expectations on behalf of the consumer.

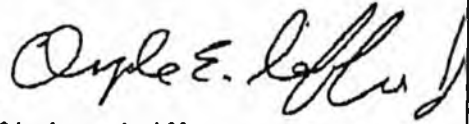
Lori Urban  
NAATA

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Page 3

Thank you again for bringing this to my attention. Please let me know if you have any questions.

Sincerely,

GREGG D. RENKES  
ATTORNEY GENERAL

By: 

Clyde E. Sniffen, Jr.  
Assistant Attorney General

CES/sjm

**Subject:** [Fwd: HB 272]  
**Date:** Wed, 14 May 2003 07:14:34 -0800  
**From:** Bruce Weyhrauch <Representative\_Bruce\_Weyhrauch@Legis.state.ak.us>  
**Organization:** Alaska State Legislature  
**To:** Ginny Austerman <Ginny\_Austerman@legis.state.ak.us>

distributte this and attachment to committee

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**Subject:** HB 272  
**Date:** Tue, 13 May 2003 15:32:42 -0800  
**From:** Diana Pfeiffer <diana@aksales.com>  
**To:** Bruce Weyhrauch <Representative\_Bruce\_Weyhrauch@legis.state.ak.us>

Representative Weyrauch,

I was ravailable to testify this morning before the recess, however I have a conflict of meetings this afternoon when you reconvene so won't be able to testify. I fully support HB 272 as written. The Alaska Auto Dealers Association has worked with the Attorney General office to propose changes to existing law that will provide much clearer language pertaining to consumer protection as well as enforcement.

I am going to attach written testimony that I had sent to Representative Anderson, Chair, House Labor and Commerce Committee.


If you have any questions, please feel free to call me, and if unavailable, I will get back to you. My phone number is 907-265-7571.

Thank you for taking time to read my testimony.

Sincerely,

Diana Pfeiffer  
President, Alaska Sales and Service, Inc - Anchorage and Wasilla  
President, Alaska Automobile Dealers Association

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May 13, 2003

Bruce Weyhrauch  
Chairman – House Committee

Fax: (907) 465-2273

**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', is written over a horizontal line.

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

**Subject: HB272**

**Date: Tue, 13 May 2003 08:07:11 -0800**

**From: Diana Pfeiffer <diana@aksales.com>**

**To: Bruce Weyhrauch <Representative\_Bruce\_Weyhrauch@legis.state.ak.us>**

**MAY 13 2003**

Dear Rep. Wayhrauch, Chairman, State Affairs;

Thank you for introducing HB272.

I am writing to express my support of HB 272, which is currently in your committee. After meeting and working with Ed Sniffen, Assistant Attorney General of the State of Alaska, the proposed changes will provide much clearer language pertaining to consumer protection as well as enforcement. The office is gave their full support.

Section 1, which deals with selling of new and current model automobiles being offered for sale. The proposed language will clarify the conditions under which a used vehicle dealer that doesn't hold a Sales and Service Agreement with the automobiles manufacturer can sell the automobile to be within the bounds of the law.

Over the past several years, the import of "manufactured used" automobiles from Canada has caused consumers as well as the franchised dealers a lot of grief. These vehicles may not have factory warranty; some have had excessive odometer rollback when the odometer/speedometers are changed from Kilometers to miles (fraud); they don't qualify for the Alaska Lemon law; there are safety notifications (including 'stop delivery' orders) that often cannot be made to the current dealer or consumer because the owner of record is not available. A "manufactured used car" is one that started out with a straw purchaser who was paid to take delivery from a franchised auto dealer in Canada. Often times they never see the automobile, which is then sold and titled several times before arriving on the lot in Alaska, therefore making it a "used" vehicle, sometimes with less than a few hundred miles on them. Dealers are currently selling these current model vehicles without a Sales and Service Agreement with the manufacturer which is in violation of the current law.

When these buyers have a problem with the automobile, their seller typically tells them to go see the franchised new car dealer. Franchised new automobile dealers have invested millions of dollars in facility, training, special tools and equipment and staff to handle the needs of the new vehicle buyers to the satisfaction of the manufacturer and the dealer. The dealer selling the current model "manufactured used" automobile has no obligation whatsoever to the buyer once the deal is consummated.

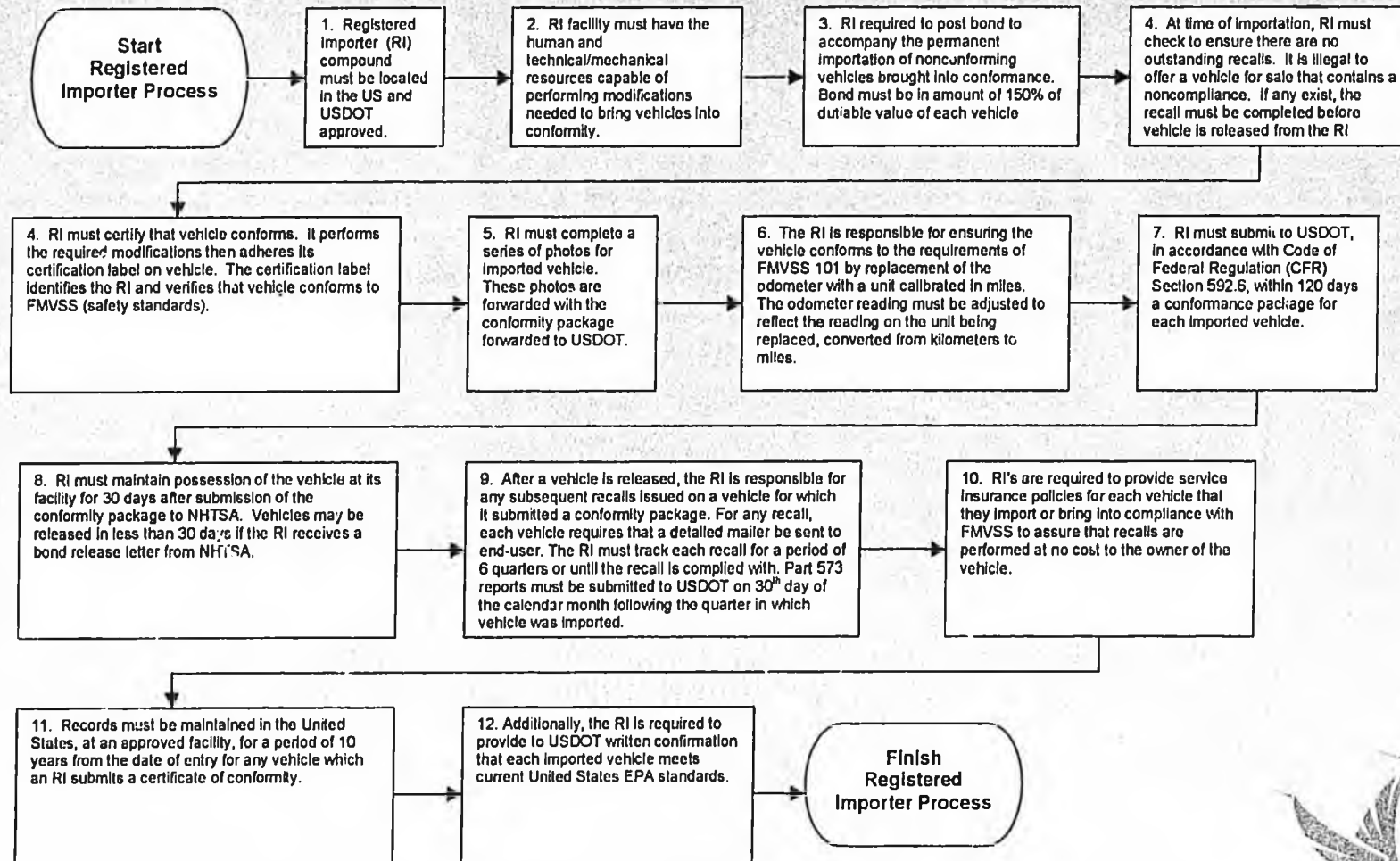
Section 2 deals with advertising of automobiles and again clarifies and makes more consumer friendly the guidelines under which they present to the consumer in their marketing representations.

Once again, We request your support in the passage of this bill.

Sincerely,

Diana L. Pfeiffer  
President, Alaska Sales and Service, Inc. Anchorage and Wasilla  
President, Alaska Automobile Dealers Association

# The Detailed Registered Importer Process



# 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