



LAWS OF ALASKA

2024

Source

CSHB 233(TRA) am

Chapter No.

AN ACT

Relating to rates and time allowances for motor vehicle warranty work; and relating to unfair practices by manufacturers.

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

THE ACT FOLLOWS ON PAGE 1

AN ACT

1 Relating to rates and time allowances for motor vehicle warranty work; and relating to unfair
2 practices by manufacturers.

3

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

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

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

11 (c) Unless otherwise agreed to by the manufacturer and the new motor vehicle
12 dealer, [THE RATES IN] the schedule of compensation **may not contain**

13 **(1) rates** [MAY NOT BE] less than the rates that the new motor
14 vehicle dealer charges retail customers for similar nonwarranty service work; **and**

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

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

4 (j) In this section,

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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