

**SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 81**  
**IN THE LEGISLATURE OF THE STATE OF ALASKA**  
**TWENTY-SEVENTH LEGISLATURE - FIRST SESSION**

**BY REPRESENTATIVES GARA, Gruenberg, Gardner**

**Introduced: 2/4/11**

**Referred: Labor and Commerce**

**A BILL**

**FOR AN ACT ENTITLED**

1 **"An Act relating to motor vehicle dealer charges for fees and costs; and relating to the**  
2 **financing of motor vehicle purchases."**

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

4 **\* Section 1.** AS 45.25.440 is amended to read:

5 **Sec. 45.25.440. Additional fees and costs [ADVERTISED PRICE]. (a)**

6 When selling a motor vehicle, a motor vehicle dealer may not charge **any** [DEALER]  
7 fees or costs **in addition to the advertised or negotiated price**, except for

8 **(1) fees actually paid to a state agency for licensing, registration, or**  
9 **title transfers;**

10 **(2) charges for warranties, for motor vehicle modifications, for**  
11 **services offered as an option by the motor vehicle dealer, or for material changes**  
12 **to the motor vehicle offered as an option by the motor vehicle dealer [, UNLESS**  
13 **THE FEES OR COSTS ARE INCLUDED IN THE ADVERTISED PRICE].**

14 (b) In this section, "[DEALER] fees or costs" includes dealer preparation fees,

1 document preparation fees, surcharges, charges, and other [DEALER-IMPOSED]  
2 fees and costs.

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

4 (c) If a motor vehicle dealer arranges financing for a buyer, the motor vehicle  
5 dealer may deliver the motor vehicle to the buyer before final approval by the  
6 financing 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 in (1) of this subsection clearly and  
14 conspicuously informs the buyer that accepting delivery of the vehicle before final  
15 financing approval obligates the buyer to terms of the motor vehicle sales contract if  
16 the terms on the separate agreement are identical to the terms finally approved by the  
17 financing entity; and

18 (3) the separate agreement in (1) of this subsection provides that the  
19 separate agreement, the motor vehicle sales contract, and any and all other conditions  
20 of the purchase will be void if any of the terms contained in the separate agreement are  
21 changed by either the motor vehicle dealer or the financing institution as a condition  
22 of sale or final financing approval.