



Representative Sam Kito

Alaska State Legislature

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House Rules

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Sponsor Statement

House Bill 209

Product Warranties & Required Updates

House Bill 209 proposes fair treatment to Alaskan consumers and businesses. Heavy equipment is expensive and complicated. Most resource companies, contractors, and many other consumers are dependent on the availability of equipment to keep Alaskans employed and businesses running.

Our state's remote locations and transportation challenges, coupled with high shipping costs, often can result in high costs to local dealers and distributors when delivering warranty and update services for a manufacturer's defective or deficient products. Many of these services are not reimbursed by the manufacturers who require this high cost work. This results in our local businesses, or their customers, absorbing expenses for shipping, transportation, and labor that should be paid by the company that manufactures the defective or deficient products, provides the warranty, and requires the updates.

HB 209 protects buyers of heavy equipment. If, during the term of a warranty or, if earlier, within one year after the date equipment is delivered to a buyer, the manufacturer or dealer is unable to repair equipment after a reasonable number of attempts, the bill requires a refund or replacement of the equipment.

HB 209 also would ensure that local dealers and distributors of heavy equipment, machinery, and tools used for construction, maintenance, resources development and similar activities are adequately compensated when providing required warranty service and manufacturer's required updates on the products they sell.

HB 209 builds on existing state law pertaining to boats, and all-terrain vehicles (ATVs). The legislation provides clarity, and certainty, for the consumers that use and the manufacturers and dealers that provide the equipment that keeps Alaska's heavy equipment industries running. HB 209 would not apply to vehicles licensed for use on roads, boats, and ATVs; those items are covered under a separate and current statute.

HB 209 protects consumers and balances the interests of local dealers to be adequately made whole for meeting their obligations to customers, while setting clear guidelines for manufacturers of heavy equipment products. I respectfully ask your support for this bill.