

**REVENUE:** No revenue impact

**FISCAL:** Minimal fiscal impact, no statement issued

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<b>Action:</b>	Do Pass as Amended and Be Printed Engrossed
<b>Vote:</b>	4 - 0 - 1
<b>Yeas:</b>	Baertschiger, Monnes Anderson, Prozanski, Shields
<b>Nays:</b>	0
<b>Exc.:</b>	George
<b>Prepared By:</b>	Channa Newell, Administrator
<b>Meeting Dates:</b>	3/27, 4/12

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**WHAT THE MEASURE DOES:** Expands allowable services and benefits under vehicle service contract. Includes certain wheel replacements, small dent and crack repair, replacement of keys or fobs, or other services Director of Department of Consumer and Business Services specifies by rule that are similarly related to specified services. Excludes coverage for replacement or repair of vehicle's interior or exterior paint or finish. Changes definition of "vehicle protection product."

**ISSUES DISCUSSED:**

- Regulation of motor vehicle ancillary products
- Targeted services and protection through service contracts and vehicle protection products
- Effects of amendment

**EFFECT OF COMMITTEE AMENDMENT:** Clarifying and technical amendments.

**BACKGROUND:** A service contract is a contract or agreement to perform repair, replacement, or maintenance to property for a specific period of time when a defect in materials or workmanship, or normal wear and tear, result in damage to a covered vehicle.

Senate Bill 577-A allows a service contract to cover repairing and replacing tires or wheels damaged as a result of road hazards, the removal of certain dents that do not affect paint or finish, repairing chips or cracks in windshields, and replacing keys or key fobs without which the vehicle cannot operate. The measure also expands the definition of "vehicle protection product" to specify a device, product, or substance designed to prevent loss or damage to a vehicle from a specific cause. The product must be accompanied by a written warranty providing notice of reimbursement for specified related and incidental costs resulting from product failure. Vehicle protection products may include alarm systems, products to mark vehicle parts, ignition, pedal, or steering wheel locks, window etching products, kill switches, and tracking systems. The new definition specifically excludes fuel, oil, transmission, or fuel system additives.