

SENATE COMMITTEE OF REFERENCE REPORT

Chair of Committee

April 27, 2023
Date

Committee on Business, Labor, & Technology.

After consideration on the merits, the Committee recommends the following:

HB23-1181 be amended as follows, and as so amended, be referred to the Committee of the Whole with favorable recommendation:

1 Amend reengrossed bill, strike everything below the enacting clause and
2 substitute:

3 **"SECTION 1. Legislative declaration.** (1) The general
4 assembly finds and declares that:

5 (a) A guaranteed asset protection agreement (GAP agreement) is
6 either an insurance policy or contractual term that protects a consumer in
7 the event that the consumer's motor vehicle that is collateral used to
8 secure credit is deemed a total loss;

9 (b) The attorney general's office has regulated GAP agreements
10 for nearly two decades, but there have been few updates to the rules
11 during that time; and

12 (c) By codifying and updating the GAP agreement rules that are
13 in the code of Colorado regulations, the general assembly will provide
14 Colorado consumers with stability, predictability, and efficiency
15 regarding GAP agreements, while ensuring a fair and viable market for
16 GAP agreement providers and making important updates to the laws that
17 govern these agreements.

18 **SECTION 2.** In Colorado Revised Statutes, 5-2-202, **amend** (1)
19 introductory portion; and **add** (1)(c.5) and (1)(c.7) as follows:

20 **5-2-202. Additional charges.** (1) In addition to the finance
21 charge permitted by this **article** ARTICLE 2 and in a consumer lease, a
22 creditor may contract for and receive the following additional charges in
23 connection with a consumer credit transaction:

24 (c.5) CHARGES FOR DEBT CANCELLATION CONTRACTS OR DEBT
25 SUSPENSION CONTRACTS OFFERED IN COMPLIANCE WITH 12 CFR 37 OR 12
26 CFR 721 OR OTHER FEDERAL LAW;

27 (c.7) CHARGES FOR GUARANTEED ASSET PROTECTION

1 AGREEMENTS, AS DEFINED IN SECTION 5-9.3-103 (1)(d), OFFERED IN
2 COMPLIANCE WITH ARTICLE 9.3 OF THIS TITLE 5;

3 **SECTION 3.** In Colorado Revised Statutes, **add** article 9.3 to title
4 5 as follows:

5 **ARTICLE 9.3**

6 **Guaranteed Asset Protection Agreements**

7 **5-9.3-101. Definitions.** (1) AS USED IN THIS ARTICLE 9.3, UNLESS
8 THE CONTEXT OTHERWISE REQUIRES:

9 (a) "CONSUMER FINANCE AGREEMENT" OR "FINANCE AGREEMENT"
10 MEANS A RETAIL INSTALLMENT SALES CONTRACT OR CONSUMER CREDIT
11 TRANSACTION, OTHER THAN A CONSUMER LEASE, FOR THE PURCHASE OR
12 REFINANCE OF A MOTOR VEHICLE.

13 (b) "DEFICIENCY BALANCE" MEANS THE AMOUNT OWED BY THE
14 CONSUMER UNDER A CONSUMER FINANCE AGREEMENT AT THE TIME OF A
15 TOTAL LOSS OF THE CONSUMER'S MOTOR VEHICLE THAT WAS COLLATERAL
16 SECURING THE CONSUMER FINANCE AGREEMENT, CALCULATED IN
17 ACCORDANCE WITH THE TERMS OF THE FINANCE AGREEMENT.

18 (c) "GUARANTEED ASSET PROTECTION ADMINISTRATOR" OR "GAP
19 ADMINISTRATOR" MEANS THE PERSON, OTHER THAN THE CREDITOR OR
20 INSURER, THAT PERFORMS THE ADMINISTRATIVE OR OPERATIONAL
21 FUNCTIONS PURSUANT TO THE GAP AGREEMENT.

22 (d) (I) "GUARANTEED ASSET PROTECTION AGREEMENT" OR "GAP
23 AGREEMENT" MEANS AN AGREEMENT, STRUCTURED AS EITHER AN
24 INSURANCE POLICY OR A CONTRACTUAL TERM, SOLD OR WRITTEN IN
25 CONNECTION WITH A CONSUMER FINANCE AGREEMENT, THAT RELIEVES
26 ALL OR PART OF A CONSUMER'S LIABILITY FOR THE DEFICIENCY BALANCE
27 REMAINING, AFTER THE PAYMENT OF ALL INSURANCE PROCEEDS, UPON THE
28 TOTAL LOSS OF THE CONSUMER'S MOTOR VEHICLE THAT WAS COLLATERAL
29 SECURING THE CONSUMER FINANCE AGREEMENT, WHETHER THE LOSS
30 OCCURRED FROM THE TOTAL DESTRUCTION OF THE MOTOR VEHICLE, THE
31 UNRECOVERED THEFT OF THE MOTOR VEHICLE, OR BOTH.

32 (II) A GAP AGREEMENT MAY ALSO PROVIDE A CONSUMER WITH A
33 BENEFIT THAT WAIVES A CERTAIN AMOUNT OR PROVIDES A CREDIT FOR A
34 CERTAIN AMOUNT TOWARD THE PURCHASE OF A REPLACEMENT MOTOR
35 VEHICLE.

36 (e) "GUARANTEED ASSET PROTECTION FEE" OR "GAP FEE" MEANS
37 THE FEE, CHARGE, PREMIUM, OR OTHER AMOUNT THAT A CREDITOR MAY
38 CHARGE A CONSUMER FOR A GUARANTEED ASSET PROTECTION
39 AGREEMENT.

40 (f) "MOTOR VEHICLE" MEANS A SELF-PROPELLED OR TOWED
41 VEHICLE DESIGNED FOR PERSONAL OR COMMERCIAL USE, INCLUDING BUT
42 NOT LIMITED TO AUTOMOBILES, TRUCKS, MOTORCYCLES, RECREATIONAL
43 VEHICLES, ALL-TERRAIN VEHICLES, SNOWMOBILES, CAMPERS, BOATS,

1 PERSONAL WATERCRAFTS, AND RELATED TRAILERS.

2 (g) "ORIGINAL CREDITOR" MEANS THE CREDITOR THAT MAKES OR
3 ARRANGES A CONSUMER FINANCE AGREEMENT WITH A CONSUMER AND TO
4 WHICH THE FINANCE AGREEMENT IS INITIALLY PAYABLE. "ORIGINAL
5 CREDITOR" DOES NOT INCLUDE ANY ASSIGNEE OF THE FINANCE
6 AGREEMENT.

7 (h) "RETAIL INSTALLMENT SALES CONTRACT" MEANS A RETAIL
8 CONTRACT TO SELL A MOTOR VEHICLE TO A CONSUMER IN WHICH:

9 (I) THE CONSUMER AGREES TO PAY THE RETAIL SELLER OVER TIME,
10 IN INSTALLMENTS, THE COST OF THE MOTOR VEHICLE PLUS INTEREST; AND
11 (II) THE RETAIL SELLER TAKES OR RETAINS A SECURITY INTEREST
12 IN THE MOTOR VEHICLE.

13 **5-9.3-102. Applicability.** (1) THIS ARTICLE 9.3 APPLIES TO EVERY
14 CREDITOR, WHETHER THE CREDITOR IS AN ASSIGNEE OR HOLDER OF A
15 FINANCE AGREEMENT THAT INCLUDES A GAP AGREEMENT. A CREDITOR,
16 ASSIGNEE, OR HOLDER DOES NOT HAVE ANY SUBROGATION RIGHTS
17 AGAINST THE CONSUMER.

18 (2) THIS ARTICLE 9.3 DOES NOT APPLY TO A GAP AGREEMENT
19 THAT IS INCLUDED IN:

20 (a) A CONSUMER LEASE;

21 (b) A LOAN THAT DOES NOT INVOLVE A CONSUMER AS DEFINED IN
22 SECTION 4-1-201 (10.5);

23 (c) A PRODUCT THAT DOES NOT MEET THE DEFINITION OF A
24 GUARANTEED ASSET PROTECTION AGREEMENT; OR

25 (d) A TRANSACTION THAT IS NOT SUBJECT TO THE "UNIFORM
26 CONSUMER CREDIT CODE", ARTICLES 1 TO 9 OF THIS TITLE 5.

27 **5-9.3-103. Guaranteed asset protection agreement**
28 **requirements - application.** (1) A CREDITOR MAY OFFER, SELL, PROVIDE,
29 OR ADMINISTER A GUARANTEED ASSET PROTECTION AGREEMENT IN
30 CONNECTION WITH A CONSUMER FINANCE AGREEMENT ONLY IF THE
31 CREDITOR AND THE GUARANTEED ASSET PROTECTION AGREEMENT
32 COMPLY FULLY WITH THIS ARTICLE 9.3 AND MEET ALL OF THE FOLLOWING
33 CONDITIONS:

34 (a) THE CREDITOR PROVIDES TO THE CONSUMER A WRITTEN
35 NOTICE, IN BOLD-FACE TYPE, THAT SPECIFIES THE FOLLOWING:

36 (I) THAT THE CONSUMER IS NOT REQUIRED TO PURCHASE A GAP
37 AGREEMENT IN ORDER TO OBTAIN THE CREDIT OR ANY PARTICULAR OR
38 FAVORABLE CREDIT TERMS;

39 (II) THE AMOUNT OF THE GAP FEE;

40 (III) THAT THE CONSUMER MAY WISH TO CONSULT AN INSURANCE
41 AGENT TO DETERMINE WHETHER SIMILAR COVERAGE MAY BE OBTAINED
42 THROUGH AN INSURANCE PRODUCT AND AT WHAT COST;

43 (IV) THAT THE GAP AGREEMENT BENEFITS MAY DECREASE OVER

1 THE TERM OF THE FINANCE AGREEMENT;
2 (V) THAT THE CONSUMER MAY CANCEL THE GAP AGREEMENT FOR
3 ANY OR NO REASON WITHIN THIRTY DAYS AFTER THE EFFECTIVE DATE OF
4 THE GAP AGREEMENT, AND THAT THE CONSUMER WILL RECEIVE A FULL
5 REFUND OF THE GAP FEE SO LONG AS NO LOSS OR EVENT COVERED BY THE
6 GAP AGREEMENT HAS OCCURRED; AND
7 (VI) THAT THE GAP AGREEMENT IS NOT A SUBSTITUTE FOR
8 COLLISION OR PROPERTY DAMAGE INSURANCE;
9 (b) (I) THE CREDITOR PROVIDES THE CONSUMER WITH A
10 CANCELLATION METHOD THAT IS CONSPICUOUSLY DISPLAYED IN THE GAP
11 AGREEMENT OR IN A SEPARATE, WRITTEN CANCELLATION FORM AND THAT
12 INCLUDES:
13 (A) THE NAME, MAILING ADDRESS, E-MAIL ADDRESS, OR PHONE
14 NUMBER THAT MAY BE USED TO CANCEL THE GAP AGREEMENT;
15 (B) A STATEMENT THAT THE CONSUMER MAY CANCEL THE GAP
16 AGREEMENT FOR ANY OR NO REASON WITHIN THIRTY DAYS AFTER THE
17 EFFECTIVE DATE OF THE GAP AGREEMENT, AND THAT THE CONSUMER
18 WILL RECEIVE A FULL REFUND OF THE GAP FEE SO LONG AS NO LOSS OR
19 EVENT COVERED BY THE GAP AGREEMENT HAS OCCURRED; AND
20 (C) A STATEMENT THAT THE CONSUMER MUST COMPLETE AND
21 RETURN THE CANCELLATION FORM OR SEND OTHER WRITTEN NOTICE OF
22 CANCELLATION TO THE MAILING ADDRESS OR E-MAIL ADDRESS THAT THE
23 CREDITOR PROVIDES OR CALL THE PHONE NUMBER LISTED IN ORDER TO
24 CANCEL THE GAP AGREEMENT.
25 (II) IF A CREDITOR WANTS TO PROVIDE AN ALTERNATIVE
26 CANCELLATION METHOD OTHER THAN THE ONE DESCRIBED IN SUBSECTION
27 (1)(b)(I) OF THIS SECTION, THE CREDITOR MUST CLEARLY AND
28 CONSPICUOUSLY STATE THE ALTERNATIVE METHOD AND INSTRUCTIONS ON
29 HOW TO CANCEL THE GAP AGREEMENT IN THE AGREEMENT;
30 (c) THE CONSUMER PROVIDES TO THE CREDITOR AN AFFIRMATIVE,
31 WRITTEN AUTHORIZATION FOR THE PURCHASE OF THE GAP AGREEMENT;
32 AND
33 (d) THE CREDITOR DELIVERS TO THE CONSUMER, IN WRITING, THE
34 GAP AGREEMENT, WHICH MUST INCLUDE:
35 (I) A WRITTEN DESCRIPTION OF THE GAP AGREEMENT'S BENEFITS,
36 TERMS, CONDITIONS, AND EXCLUSIONS;
37 (II) A STATEMENT THAT DISCLOSES ANY LIMITATION IN COVERAGE
38 UNDER THE GAP AGREEMENT; AND
39 (III) THE PROCEDURE AND TIMING TO BE FOLLOWED IN ORDER TO
40 SUBMIT A CLAIM AFTER A TOTAL LOSS.
41 **5-9.3-104. Guaranteed asset protection fees.** (1) (a) THE
42 MAXIMUM GAP FEE THAT A CREDITOR MAY CHARGE FOR A GAP
43 AGREEMENT MUST NOT EXCEED FOUR PERCENT OF THE TOTAL AMOUNT

1 FINANCED IN THE FINANCE AGREEMENT, OR SIX-HUNDRED DOLLARS,
2 WHICHEVER AMOUNT IS GREATER.

3 (b) THIS SUBSECTION (1) DOES NOT APPLY TO ANY GAP
4 AGREEMENT THAT IS SUBJECT TO REGULATION BY THE DIVISION OF
5 INSURANCE PURSUANT TO TITLE 10.

6 (2) (a) A CREDITOR MAY CONTRACT FOR, CHARGE, AND RECEIVE
7 ONLY ONE GAP FEE AS PART OF A GAP AGREEMENT, REGARDLESS OF THE
8 NUMBER OF CO-BORROWERS, COSIGNERS, OR GUARANTORS IN THE FINANCE
9 AGREEMENT.

10 (b) IN THE EVENT THAT THE GAP AGREEMENT HAS BEEN SOLD AND
11 A VALID CLAIM HAS BEEN MADE, THE CREDITOR MAY NOT SEEK
12 INDEMNIFICATION FROM THE CONSUMER, CO-BORROWERS, COSIGNERS, OR
13 GUARANTORS.

14 (3) EVERY FINANCE AGREEMENT THAT INCLUDES A GAP FEE FOR
15 A GAP AGREEMENT SHALL CONTAIN, EITHER IN THE FINANCE AGREEMENT
16 OR GAP AGREEMENT SIGNED BY THE CONSUMER, THE FOLLOWING
17 STATEMENT:

18 IF THIS TRANSACTION CONTAINS A FEE, CHARGE, OR
19 PREMIUM FOR GUARANTEED ASSET PROTECTION, ALL
20 HOLDERS AND ASSIGNEES OF THIS CONSUMER CREDIT
21 TRANSACTION ARE SUBJECT TO ALL CLAIMS AND DEFENSES
22 THAT THE CONSUMER COULD ASSERT AGAINST THE
23 ORIGINAL CREDITOR RESULTING FROM THE CONSUMER'S
24 PURCHASE OF THE GUARANTEED ASSET PROTECTION.

25 **5-9.3-105. Calculation and payment of deficiency balance.**

26 (1) THE CALCULATION OF THE PAYMENT OR WAIVER OF THE DEFICIENCY
27 BALANCE MAY EXCLUDE THE FOLLOWING, AS LONG AS THESE EXCLUSIONS
28 ARE CLEARLY SPECIFIED IN THE GAP AGREEMENT:

29 (a) AMOUNTS OWED FOR UNPAID INSTALLMENTS UNDER THE
30 FINANCE AGREEMENT, INCLUDING ANY FEES OR SURCHARGES IMPOSED AS
31 LATE CHARGES FOR UNPAID INSTALLMENTS;

32 (b) LEGALLY PERMITTED FEES INCURRED AFTER THE EFFECTIVE
33 DATE OF THE FINANCE AGREEMENT;

34 (c) FEES FOR THE RETURN OR DISHONOR OF CHECKS OR OTHER
35 INSTRUMENTS TENDERED AS PAYMENT;

36 (d) PREMIUMS OR FEES FOR LEGALLY PERMITTED INSURANCE
37 ADDED AFTER THE EFFECTIVE DATE OF THE FINANCE AGREEMENT;

38 (e) REFUNDS OWED ON CANCELLABLE SERVICE CONTRACTS AND
39 OTHER PROTECTION PRODUCTS THAT WERE FINANCED IN THE FINANCE
40 AGREEMENT;

41 (f) THE SALVAGE VALUE OF THE MOTOR VEHICLE, AS DETERMINED
42 BY THE CONSUMER'S PRIMARY INSURER OF THE MOTOR VEHICLE, IF THE
43 TOTALED MOTOR VEHICLE IS RETAINED BY THE CONSUMER; AND

1 (g) DEDUCTIONS TAKEN BY THE CONSUMER'S PRIMARY INSURER OF
2 THE MOTOR VEHICLE FOR PRIOR UNREPAIRED DAMAGE TO THE MOTOR
3 VEHICLE IF, BEFORE TAKING THE DEDUCTION, THE GAP ADMINISTRATOR
4 OR LENDER HAS DOCUMENTARY PROOF THAT:

5 (I) THE CONSUMER SUBMITTED AN INSURANCE CLAIM RELATED TO
6 PRIOR UNREPAIRED DAMAGE TO THE MOTOR VEHICLE; OR

7 (II) THE CONSUMER RECEIVED PAYMENT FOR THE PRIOR
8 UNREPAIRED DAMAGE TO THE MOTOR VEHICLE.

9 (2) EXCEPT AS PROVIDED IN THIS ARTICLE 9.3, THE GAP
10 AGREEMENT MUST PAY OR WAIVE ALL OF THE DEFICIENCY BALANCE THAT
11 WOULD HAVE BEEN OWED IF:

12 (I) THE CONSUMER HAD MAINTAINED PROPERTY DAMAGE
13 INSURANCE COVERING THE ACTUAL CASH VALUE OF THE MOTOR VEHICLE
14 AS OF THE DATE OF LOSS, EVEN IF THE CONSUMER HAS NOT MAINTAINED
15 SUCH PROPERTY DAMAGE INSURANCE; OR

16 (II) THE CREDITOR HAD PURCHASED PROPERTY DAMAGE
17 INSURANCE FOR THE MOTOR VEHICLE PURSUANT TO SECTION 5-2-209.

18 (3) THE GAP AGREEMENT MUST PROVIDE THE CONSUMER WITH A
19 FULL REFUND OR A CREDIT OF THE AMOUNT OF THE CONSUMER'S
20 DEDUCTIBLE CHARGED FOR PROPERTY DAMAGE, UP TO FIVE HUNDRED
21 DOLLARS, AS PART OF THE PAYMENT OF, OR RELIEF FROM, LIABILITY FOR
22 THE DEFICIENCY BALANCE. THE GAP AGREEMENT MAY PROVIDE
23 ADDITIONAL COVERAGE FOR THE CONSUMER'S DEDUCTIBLE IN EXCESS OF
24 FIVE HUNDRED DOLLARS.

25 **5-9.3-106. Cancellation of GAP agreement.** (1) (a) THE
26 ORIGINAL CREDITOR MUST REFUND TO THE CONSUMER THE UNEARNED
27 GAP FEE PAID PURSUANT TO THE GAP AGREEMENT IF:

28 (I) THE FINANCE AGREEMENT IS PREPAID PRIOR TO MATURITY OR
29 THE MOTOR VEHICLE IS NO LONGER IN THE CONSUMER'S POSSESSION DUE
30 TO THE CREDITOR'S LAWFUL REPOSSESSION AND DISPOSITION OF THE
31 COLLATERAL; AND

32 (II) THE CONSUMER HAS NOT MADE A CLAIM UNDER THE GAP
33 AGREEMENT.

34 (2) (a) IF THE GAP AGREEMENT IS PROVIDED AS A CONTRACTUAL
35 TERM OF THE FINANCE AGREEMENT, ANY REFUND ISSUED MUST BE
36 CALCULATED USING A PRO RATA METHOD OR ANY OTHER METHOD
37 APPROVED BY THE ADMINISTRATOR.

38 (b) IF THE GAP AGREEMENT IS PROVIDED AS INSURANCE, ANY
39 REFUND ISSUED MUST BE CALCULATED USING A METHOD AUTHORIZED
40 UNDER APPLICABLE INSURANCE STATUTES, RULES, OR INTERPRETATIONS
41 OF THE COMMISSIONER OF INSURANCE PURSUANT TO TITLE 10.

42
43 (3) (a) IN THE EVENT THAT THE CONSUMER FINANCE AGREEMENT

1 HAS BEEN ASSIGNED TO A PERSON OTHER THAN THE ORIGINAL CREDITOR,
2 THE ASSIGNEE SHALL SEND NOTICE TO THE ORIGINAL CREDITOR
3 REQUESTING, ON BEHALF OF THE CONSUMER, A REFUND OF THE UNEARNED
4 GAP FEE PURSUANT TO THE GAP AGREEMENT. UPON RECEIPT OF SUCH
5 NOTICE FROM THE ASSIGNEE, THE ORIGINAL CREDITOR SHALL PROVIDE THE
6 UNEARNED GAP FEE TO THE ASSIGNEE WITHIN THIRTY DAYS.

7 (b) IF THE ORIGINAL CREDITOR OR GAP ADMINISTRATOR HAS NOT
8 REFUNDED THE UNEARNED GAP FEE TO THE CONSUMER WITHIN THIRTY
9 DAYS PURSUANT TO SUBSECTION (3)(a) OF THIS SECTION, THE ASSIGNEE
10 SHALL PROVIDE THE CONSUMER WITH THE REFUND.

11 (c) NOTHING IN THIS SUBSECTION (3) PREVENTS THE ASSIGNEE
12 FROM SEEKING A REIMBURSEMENT FOR THE CONSUMER'S REFUND FROM
13 ANY OTHER PARTY.

14 (4) A CANCELLATION FEE OF NOT MORE THAN TWENTY-FIVE
15 DOLLARS MAY BE CHARGED TO A CONSUMER IF THE CONSUMER CANCELS
16 THE GAP AGREEMENT MORE THAN THIRTY DAYS AFTER THE EFFECTIVE
17 DATE OF THE GAP AGREEMENT.

18 **5-9.3-107. Filing of claim.** A CONSUMER HAS NINETY DAYS
19 AFTER THE LOSS SETTLEMENT FROM ANY PROPERTY DAMAGE INSURANCE
20 OR FROM THE DATE THE CREDITOR NOTIFIES THE CONSUMER OF ANY
21 DEFICIENCY BALANCE OWED, WHICHEVER IS LATER, TO FILE A CLAIM
22 UNDER THE GAP AGREEMENT OR SEEK DEBT CANCELLATION FROM THE
23 CREDITOR.

24 **5-9.3-108. Prohibitions on sale of guaranteed asset protection**
25 **agreements.** (1) A GAP AGREEMENT SHALL NOT BE SOLD TO A
26 CONSUMER IF:

27 (a) THE CONSUMER IS INELIGIBLE FOR A GAP AGREEMENT;

28 (b) THE FINANCE AGREEMENT TERMS PRECLUDE COVERAGE UNDER
29 A GAP AGREEMENT;

30 (c) THE MOTOR VEHICLE USED AS COLLATERAL FOR THE FINANCE
31 AGREEMENT IS INELIGIBLE FOR COVERAGE UNDER A GAP AGREEMENT;

32 (d) THE GAP AGREEMENT LIMITS COVERAGE TO A MAXIMUM LOAN
33 TO VALUE RATIO AND THE TERMS OF THE FINANCE AGREEMENT EXCEED
34 THE MAXIMUM LOAN TO VALUE RATIO STATED IN THE GAP AGREEMENT;

35 (e) THE MAXIMUM LOAN TO VALUE RATIO IN THE GAP AGREEMENT
36 EXCEEDS ONE-HUNDRED FIFTY PERCENT; OR

37 (f) THE TRANSACTION WOULD BE UNCONSCIONABLE AS DESCRIBED
38 IN SECTION 5-4-106, 5-5-109, OR 5-6-112.

39 **5-9.3-109. Enforcement.** (1) THE ADMINISTRATOR DESIGNATED
40 IN SECTION 5-6-103 MAY ENFORCE THE PROVISIONS OF THIS ARTICLE 9.3,
41 PURSUANT TO ARTICLE 6 OF THIS TITLE 5, AGAINST ANY CREDITOR OR GAP
42 ADMINISTRATOR WHO VIOLATES THIS ARTICLE 9.3.

43 **SECTION 5. Act subject to petition - effective date -**

1 **applicability.** (1) This act takes effect January 1, 2024; except that, if a
2 referendum petition is filed pursuant to section 1 (3) of article V of the
3 state constitution against this act or an item, section, or part of this act
4 within the ninety-day period after final adjournment of the general
5 assembly, then the act, item, section, or part will not take effect unless
6 approved by the people at the general election to be held in November
7 2024 and, in such case, will take effect on the date of the official
8 declaration of the vote thereon by the governor.
9 (2) This act applies to guaranteed asset protection agreements
10 entered into on or after the effective date of this act."

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