

Second Regular Session
Seventieth General Assembly
STATE OF COLORADO

REVISED

*This Version Includes All Amendments Adopted
on Second Reading in the Second House*

LLS NO. 16-1003.01 Jery Payne x2157

HOUSE BILL 16-1317

HOUSE SPONSORSHIP

Williams,

SENATE SPONSORSHIP

Holbert,

House Committees
Business Affairs and Labor

Senate Committees
Business, Labor, & Technology

A BILL FOR AN ACT

101 CONCERNING CLARIFYING THE TYPES OF TRANSACTIONS THAT MAY BE
102 INCLUDED IN A MOTOR VEHICLE SERVICE CONTRACT.

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://www.leg.state.co.us/billsummaries>.)

The bill authorizes the following products or services to be offered in connection with a motor vehicle service contract:

- ! Repair or replacement of wheels or tires damaged by road hazards;
- ! Paintless dent repair;
- ! Repair or replacement of a windshield damaged by road

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

SENATE
2nd Reading Unamended
April 14, 2016

HOUSE
3rd Reading Unamended
March 29, 2016

HOUSE
Amended 2nd Reading
March 28, 2016

- ! hazards;
- ! Replacement of a key or key fob that is broken, lost, or stolen; and
- ! Other services approved by the commissioner of insurance.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, 42-11-101, **amend**
3 (3); and **add** (5.5) as follows:

4 **42-11-101. Definitions.** As used in this article, unless the context
5 otherwise requires:

6 (3) (a) "Motor vehicle service contract" or "service contract"
7 means a contract or agreement between a provider and a service contract
8 holder, WHICH CONTRACT OR AGREEMENT IS given for consideration over
9 and above the lease or purchase price of a motor vehicle ~~that undertakes~~
10 AND OBLIGATES THE PROVIDER to perform or provide repair or
11 replacement service, or indemnification for that service, for the
12 operational or structural failure of a motor vehicle due to a defect in
13 materials or skill of work or normal wear and tear. ~~but~~ A MOTOR VEHICLE
14 SERVICE CONTRACT MAY PROVIDE FOR ANY ONE OR MORE OF THE
15 FOLLOWING SERVICES:

16 (I) REPAIRING OR REPLACING TIRES OR WHEELS ON A MOTOR
17 VEHICLE DAMAGED AS A RESULT OF COMING INTO CONTACT WITH ROAD
18 HAZARDS;

19 (II) REMOVING DENTS, DINGS, OR CREASES ON A MOTOR VEHICLE
20 THAT CAN BE REPAIRED USING THE PROCESS OF PAINLESS DENT REMOVAL
21 WITHOUT AFFECTING THE EXISTING PAINT FINISH AND WITHOUT REPLACING
22 VEHICLE BODY PANELS, SANDING, BONDING, OR PAINTING;

23 (III) REPLACING OR REPAIRING A WINDSHIELD DAMAGED BY ROAD

1 HAZARDS;

2 (IV) REPLACING A MOTOR VEHICLE KEY OR KEY FOB IF THE KEY OR
3 KEY FOB BECOMES INOPERABLE OR IS LOST OR STOLEN;

4 (V) OTHER SERVICES THAT ARE SIMILAR TO THE SERVICES LISTED
5 IN THIS PARAGRAPH (a).

6 (b) "MOTOR VEHICLE SERVICE CONTRACT" OR "SERVICE
7 CONTRACT" does not include mechanical breakdown insurance.

8 (5.5) "ROAD HAZARD" MEANS A HAZARD THAT IS ENCOUNTERED
9 WHILE DRIVING A MOTOR VEHICLE. "ROAD HAZARD" MAY INCLUDE
10 POTHOLES, ROCKS, WOOD DEBRIS, METAL PARTS, GLASS, PLASTIC, CURBS,
11 OR COMPOSITE SCRAPS.

12 **SECTION 2.** In Colorado Revised Statutes, **amend** 42-11-105 as
13 follows:

14 **42-11-105. Manufacturers' express warranties and service**
15 **contracts excluded.** This article does not apply to motor vehicle
16 manufacturers' express warranties and service contracts as defined in
17 section 42-10-101 (3). FOR PURPOSES OF THIS SECTION, THE TERM
18 "MANUFACTURER" INCLUDES THE MANUFACTURER OR DISTRIBUTOR OF
19 THE COVERED VEHICLE OR A SUBSIDIARY OR AFFILIATE OF A
20 MANUFACTURER OR DISTRIBUTOR IF FIFTY-ONE PERCENT OR MORE OF THE
21 SUBSIDIARY OR AFFILIATE IS OWNED DIRECTLY OR INDIRECTLY BY THE
22 MANUFACTURER, DISTRIBUTOR, OR COMMON OWNER OF FIFTY-ONE
23 PERCENT OR MORE OF THE MANUFACTURER OR DISTRIBUTOR.

24 **SECTION 3.** In Colorado Revised Statutes, **add** 42-11-109 as
25 follows:

26 **42-11-109. Maintenance agreement excluded.** A PREPAID
27 AGREEMENT THAT PROVIDES ONLY ROUTINE MAINTENANCE IS NOT A

1 SERVICE CONTRACT NOR A CONTRACT OF INSURANCE.

2 **SECTION 4. Act subject to petition - effective date.** This act
3 takes effect at 12:01 a.m. on the day following the expiration of the
4 ninety-day period after final adjournment of the general assembly (August
5 10, 2016, if adjournment sine die is on May 11, 2016); except that, if a
6 referendum petition is filed pursuant to section 1 (3) of article V of the
7 state constitution against this act or an item, section, or part of this act
8 within such period, then the act, item, section, or part will not take effect
9 unless approved by the people at the general election to be held in
10 November 2016 and, in such case, will take effect on the date of the
11 official declaration of the vote thereon by the governor.