

**First Regular Session
Seventy-fourth General Assembly
STATE OF COLORADO**

REENGROSSED

*This Version Includes All Amendments
Adopted in the House of Introduction*

LLS NO. 23-0744.01 Christopher McMichael x4775

HOUSE BILL 23-1181

HOUSE SPONSORSHIP

Mauro, Snyder, Dickson, Martinez, Michaelson Jenet, Valdez

SENATE SPONSORSHIP

Hinrichsen and Mullica,

House Committees
Business Affairs & Labor

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING THE REGULATION OF GUARANTEED ASSET PROTECTION**
102 **AGREEMENTS.**

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://leg.colorado.gov>.)

The bill codifies and updates rules regarding guaranteed asset protection agreements (GAP agreement). A GAP agreement relieves a consumer of liability for all or part of the deficiency balance remaining after the payment of all insurance proceeds upon the total loss of the consumer's motor vehicle.

Section 2 of the bill permits a creditor to collect additional charges

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters or bold & italic numbers indicate new material to be added to existing law.
Dashes through the words or numbers indicate deletions from existing law.

HOUSE
3rd Reading Unamended
March 23, 2023

HOUSE
Amended 2nd Reading
March 22, 2023

or fees for a GAP agreement as part of a consumer credit transaction.

Section 3:

- Sets conditions and provisions that must be a part of any GAP agreement in order for it to be valid and for a creditor to receive an additional charge or fee in relation to the GAP agreement;
- Establishes the method by which the deficiency balance is calculated and what the consumer will be owed pursuant to the GAP agreement in the event of a total loss;
- Details when a consumer must submit the consumer's GAP agreement claim after a total loss;
- Establishes the maximum fee that may be charged for a GAP agreement, which must not exceed 5% of the amount financed in the consumer credit transaction; and
- Prohibits the sale of a GAP agreement in specified circumstances.

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

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

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

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

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

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

3 **5-2-202. Additional charges.** (1) In addition to the finance
4 charge permitted by this ~~article~~ ARTICLE 2 and in a consumer lease, a
5 creditor may contract for and receive the following additional charges in
6 connection with a consumer credit transaction:

7 (c.5) CHARGES FOR DEBT CANCELLATION CONTRACTS OR DEBT
8 SUSPENSION CONTRACTS OFFERED IN COMPLIANCE WITH 12 CFR PART 37
9 OR 12 CFR PART 721 OR OTHER FEDERAL LAW;

10 (c.7) CHARGES FOR GUARANTEED ASSET PROTECTION, AS DEFINED
11 IN SECTION 5-2-215 (1)(d), OFFERED IN COMPLIANCE WITH SECTION
12 5-2-215;

13 **SECTION 3.** In Colorado Revised Statutes, **add** 5-2-215 as
14 follows:

15 **5-2-215. Guaranteed asset protection agreements - definitions**
16 **- rules.** (1) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE
17 REQUIRES:

18 (a) "CONSUMER FINANCE AGREEMENT" OR "FINANCE AGREEMENT"
19 MEANS A RETAIL INSTALLMENT SALES CONTRACT OR CONSUMER CREDIT
20 TRANSACTION, OTHER THAN A CONSUMER LEASE, FOR THE PURCHASE OR
21 REFINANCE OF A MOTOR VEHICLE.

22 (b) "DEFICIENCY BALANCE" MEANS THE AMOUNT OWED BY THE
23 CONSUMER UNDER A CONSUMER FINANCE AGREEMENT AT THE TIME OF A
24 TOTAL LOSS OF THE CONSUMER'S MOTOR VEHICLE THAT WAS COLLATERAL
25 SECURING THE CONSUMER FINANCE AGREEMENT, CALCULATED IN
26 ACCORDANCE WITH THE TERMS OF THE FINANCE AGREEMENT.

27 (c) "GUARANTEED ASSET PROTECTION ADMINISTRATOR" OR "GAP

1 ADMINISTRATOR" MEANS THE PERSON, OTHER THAN THE CREDITOR OR
2 INSURER, THAT PERFORMS THE ADMINISTRATIVE OR OPERATIONAL
3 FUNCTIONS PURSUANT TO THE GAP AGREEMENT.

4 (d) (I) "GUARANTEED ASSET PROTECTION AGREEMENT" OR "GAP
5 AGREEMENT" MEANS AN AGREEMENT, STRUCTURED AS EITHER AN
6 INSURANCE POLICY OR A CONTRACTUAL TERM, SOLD OR WRITTEN IN
7 CONNECTION WITH A CONSUMER FINANCE AGREEMENT, THAT RELIEVES
8 ALL OR PART OF A CONSUMER'S LIABILITY FOR THE DEFICIENCY BALANCE
9 REMAINING, AFTER THE PAYMENT OF ALL INSURANCE PROCEEDS, UPON THE
10 TOTAL LOSS OF THE CONSUMER'S MOTOR VEHICLE THAT WAS COLLATERAL
11 SECURING THE CONSUMER FINANCE AGREEMENT, WHETHER THE LOSS
12 OCCURRED FROM THE TOTAL DESTRUCTION OF THE MOTOR VEHICLE, THE
13 UNRECOVERED THEFT OF THE MOTOR VEHICLE, OR BOTH.

14 (II) A GAP AGREEMENT MAY ALSO PROVIDE A CONSUMER WITH A
15 BENEFIT THAT WAIVES A CERTAIN AMOUNT OR PROVIDES A CREDIT FOR A
16 CERTAIN AMOUNT TOWARD THE PURCHASE OF A REPLACEMENT MOTOR
17 VEHICLE.

18 (e) "GUARANTEED ASSET PROTECTION FEE" OR "GAP FEE" MEANS
19 THE FEE, CHARGE, PREMIUM, OR OTHER AMOUNT THAT A CREDITOR MAY
20 CHARGE A CONSUMER FOR A GUARANTEED ASSET PROTECTION
21 AGREEMENT.

22 (f) "MOTOR VEHICLE" MEANS A SELF-PROPELLED OR TOWED
23 VEHICLE DESIGNED FOR PERSONAL OR COMMERCIAL USE, INCLUDING BUT
24 NOT LIMITED TO AUTOMOBILES, TRUCKS, MOTORCYCLES, RECREATIONAL
25 VEHICLES, ALL-TERRAIN VEHICLES, SNOWMOBILES, CAMPERS, BOATS,
26 PERSONAL WATERCRAFT, AND RELATED TRAILERS.

27 (g) "ORIGINAL CREDITOR" MEANS THE CREDITOR THAT MAKES OR

1 ARRANGES A CONSUMER FINANCE AGREEMENT WITH A CONSUMER AND TO
2 WHICH THE FINANCE AGREEMENT IS INITIALLY PAYABLE. "ORIGINAL
3 CREDITOR" DOES NOT INCLUDE ANY ASSIGNEE OF THE FINANCE
4 AGREEMENT.

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

7 (I) THE CONSUMER AGREES TO PAY THE RETAIL SELLER OVER TIME,
8 IN INSTALLMENTS, THE COST OF THE MOTOR VEHICLE PLUS INTEREST; AND

9 (II) THE RETAIL SELLER TAKES OR RETAINS A SECURITY INTEREST
10 IN THE MOTOR VEHICLE.

11 (2) A CREDITOR MAY CONTRACT FOR, CHARGE, AND RECEIVE A
12 GAP FEE FOR A GAP AGREEMENT, AS A CHARGE THAT IS IN ADDITION TO
13 ANY FINANCE CHARGE IMPOSED OR AUTHORIZED PURSUANT TO SECTION
14 5-2-201, IF THE GAP AGREEMENT SATISFIES THE REQUIREMENTS OF THIS
15 SECTION AND IF ALL OF THE FOLLOWING CONDITIONS ARE MET AS PART OF
16 THE GAP AGREEMENT:

17 (a) THE CREDITOR PROVIDES TO THE CONSUMER A WRITTEN
18 NOTICE, IN BOLDFACE TYPE, THAT SPECIFIES THE FOLLOWING:

19 (I) THAT THE PURCHASE OF A GAP AGREEMENT IS NOT REQUIRED
20 IN ORDER TO OBTAIN THE CREDIT OR ANY PARTICULAR OR FAVORABLE
21 CREDIT TERMS;

22 (II) THE GAP FEE;

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

26 (IV) THAT THE GAP AGREEMENT BENEFITS MAY DECREASE OVER
27 THE TERM OF THE FINANCE AGREEMENT;

1 (V) THAT THE CONSUMER MAY CANCEL THE GAP AGREEMENT FOR
2 ANY OR NO REASON WITHIN THIRTY DAYS AFTER THE EFFECTIVE DATE OF
3 THE GAP AGREEMENT, AND THAT THE CONSUMER WILL RECEIVE A FULL
4 REFUND OF THE GAP FEE SO LONG AS NO LOSS OR EVENT COVERED BY THE
5 GAP AGREEMENT HAS OCCURRED; AND

6 (VI) THAT THE GAP AGREEMENT IS NOT A SUBSTITUTE FOR
7 COLLISION OR PROPERTY DAMAGE INSURANCE;

8 (b) (I) THE CREDITOR PROVIDES THE CONSUMER WITH A
9 CANCELLATION METHOD THAT IS CONSPICUOUSLY DISPLAYED IN THE GAP
10 AGREEMENT OR IN A SEPARATE, WRITTEN CANCELLATION FORM AND THAT
11 INCLUDES:

12 (A) THE NAME, MAILING ADDRESS, E-MAIL ADDRESS, OR PHONE
13 NUMBER THAT MAY BE USED TO CANCEL THE GAP AGREEMENT;

14 (B) A CLEAR AND CONSPICUOUS STATEMENT THAT THE CONSUMER
15 HAS AN UNCONDITIONAL RIGHT TO CANCEL THE GAP AGREEMENT FOR A
16 FULL REFUND WITHIN THIRTY DAYS AFTER THE EFFECTIVE DATE OF THE
17 GAP AGREEMENT; AND

18 (C) A CLEAR AND CONSPICUOUS STATEMENT THAT THE CONSUMER
19 MUST COMPLETE AND RETURN THE CANCELLATION FORM OR SEND OTHER
20 WRITTEN NOTICE OF CANCELLATION TO THE MAILING ADDRESS OR E-MAIL
21 ADDRESS THAT THE CREDITOR PROVIDES OR CALL THE PHONE NUMBER
22 LISTED IN ORDER TO CANCEL THE GAP AGREEMENT.

23 (II) IF A CREDITOR WANTS TO PROVIDE AN ALTERNATIVE
24 CANCELLATION METHOD OTHER THAN THE ONE DESCRIBED IN SUBSECTION
25 (2)(b)(I) OF THIS SECTION, THE CREDITOR MUST CLEARLY AND
26 CONSPICUOUSLY STATE THE ALTERNATIVE METHOD AND INSTRUCTIONS ON
27 HOW TO CANCEL THE GAP AGREEMENT IN THE AGREEMENT;

1 (c) THE CONSUMER PROVIDES TO THE CREDITOR AN AFFIRMATIVE,
2 WRITTEN AUTHORIZATION FOR THE PURCHASE OF THE GAP AGREEMENT;
3 AND

4 (d) THE CREDITOR DELIVERS TO THE CONSUMER, IN WRITING, THE
5 GAP AGREEMENT, WHICH MUST INCLUDE:

6 (I) A WRITTEN DESCRIPTION OF THE GAP AGREEMENT'S BENEFITS,
7 TERMS, CONDITIONS, AND EXCLUSIONS;

8 (II) A CLEAR AND CONSPICUOUS STATEMENT THAT DISCLOSES ANY
9 LIMITATION IN COVERAGE UNDER THE GAP AGREEMENT; AND

10 (III) THE PROCEDURE AND TIMING TO BE FOLLOWED IN ORDER TO
11 SUBMIT A CLAIM AFTER A TOTAL LOSS.

12 (3) IF ANY CONDITION DESCRIBED IN SUBSECTION (2) OF THIS
13 SECTION IS NOT MET, THEN THE GAP FEE IS NOT A PERMITTED ADDITIONAL
14 CHARGE UNDER SECTION 5-2-202 (1)(c.7).

15 (4) (a) THE MAXIMUM GAP FEE THAT A CREDITOR MAY CHARGE
16 FOR A GAP AGREEMENT MUST NOT EXCEED FIVE PERCENT OF THE TOTAL
17 AMOUNT FINANCED IN THE FINANCE AGREEMENT.

18 (b) SUBSECTION (4)(a) OF THIS SECTION DOES NOT APPLY TO ANY
19 GAP AGREEMENT THAT IS SUBJECT TO REGULATION BY THE DIVISION OF
20 INSURANCE PURSUANT TO TITLE 10.

21 (5) EVERY FINANCE AGREEMENT THAT INCLUDES A GAP FEE FOR
22 A GAP AGREEMENT SHALL CONTAIN, EITHER IN THE FINANCE AGREEMENT
23 OR GAP AGREEMENT SIGNED BY THE CONSUMER, THE FOLLOWING
24 STATEMENT:

25 IF THIS TRANSACTION CONTAINS A FEE, CHARGE, OR
26 PREMIUM FOR GUARANTEED ASSET PROTECTION, ALL
27 HOLDERS AND ASSIGNEES OF THIS CONSUMER CREDIT

1 TRANSACTION ARE SUBJECT TO ALL CLAIMS AND DEFENSES
2 THAT THE CONSUMER COULD ASSERT AGAINST THE
3 ORIGINAL CREDITOR RESULTING FROM THE CONSUMER'S
4 PURCHASE OF THE GUARANTEED ASSET PROTECTION.

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

9 (b) IF A CONSUMER PURCHASES A GAP AGREEMENT, THE CREDITOR
10 MAY NOT SEEK INDEMNIFICATION FROM THE CONSUMER, CO-BORROWERS,
11 COSIGNERS, OR GUARANTORS.

12 (7) (a) THE GAP AGREEMENT MUST PAY OR WAIVE ALL OR PART
13 OF THE DEFICIENCY BALANCE AND MAY PROVIDE A WAIVER OF A CERTAIN
14 AMOUNT OR CREDIT OF A CERTAIN AMOUNT TOWARD THE PURCHASE OF A
15 REPLACEMENT MOTOR VEHICLE.

16 (b) THE CALCULATION OF THE PAYMENT OR WAIVER OF THE
17 DEFICIENCY BALANCE MAY EXCLUDE THE FOLLOWING, AS LONG AS THESE
18 EXCLUSIONS ARE CLEARLY SPECIFIED IN THE GAP AGREEMENT:

19 (I) AMOUNTS OWED FOR UNPAID INSTALLMENTS UNDER THE
20 FINANCE AGREEMENT, INCLUDING ANY FEES OR SURCHARGES IMPOSED AS
21 LATE CHARGES FOR UNPAID INSTALLMENTS;

22 (II) LEGALLY PERMITTED FEES INCURRED AFTER THE EFFECTIVE
23 DATE OF THE FINANCE AGREEMENT;

24 (III) FEES FOR THE RETURN OR DISHONOR OF CHECKS OR OTHER
25 INSTRUMENTS TENDERED AS PAYMENT;

26 (IV) PREMIUMS OR FEES FOR LEGALLY PERMITTED INSURANCE
27 ADDED AFTER THE EFFECTIVE DATE OF THE FINANCE AGREEMENT;

1 (V) REFUNDS OWED ON CANCELLABLE SERVICE CONTRACTS AND
2 OTHER PROTECTION PRODUCTS THAT WERE FINANCED IN THE FINANCE
3 AGREEMENT;

4 (VI) THE SALVAGE VALUE OF THE MOTOR VEHICLE, AS
5 DETERMINED BY THE CONSUMER'S PRIMARY INSURER OF THE MOTOR
6 VEHICLE, IF THE TOTALED MOTOR VEHICLE IS RETAINED BY THE
7 CONSUMER; AND

8 (VII) DEDUCTIONS TAKEN BY THE CONSUMER'S PRIMARY INSURER
9 OF THE MOTOR VEHICLE AND ASSOCIATED PAYMENTS RECEIVED BY THE
10 CONSUMER FOR PRIOR UNREPAIRED DAMAGE TO THE MOTOR VEHICLE,
11 WHICH DEDUCTIONS AND PAYMENTS MUST BE SUPPORTED BY CLEAR,
12 WRITTEN DOCUMENTATION.

13 (c) THE GAP AGREEMENT MUST PAY OR WAIVE ALL OR PART OF
14 THE DEFICIENCY BALANCE THAT WOULD HAVE BEEN OWED IF:

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

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

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

1 (9) (a) THE ORIGINAL CREDITOR MUST REFUND TO THE CONSUMER
2 THE UNEARNED GAP FEE PAID PURSUANT TO THE GAP AGREEMENT IF:

3 (I) THE FINANCE AGREEMENT IS PREPAID PRIOR TO MATURITY OR
4 THE MOTOR VEHICLE IS NO LONGER IN THE CONSUMER'S POSSESSION DUE
5 TO THE CREDITOR'S LAWFUL REPOSSESSION AND DISPOSITION OF THE
6 COLLATERAL; AND

7 (II) THE CONSUMER HAS NOT MADE A CLAIM UNDER THE GAP
8 AGREEMENT.

9 (b) IF THE GAP AGREEMENT IS PROVIDED AS A CONTRACTUAL
10 TERM OF THE FINANCE AGREEMENT, ANY REFUND ISSUED MUST BE
11 CALCULATED USING A PRO RATA METHOD, AND THE ORIGINAL CREDITOR
12 MAY CHARGE A CANCELLATION FEE NOT TO EXCEED FIFTY DOLLARS.

13 (c) IF THE GAP AGREEMENT IS PROVIDED AS INSURANCE, ANY
14 REFUND ISSUED MUST BE CALCULATED USING A METHOD AUTHORIZED
15 UNDER APPLICABLE INSURANCE STATUTES, RULES, OR INTERPRETATIONS
16 OF THE COMMISSIONER OF INSURANCE PURSUANT TO TITLE 10.

17 (d) IN THE EVENT THAT THE CONSUMER FINANCE AGREEMENT HAS
18 BEEN ASSIGNED TO A PERSON OTHER THAN THE ORIGINAL CREDITOR, THE
19 ASSIGNEE SHALL SEND NOTICE TO THE ORIGINAL CREDITOR AND THE GAP
20 ADMINISTRATOR, IF KNOWN, REQUESTING, ON BEHALF OF THE CONSUMER,
21 A REFUND OF THE UNEARNED GAP FEE PURSUANT TO THE GAP
22 AGREEMENT.

23 (10) A CONSUMER HAS NINETY DAYS AFTER THE LOSS SETTLEMENT
24 FROM ANY PROPERTY DAMAGE INSURANCE OR FROM THE DATE THE
25 CREDITOR NOTIFIES THE CONSUMER OF ANY DEFICIENCY BALANCE OWED,
26 WHICHEVER IS LATER, TO FILE A CLAIM UNDER THE GAP AGREEMENT OR
27 SEEK DEBT CANCELLATION FROM THE CREDITOR.

1 (11) A GAP AGREEMENT SHALL NOT BE SOLD TO A CONSUMER IF:

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

3 (b) THE FINANCE AGREEMENT TERMS PRECLUDE COVERAGE UNDER
4 A GAP AGREEMENT;

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

7 (d) THE GAP AGREEMENT LIMITS COVERAGE TO A MAXIMUM LOAN
8 TO VALUE RATIO AND THE TERMS OF THE FINANCE AGREEMENT EXCEED
9 THE MAXIMUM LOAN TO VALUE RATIO STATED IN THE GAP AGREEMENT,
10 UNLESS THE CONSUMER HAS PROVIDED AFFIRMATIVE CONSENT TO THE
11 STATED LIMITATION; OR

12 (e) THE TRANSACTION WOULD BE UNCONSCIONABLE AS DESCRIBED
13 IN SECTION 5-4-106, 5-5-109, OR 5-6-112.

14 (12) THIS SECTION DOES NOT APPLY TO A GAP AGREEMENT THAT
15 IS INCLUDED IN:

16 (a) A CONSUMER LEASE;

17 (b) DEBT CANCELLATION AGREEMENTS IN CONSUMER CREDIT
18 SALES;

19 (c) LOANS THAT DO NOT INVOLVE CONSUMERS AS DEFINED IN
20 SECTION 4-1-201 (10.5);

21 (d) PRODUCTS THAT DO NOT MEET THE DEFINITION OF A
22 GUARANTEED ASSET PROTECTION AGREEMENT; OR

23 (e) TRANSACTIONS THAT ARE NOT SUBJECT TO THE "UNIFORM
24 CONSUMER CREDIT CODE", ARTICLES 1 TO 9 OF THIS TITLE 5.

25 (13) THIS SECTION APPLIES TO EVERY CREDITOR, WHETHER THE
26 CREDITOR IS AN ASSIGNEE OR HOLDER OF A FINANCE AGREEMENT
27 CONTAINING A GAP FEE FOR A GAP AGREEMENT. A CREDITOR, ASSIGNEE,

1 OR HOLDER DOES NOT HAVE ANY SUBROGATION RIGHTS AGAINST THE
2 CONSUMER.

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

12 (2) This act applies to guaranteed asset protection agreements
13 entered into on or after the effective date of this act.