

HB 2709 STAFF MEASURE SUMMARY

House Committee On Commerce and Consumer Protection

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Meeting Dates: 2/4

WHAT THE MEASURE DOES:

The measure requires sellers of extended warranties to know that the warranty would be valid on the vehicle its being sold on to receive a fee for the warranty. Takes effect on 91st day following adjournment sine die.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

HB 2709 establishes that a warrantor cannot accept a fee from a resident for an extended warranty unless the warrantor knows that the motor vehicle in question qualifies for coverage under the warranty. The warrantor must seek information about the vehicle to see if it qualifies and if it is later determined to not qualify and a fee was taken the warrantor will treat the warranty as if it does apply to the vehicle.