

By: Representative Stevens

To: Judiciary A

HOUSE BILL NO. 1073

1 AN ACT TO DEFINE THE TERM "SERVICE CONTRACT"; TO PROVIDE THAT
2 SERVICE CONTRACTS ARE SUBJECT TO THE MISSISSIPPI CONSUMER
3 PROTECTION ACT; AND FOR RELATED PURPOSES.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

5 **SECTION 1.** (1) The term "service contract," as used in this
6 section, means a contract or agreement for a separately stated
7 consideration for a specific duration to perform the repair,
8 replacement or maintenance of property or to reimburse, in whole
9 or in part, the owner of such property for the repair, replacement
10 or maintenance of property if such operational or structural
11 failure is due to a defect in materials or manufacturing or to
12 normal wear and tear. A service contract may contain a provision
13 for incidental payment under such contract where service, repair
14 or replacement is not feasible or economical.

15 (2) Service contracts shall be subject to the provisions of
16 the Mississippi Consumer Protection Act, Section 75-24-1 et seq.

17 (3) Nothing herein shall affect the authority of the
18 Commissioner of Insurance to regulate service contracts or
19 warranties as specified under Section 83-57-1 et seq., Section
20 83-65-101 et seq. or Section 83-58-1 et seq.

21 **SECTION 2.** This act shall take effect and be in force from
22 and after its passage, and shall be applicable to all proceedings
23 pending before the Department of Insurance or the courts of this
24 state on the effective date of this act.

