

By: Senator(s) Kirby

To: Judiciary

SENATE BILL NO. 2458

1 AN ACT TO DEFINE THE TERM "SERVICE CONTRACT"; TO PROVIDE THAT
2 SERVICE CONTRACTS ARE NOT SUBJECT TO TITLE 83, MISSISSIPPI CODE OF
3 1972, AND TO PROVIDE THAT SERVICE CONTRACTS ARE SUBJECT TO THE
4 MISSISSIPPI CONSUMER PROTECTION ACT; AND FOR RELATED PURPOSES.

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

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

16 (2) The marketing, sale, offering for sale, issuance,
17 making, proposing to make and administration of a service contract
18 is exempt from the provisions of Title 83, Mississippi Code of
19 1972.

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

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

