

## STATEMENT OF PURPOSE

### RS25195

The proposed legislation updates the Idaho Motor Vehicle Service Contract Act, which was enacted into law in 1993. The proposed legislation moves the authority to enforce the Act from the Attorney General to the Department of Insurance. In addition, the proposed legislation clarifies the definition of a service contract to expressly authorize the following types of contracts: Contracts to repair or replace tires or wheels damaged by road hazards; contracts to repair or replace windshield damage by road hazards; contracts to remove dents and dings in a vehicle without sanding, bonding, or repainting; and contracts to repair or replace lost, stolen, or damaged vehicle key-fobs. Moreover, the proposed legislation gives the Director of the Department of Insurance the power to approve other similar service contracts not enumerated in the Act. Finally, the proposed legislation adds a new chapter to regulate the warranties associated with theft protection products installed on vehicles, such as steering column locks, tracking devices, and vehicle etching.

### FISCAL NOTE

There would be no fiscal impact because the Department of Insurance would not have to hire any additional personnel to enforce the proposed legislation. Based on previous history, there are expected to be very few enforcement actions. To date, there has been a total of one enforcement action brought under the Idaho Motor Vehicle Service Contract Act. "This statement of purpose and fiscal note are a mere attachment to this bill and prepared by a proponent of the bill. It is neither intended as an expression of legislative intent nor intended for any use outside of the legislative process, including judicial review (Joint Rule 18)."

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