

Senate Study Bill 3139 - Introduced

SENATE FILE _____
BY (PROPOSED COMMITTEE
ON COMMERCE BILL BY
CHAIRPERSON BROWN)

A BILL FOR

1 An Act relating to residential and motor vehicle service
2 contracts and licenses.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 523C.4, subsection 2, Code 2024, is
2 amended to read as follows:

3 2. An application for renewal shall include the information
4 required for an initial license as described in section 523C.3,
5 subsection 1, paragraphs "a" through "e", and, if applicable,
6 a list of each service contract form the service company
7 continues to use and issue in the state, including the service
8 contract form name, number, and the date the form was last
9 revised.

10 Sec. 2. Section 523C.4, subsection 3, paragraph c, Code
11 2024, is amended to read as follows:

12 c. If applicable, a fee in the amount of thirty-five dollars
13 for each new motor vehicle service contract form submitted
14 ~~with the renewal application pursuant to subsection 2, and as~~
15 ~~provided in section 523C.3, subsection 1, paragraph "f"~~
16 filed with the commissioner since the license was last issued,
17 and for each motor vehicle service contract form the service
18 company continues to use and issue in the state.

19 Sec. 3. Section 523C.7, subsection 1, Code 2024, is amended
20 by adding the following new paragraph:

21 NEW PARAGRAPH. d. Files the service contract form with the
22 commissioner. A service company shall notify the commissioner
23 of any material changes to a service contract form that has
24 been filed prior to using the service contract in this state.

25 Sec. 4. Section 523C.7, subsection 2, paragraph 1, Code
26 2024, is amended by adding the following new subparagraph:

27 NEW SUBPARAGRAPH. (3) A service company shall accept
28 cancellations of a service contract from a contract holder
29 pursuant to subparagraph (1) by telephone, electronic mail,
30 mail, or any other cost-effective and accessible method of
31 communication.

32 EXPLANATION

33 The inclusion of this explanation does not constitute agreement with
34 the explanation's substance by the members of the general assembly.

35 This bill relates to residential and motor vehicle service

1 contracts and licenses.

2 Under current law, an application for renewal of a service
3 company license requires a copy of each motor vehicle service
4 contract form and each residential service contract form to
5 be used or issued in this state, if applicable. Under the
6 bill, an application for renewal of a service company license
7 requires a list of each service contract form the service
8 company continues to use and issue in the state, including the
9 service contract form name, number, and the date the form was
10 last revised.

11 Current law requires an application for renewal of a service
12 company license be accompanied by a fee in the amount of \$35
13 for each motor vehicle service contract form submitted with
14 the renewal application. The bill requires an application for
15 renewal of a service company license be accompanied by a fee in
16 the amount of \$35 for each new motor vehicle service contract
17 form filed with the commissioner since the license was last
18 issued, and for each motor vehicle service contract form the
19 service company continues to use and issue in the state.

20 Under the bill, a service contract shall not be issued, sold,
21 or offered for sale in the state unless the service company
22 files the service contract form with the commissioner. A
23 service company shall notify the commissioner of any material
24 changes to a service contract form that has been filed prior
25 to using the service contract.

26 The bill requires a service company that issues, sells,
27 or offers for sale a service contract in the state to accept
28 cancellations of a service contract from a contract holder by
29 telephone, electronic mail, mail, or any other cost-effective
30 and accessible method of communication.