

CHAPTER 117

MOTOR VEHICLES AND TRAFFIC REGULATION

SENATE BILL 03-116

BY SENATOR(S) Chlouber, Cairns, Jones, and Kester;
also REPRESENTATIVE(S) Larson.

AN ACT

CONCERNING THE DISTINCTION BETWEEN A MOTOR VEHICLE DEALER AND A MOTOR VEHICLE SERVICE CONTRACT PROVIDER FOR PURPOSES OF MOTOR VEHICLE SERVICE CONTRACT INSURANCE.

Be it enacted by the General Assembly of the State of Colorado:

SECTION 1. 42-11-101 (4), Colorado Revised Statutes, is amended to read:

42-11-101. Definitions. As used in this article, unless the context otherwise requires:

(4) (a) "Motor vehicle service contract provider" or "provider" means a person who, IN CONNECTION WITH A MOTOR VEHICLE SERVICE CONTRACT:

(I) INCURS THE OBLIGATIONS AND LIABILITIES TO THE SERVICE CONTRACT HOLDER AS SET FORTH IN THE CONTRACT; AND

(II) Issues, makes, provides, sells, or offers to sell ~~a motor vehicle service~~ THE contract.

(b) A MOTOR VEHICLE DEALER WHO SELLS A MOTOR VEHICLE THAT IS THE SUBJECT OF A MOTOR VEHICLE SERVICE CONTRACT IS NOT A "PROVIDER" UNLESS THE DEALER ALSO SATISFIES BOTH OF THE CONDITIONS SET FORTH IN PARAGRAPH (a) OF THIS SUBSECTION (4).

SECTION 2. Applicability. This act shall apply to motor vehicle service contracts entered into on or after the effective date of this act.

Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.

SECTION 3. Safety clause. The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.

Approved: April 7, 2003