

Senate Engrossed House Bill

FILED

**JANICE K. BREWER
SECRETARY OF STATE**

State of Arizona
House of Representatives
Forty-eighth Legislature
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CHAPTER 172

HOUSE BILL 2224

AN ACT

AMENDING SECTION 20-1095.02, ARIZONA REVISED STATUTES; RELATING TO SERVICE
COMPANY CONTRACTS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 20-1095.02, Arizona Revised Statutes, is amended to
3 read:

4 20-1095.02. Exemptions; definition

5 A. ~~The provisions of~~ This article, except for section 20-1095.09, ~~do~~
6 DOES not apply to the following:

7 1. Warranties issued by manufacturers, BUILDERS or sellers ON THE
8 ACTUAL ITEMS, STRUCTURES OR IMPROVEMENTS THAT THEY MANUFACTURE, BUILD OR
9 SELL.

10 2. Service contract programs if a motor vehicle manufacturer has
11 financial responsibility for performance.

12 3. Warranties and service contracts issued by a corporation other than
13 a manufacturer or seller in connection with consumer products that are
14 distributed by the corporation if the issuing corporation:

15 (a) Is an affiliate of a consumer products manufacturer.

16 (b) By March 1 of each year submits to the director an independently
17 audited financial statement in which at least one officer of the issuing
18 corporation attests and a certified public accountant certifies that the
19 issuing corporation has and maintains a net worth in excess of one hundred
20 million dollars. Any information, documents and copies that are obtained by
21 or disclosed to the director or any other person pursuant to this subdivision
22 are not available for public inspection, except that the director may use
23 this information in any proceeding relating to this article.

24 4. A service company ~~which~~ THAT issues a service contract to persons
25 other than a consumer.

26 5. A service company ~~which~~ THAT is in the business of selling or
27 servicing any one of the following:

28 (a) Appliances or electronic equipment, or both.

29 (b) Residential heating, cooling or air conditioning systems.

30 (c) Mechanical equipment, other than motor vehicles or their
31 components, WHERE THE SERVICE CONTRACT ONLY COVERS THE ACTUAL ITEM THE
32 SERVICE COMPANY SELLS.

33 6. Any person licensed pursuant to title 32, chapter 10, or not
34 required to be licensed because exempt pursuant to section 32-1121,
35 subsection A, paragraph 13 WHOSE SERVICE CONTRACT ONLY COVERS THE ACTUAL
36 ITEMS, STRUCTURES OR IMPROVEMENTS THAT THE PERSON INSTALLS, CONSTRUCTS OR
37 BUILDS.

38 7. A MAINTENANCE AGREEMENT OF LIMITED DURATION THAT PROVIDES FOR
39 SCHEDULED MAINTENANCE ONLY AND DOES NOT INCLUDE REPAIR OR REPLACEMENT.

40 B. The director may employ independent examiners pursuant to section
41 20-156 to review and analyze the financial statements that are submitted
42 pursuant to subsection A, paragraph 3 of this section.

1 C. A motor vehicle dealer who is licensed under title 28, chapter 10,
2 who sells a service contract program approved by the director pursuant to
3 section 20-1095.06 and who notifies the director pursuant to section
4 20-1095.07 shall be exempt from the remainder of the requirements of this
5 article.

6 D. For the purposes of this section, "affiliate" means a corporation
7 that is owned or controlled by or is under common control with a
8 manufacturer.

APPROVED BY THE GOVERNOR MAY 8, 2008.

FILED IN THE OFFICE OF THE SECRETARY OF STATE MAY 8, 2008.