

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 1996.

Approved May 14, 1996.

CHAPTER 433

(House Bill 145)

AN ACT concerning

Motor Vehicle Dealers - Extended Warranties - Coverage

FOR the purpose of ~~requiring providing that a repair of a malfunction or defect covered under a mechanical repair contract sold by a motor vehicle dealer to cover all costs related to determining whether a malfunction or defect is covered under the warranty; requiring a mechanical repair contract to continue to cover certain malfunctions or defects under certain circumstances after the warranty period terminates; requiring a mechanical repair contract to specify certain procedures; includes the cost of the teardown and diagnosing the malfunction or defect; specifying that the Maryland Consumer Products Guaranty Act applies to a mechanical repair contract sold by a licensed vehicle dealer; requiring that the provider of services under a mechanical repair contract pay to the purchaser a specified payment plus certain court costs and attorney fees under specified circumstances; providing for the application of this Act; making stylistic changes; and generally relating to mechanical repair contracts.~~

BY repealing and reenacting, with amendments,

Article - Transportation

Section 15-311.2

Annotated Code of Maryland

(1992 Replacement Volume and 1995 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

Article - Transportation

15-311.2.

(a) (1) For the purposes of this section, the term "mechanical repair contract" means any agreement or contract sold by a licensed vehicle dealer under which a specified provider agrees to perform over a fixed period of time, for a specific duration and for a specific identifiable price, services relating to the maintenance or repair of a motor vehicle; provided that the purchase of the contract is optional to the purchaser.

(2) The term "mechanical repair contract" includes, but is not limited to, extended warranties and extended service contracts.