

SESSION OF 2016

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2735

As Amended by House Committee on Vision
2020

Brief*

HB 2735, as amended, would establish additional requirements for manufacturers, distributors, or retailers providing express warranties when selling a consumer good. The bill would require language in express warranties to comply with federal regulations and statutes, clearly identify the party making the express warranty, and be clear and easy to understand. The bill would provide language that must be included in warranty or product registration cards, forms, or electronic online forms, and in work orders or invoices for warranty repairs or service given to consumers. The bill also would establish the manner in which such language is to be displayed. Certain language in warranty or product registration cards, forms, or electronic online forms would be prohibited.

The bill also would require manufacturers, distributors, or retailers that provide express warranties and maintain service and repair facilities within the state to give consumers contact information for service and repair facilities or for a central directory for such facilities at the time of sale or to maintain a current listing of the warrantor's authorized service and repair facilities at retail locations.

Additionally, the bill would be part of and supplemental to the Kansas Consumer Protection Act. Failure to comply with the bill's provisions would be a deceptive act or practice under the Kansas Consumer Protection Act. In addition to any damages recovered, a court would be allowed to award a

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

consumer who prevails in an action for breach of warranty under the provisions of the bill reasonable attorney fees and civil penalty under the Kansas Consumer Protection Act, to be paid by the manufacturer, distributor, or retailer as the court decides.

Language Requirements for Express Warranties

The bill would require manufacturers, distributors, and retailers to set forth express warranties in language that is simple and easy to understand, clearly identifies the party making the express warranties, and meets the following standards:

- Federal standards for disclosure of warranty terms and conditions established in the federal Magnuson-Moss Warranty-Federal Trade Commission Improvement Act, 15 USC 2301 *et seq*; and
- Federal standards established in Federal Trade Commission regulations adopted pursuant to the Magnuson-Moss Warranty-Federal Trade Commission Improvement Act.

Language Requirements for Warranty or Product Registration Cards, Forms, or Electronic Forms

The bill also would require manufacturers, distributors, and retailers that provide consumers with warranty or product registration cards, forms, or electronic forms that must be completed and returned to include statements in the card or form in a clear and conspicuous manner informing the consumer of the following:

- The card or form is for product registration; and
- The consumer's failure to complete and return the form or card does not diminish the consumer's warranty rights.

The bill also would prohibit a warranty or product registration card or form, or electronic only warranty or product registration form, from being labeled as “a warranty registration” or “warranty confirmation.” This would not apply to any warranty or product registration card or form printed and shipped or included with a product placed in the stream of commerce before January 1, 2017.

Work Order and Repair Invoices for Warranty Repairs

A copy of every work order or invoice for warranty repairs or service would be required to clearly and conspicuously include the following language in ten-point bold face type on the front or back of the work order or invoice for warranty repairs or service, or on an attachment to the work order or repair invoice:

A buyer of this product in Kansas has the right to have this product serviced or repaired during the warranty period. The warranty period will be extended for the number of whole days that the product has been out of the buyer's hands for warranty repairs. If a defect exists within the warranty period, the warranty will not expire until the defect has been fixed. The warranty period will also be extended if the warranty repairs have not been performed due to delays caused by circumstances beyond the control of the buyer, or if the warranty repairs did not remedy the defect and the buyer notifies the manufacturer or seller of the failure of the repairs within 60 days after they were completed. If, after a reasonable number of attempts, the defect has not been fixed, the buyer may return this product for a replacement or a refund subject, in either case, to deduction of a reasonable charge for usage. This time extension does not

affect the protections or remedies the buyer has under other laws.

If the required notice is placed on the back side of the work order or invoice for warranty repair or service, the bill would require the front of the work order or invoice to clearly and conspicuously include the following language in ten-point bold face type:

Notice to consumer: Please read important information on back.

***Duties of Manufacturers, Distributors, and Retailers
Making Express Warranties and Maintaining Service
and Repair Facilities in Kansas***

The bill also would require the manufacturers, distributors, or retailers who maintain service and repair facilities in the state and make express warranties to do one or more of the following:

- At the time of sale, provide the buyer with the name and address of each service and repair facility in this state;
- At the time of sale, provide the buyer with the name, address, and telephone number of a service and repair facility central directory in this state, or the toll-free telephone number of a service and repair facility central directory outside the state. The central directory must, when asked, provide the name and address of the service and repair facility nearest to the buyer; or
- Maintain, at the location of retail sellers of the goods, a current listing of the warrantor's authorized service and repair facilities or retail sellers within the state to whom goods may be returned for repair or service. Every retail seller

provided with the listing would be required to provide, when asked, the name, address, and telephone number of the nearest authorized service and repair facility, or the retail seller to whom the consumer goods are to be returned for service and repair, whichever is applicable.

The bill would take effect and be in force from and after January 1, 2017, and upon its publication in the statute book.

Background

The bill was introduced by House Committee on Appropriations. The House Committee on Vision 2020 held an informational hearing on the subject matter of the bill on the morning of March 16, 2016. The House Committee on Vision 2020 held an official hearing on the bill in the afternoon Committee meeting on March 16, 2016, after the bill was referred to the Committee. Written proponent testimony was provided by a representative of Quick Service, a heating, cooling, plumbing, and duct cleaning company. The testimony stated there is overwhelming concern the warranty rights of Kansas consumers are being diminished or completely taken away by manufacturers' deceptive practices. The representative also described several of his dealings with manufacturers who refused to honor their warranties.

No opponent or neutral testimony was presented at the House Committee hearing.

The House Committee amended the bill to specify the provision of the Kansas Consumer Protection Act applicable to the bill.

No fiscal note on the bill, as introduced, was available at the time of the House Committee action.