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4
5 Replace lines 26 through 27 on page 1 with the following:

6 Relating to service contracts; to amend Sections
7 8-32-1, 8-32-2, 8-32-3, and 8-32-5, Code of Alabama 1975,
8 to further provide for entities exempt from certain
9 service contract regulations; to require

10
11 Replace lines 34 through 35 on page 2 with the following:

12 Section 1. Sections 8-32-1, 8-32-2, 8-32-3, and
13 8-32-5, Code of Alabama 1975, are amended to read as
14 follows:

15 "§8-32-1

16 (a) The purpose of this chapter is to create a
17 framework to regulate service contracts sold to consumers
18 in this state.

19 (b) The following are exempt from Sections 8-32-2 to
20 8-32-12, inclusive, of this chapter:

21 (1) Warranties.

22 (2) Maintenance agreements.

23 (3) Warranties, service contracts, or maintenance
24 agreements offered by electric, gas, water, or telephone



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25 utilities or mobile telecommunications service providers
26 on their transmission devices.

27 (4) Service contracts sold or offered for sale in
28 commercial transactions.

29 (5) Service contracts sold or offered for sale to
30 persons other than consumers.

31 (6) Service contracts sold at the point of sale, or
32 within 60 days of the original purchase date of the
33 property, which cover tangible property where the
34 tangible property for which the service contract is sold,
35 has a purchase price of two hundred~~and~~ fifty dollars
36 (\$250) or less, exclusive of sales tax.

37 (c) Manufacturer's service contracts on the
38 manufacturer's products and service contracts sold or
39 offered for sale by Alabama electric cooperatives, and
40 their subsidiaries and affiliates, including without
41 limitation, affiliates managed or controlled by electric
42 cooperatives, are required to comply only with Section
43 8-32-3(a), Section 8-32-3(g), Section 8-32-5(a), Section
44 8-32-5(d) to (n), inclusive, Section 8-32-6, Section
45 8-32-10(a), and Section 8-32-10(c) to (f), inclusive, as
46 applicable, of this chapter.

47 (d) The types of agreements referred to in
48 subsections (b) and (c) are not insurance for any purpose



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49 including, without limitation, compliance with the
50 Alabama Insurance Code."

51
52 Replace lines 411 through 412 on page 15 with the
53 following:

54 Section 2. This act shall become effective on January
55 1, 2026.