



GOVERNOR OF MISSOURI

JEFFERSON CITY

65102

JEREMIAH W. (JAY) NIXON
GOVERNOR

P.O. Box 720
(573) 751-3222

July 1, 2016

TO THE SECRETARY OF STATE OF THE STATE OF MISSOURI

Herewith I return to you Senate Committee Substitute for House Committee Substitute for House Bill No. 1976 entitled:

AN ACT

To repeal sections 304.154, 385.200, 385.206, 385.300, and 385.306, RSMo, and to enact in lieu thereof seven new sections relating to motor vehicle services, with penalty provisions.

I disapprove of Senate Committee Substitute for House Committee Substitute for House Bill No. 1976 (House Bill No. 1976). My reasons for disapproval are as follows:

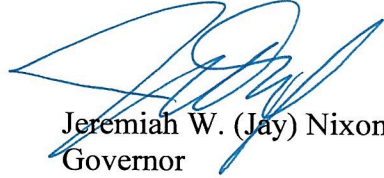
House Bill No. 1976 would make several changes to existing law relating to motor vehicle extended service contracts including expanding coverage for tire replacement, minor repairs related to dents, chips, or cracks, replacement of motor vehicle keys, and other services approved by the Director of Insurance. While these changes are intended to benefit consumers who purchase extended service contracts by offering more protection, another provision in House Bill No. 1976 harms consumers who cancel their contract.

Under current law, Missouri consumers are required to receive a full refund if they cancel the contract during the initial "free look" period, which is 20 days from the time the contract is issued or mailed, provided that no claims have been made under the contract. House Bill No. 1976 would eliminate that requirement by allowing contract providers the option of crediting the account of a contract holder instead of paying the refund directly to the consumer. For consumers who have no other business with that contract provider, the credit would be unusable and therefore meaningless. Replacing the mandate to directly refund the money with the option of crediting an account is unnecessary, unfair to consumers, and contrary to the intent of the law it seeks to expand, which is to protect consumers from abusive practices by the motor vehicle extended service contract industry. Extended service contracts offer consumers peace of mind. However, House Bill No. 1976 undermines an important right under existing law by allowing contract providers to avoid paying refunds directly to consumers who decide to cancel the

contract. I cannot approve of legislation that seeks to eviscerate this critical consumer protection.

In accordance with the above stated reasons for disapproval, I am returning Senate Committee Substitute for House Committee Substitute for House Bill No. 1976 without my approval.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Jay Nixon", is written over the printed name and title.

Jeremiah W. (Jay) Nixon
Governor