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HOUSE BILL NO. 227

Offered January 8, 2014

Prefiled December 27, 2013

A *BILL to amend and reenact § 38.2-2618 of the Code of Virginia and to amend the Code of Virginia by adding sections numbered 15.2-2111.1 and 15.2-5121.1, relating to the authority of localities and water and waste authorities to establish and operate programs providing utility line service contracts.*

Patrons—Cole and Farrell; Senator: Stuart

Referred to Committee on Counties, Cities and Towns

Be it enacted by the General Assembly of Virginia:

1. That § 38.2-2618 of the Code of Virginia is amended and reenacted and that the Code of Virginia is amended by adding sections numbered 15.2-2111.1 and 15.2-5121.1 as follows:

§ 15.2-2111.1. Water or sewer line service contract program.

Any locality that operates a water supply system or sewage system or water supply and sewage system may by ordinance establish and operate a program under which the locality enters into a contract or agreement with a utility customer for a separately stated consideration for a specific duration to perform, or cause to be performed, the repair, replacement, or maintenance of any water or sewer line or related system of the customer's residential dwelling due to a defect in materials, workmanship, inherent defect, or normal wear and tear.

§ 15.2-5121.1. Water or sewer line service contract program.

Any authority that operates a water supply system or sewage system or water supply and sewage system may establish and operate a program under which the authority enters into a contract or agreement with a customer for a separately stated consideration for a specific duration to perform, or cause to be performed, the repair, replacement, or maintenance of any water or sewer line or related system of the customer's residential dwelling due to a defect in materials, workmanship, inherent defect, or normal wear and tear.

§ 38.2-2618. Exemptions.

A. The following are exempt from this article:

1. Warranties;

2. Maintenance agreements; and

3. Warranties, service contracts, or maintenance agreements offered by public utilities on their transmission devices to the extent they are regulated by the Commission.

B. Any person in compliance with Article 1 (§ 38.2-2600 et seq.) of this chapter shall be exempt from this article.

C. Any home service contract provider that has a net worth in excess of \$100 million shall be exempt from this article.

D. *Any locality described in § 15.2-2111.1 or any authority described in § 15.2-5121.1 that issues, sells, or offers for sale in the Commonwealth a home service contract under which the locality or authority agrees to perform or cause to be performed the repair, replacement, or maintenance of any water or sewer line or related system of the customer's residential dwelling due to a defect in materials, workmanship, inherent defect, or normal wear and tear shall be exempt from this article.*

E. Home service contract providers licensed under this article shall not be subject to the provisions of the Virginia Consumer Protection Act (§ 59.1-196 et seq.).