

# State of South Dakota

## EIGHTY-SEVENTH SESSION LEGISLATIVE ASSEMBLY, 2012

841T0116

### SENATE BILL NO. 145

Introduced by: Senators Cutler, Brown, Maher, Novstrup (Al), Schlekeway, and Tieszen and  
Representatives Kirkeby, Bolin, Gosch, Hawley, Perry, Rausch, Solum, and  
Willadsen

1 FOR AN ACT ENTITLED, An Act to prohibit rebates and regulate contracts for residential  
2 roofing goods and services.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

4 Section 1. No contractor providing residential roofing goods and services to any person or  
5 entity may advertise or promise to pay or rebate all or part of any applicable insurance  
6 deductible. If a contractor violates this section, any contract entered into between the contractor  
7 and that person or entity is null and void.

8 Section 2. Any person or entity that has entered into a written contract with a contractor to  
9 provide residential roofing goods and services may cancel the contract within seventy-two hours  
10 after:

11 (1) Entering into the contract; or

12 (2) Being notified that the property insurance carrier has denied coverage, in whole or  
13 in part, for that person's or entity's claim under a property insurance policy for goods  
14 and services to be provided pursuant to the residential roofing goods and services



1 contract.

2 Cancellation is evidenced by the customer giving written notice of cancellation to the contractor  
3 at the address stated in the contract. Notice of cancellation, if given by mail, is effective upon  
4 deposit in a mailbox if properly addressed to the contractor and the postage is prepaid. Notice  
5 of cancellation is sufficient if the notice indicates, by any form of written expression, the  
6 intention of the customer that the customer does not wish to be bound by the contract.

7 Before entering such a contract, the contractor shall:

8 (1) Furnish the customer with a statement in boldface type of a minimum size of ten  
9 points, in substantially the following form: "You may cancel this contract within  
10 seventy-two hours after you:

11 (a) Have entered into the contract; or

12 (b) Have been notified that your property insurance carrier has denied coverage  
13 for your claim, in whole or in part, to pay for the goods and services to be  
14 provided under this contract. See attached notice of cancellation form for an  
15 explanation of this right."; and

16 (2) Furnish each customer a fully completed form in duplicate, captioned, "NOTICE OF  
17 CANCELLATION," which shall be attached to the contract and easily detachable,  
18 and which shall contain in boldface type of a minimum size of ten points the  
19 following information and statements:

20 "NOTICE OF CANCELLATION

21 You may cancel this contract for any reason within seventy-two hours after entering  
22 into this contract. In addition, if your insurer denies coverage for your claim, in whole  
23 or in part, to pay for goods and services to be provided under this contract, you may  
24 cancel the contract by mailing or delivering a signed and dated copy of this

cancellation notice or any other written notice to (name of contractor) at (address of contractor's place of business) at any time within seventy-two hours after you have been notified that your claim has been denied. If you cancel, any payments made by you under the contract for any goods and services not actually performed will be returned within ten business days following receipt by the contractor of your cancellation notice.

I HEREBY CANCEL THIS TRANSACTION.

\_\_\_\_\_

(date)

\_\_\_\_\_

(Insured's signature)"

Within ten days after such a contract has been canceled, the contractor shall tender to the insured any payments made by the insured and any note or other evidence of indebtedness for any goods and services not actually performed.

Section 3. For the purposes of this Act, the term, contractor, is a residential building contractor who is providing roofing services, a residential remodeler who is providing roofing services, or a residential roofer.