

Fifty-seventh  
Legislative Assembly  
of North Dakota

**ENGROSSED SENATE BILL NO. 2318**

Introduced by

Senators Klein, Tallackson

Representative Kasper

1 A BILL for an Act to provide for property service contracts.

2 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

3 **SECTION 1. Property service contracts - Exemption.**

- 4 1. The marketing, selling, offering for sale, issuing, making, providing, or proposing to  
5 make and the administering of a property service contract is not subject to the  
6 provisions of title 26.1.
- 7 2. A property service contract is a contract or agreement for a separately stated  
8 consideration, for a specific duration, to provide for the repair, replacement, or  
9 maintenance or for the indemnification for the repair, replacement, or maintenance  
10 of new or used property if an operational or structural failure is due to a defect in  
11 materials, manufacturing, or normal wear and tear. Property covered under a  
12 property service contract may include residential appliances; residential systems,  
13 including plumbing, electrical, heating, cooling, and ventilation; and other  
14 residential property. The contract may provide coverage for:
- 15 a. Damage to property resulting from power surges;  
16 b. Accidental damage to property resulting from handling; and  
17 c. Payment of indemnity for incidental damages, such as food spoilage, towing,  
18 and rental and emergency road service.