

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. Property covered under a property service contract may
11 include motor vehicles; residential appliances; residential systems, including
12 plumbing, electrical, heating, cooling, and ventilation; and other residential
13 property. The contract may provide coverage for:

- 14 a. Damage to property resulting from power surges;
15 b. Accidental damage to property resulting from handling;
16 c. Operational or structural failure of property resulting from a defect in materials
17 or workmanship or resulting from normal wear and tear; and
18 d. Payment of indemnity for incidental damages, such as food spoilage, towing,
19 and rental and emergency road service.