

# State of South Dakota

SEVENTY-SIXTH SESSION  
LEGISLATIVE ASSEMBLY, 2001

736E0584

## HOUSE BILL NO. 1224

Introduced by: Representative Abdallah and Senator Munson

1 FOR AN ACT ENTITLED, An Act to revise certain provisions relating to motor vehicle service  
2 contracts, mechanical breakdown insurance, and maintenance agreements.

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

4 Section 1. That subdivision (13A) of § 58-1-2 be repealed.

5 (13A) "~~Maintenance agreement,~~" a contract of limited duration that provides for scheduled  
6 ~~maintenance only;~~

7 Section 2. That subdivision (13B) of § 58-1-2 be amended to read as follows:

8 (13B) "Mechanical breakdown insurance," any contract or agreement, issued by an  
9 authorized insurer, to perform or indemnify for a specific duration the repair,  
10 replacement, or maintenance of property for operational or structural failure due to  
11 a defect in materials, workmanship, or normal wear and tear;

12 Section 3. That subdivision (3) of § 58-1-3 be amended to read as follows:

13 (3) Motor vehicle service contracts which are contracts or agreements to perform or  
14 indemnify for a specific duration the repair, replacement, or maintenance of motor  
15 vehicles for operational or structural failure due to a defect in materials, workmanship,

1 or normal wear and tear, with or without additional provisions for incidental payment  
2 of indemnity under limited circumstances, including towing, rental, and emergency  
3 road service. Consideration for a motor vehicle service contract shall be stated  
4 separately from the price of the motor vehicle. ~~The term does not include mechanical~~  
5 ~~breakdown insurance or maintenance agreements;~~

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