

AN ACT

ENTITLED, An Act to prohibit rebates and regulate contracts for residential roofing goods and services.

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

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

Section 2. Any person or entity that has entered into a written storm damage repair contract to obtain or provide residential roofing goods and services may cancel the contract within seventy-two hours after:

- (1) Entering into the contract; or
- (2) Being notified that the owner's property insurance carrier has denied coverage, in whole or in part, for that person's or entity's claim under a property insurance policy for goods and services to be provided pursuant to the residential roofing goods and services contract.

Cancellation is evidenced by the customer giving written notice of cancellation to the contractor at the address stated in the contract. Notice of cancellation, if given by mail, is effective upon deposit in a mailbox if properly addressed to the contractor and the postage is prepaid. Notice of cancellation is sufficient if the notice indicates, by any form of written expression, the intention of the customer that the customer does not wish to be bound by the contract, subject to the payment of the reasonable documented restocking fee by the third party supplier of the roofing materials, and the payment of the agreed upon or reasonable cost of any emergency repairs already performed by the contractor.

Before entering such a contract, the contractor shall:

- (1) Furnish the customer with a statement in boldface type of a minimum size of ten points, in substantially the following form: "You may cancel this contract within seventy-two hours after you:
  - (a) Have entered into the contract; or
  - (b) Have been notified that your property insurance carrier has denied coverage for your claim, in whole or in part, to pay for the goods and services to be provided under this contract. See attached notice of cancellation form for an explanation of this right."; and
- (2) Furnish each customer a fully completed form in duplicate, captioned, "NOTICE OF CANCELLATION," which shall be attached to the contract and easily detachable, and which shall contain in boldface type of a minimum size of ten points the following information and statements:

**"NOTICE OF CANCELLATION**

You may cancel this contract for any reason within seventy-two hours after entering into this contract. In addition, if your insurer denies coverage for your claim, in whole or in part, to pay for goods and services to be provided under this contract, you may 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.

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(date)

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(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.

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I certify that the attached Act  
originated in the

SENATE as Bill No. 145

\_\_\_\_\_  
Secretary of the Senate

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\_\_\_\_\_  
President of the Senate

Attest:

\_\_\_\_\_  
Secretary of the Senate

\_\_\_\_\_  
Speaker of the House

Attest:

\_\_\_\_\_  
Chief Clerk

Senate Bill No. 145

File No. \_\_\_\_\_

Chapter No. \_\_\_\_\_

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Received at this Executive Office  
this \_\_\_\_\_ day of \_\_\_\_\_ ,

20\_\_\_\_ at \_\_\_\_\_ M.

By \_\_\_\_\_  
for the Governor

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The attached Act is hereby  
approved this \_\_\_\_\_ day of  
\_\_\_\_\_, A.D., 20\_\_\_\_

\_\_\_\_\_  
Governor

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STATE OF SOUTH DAKOTA,  
ss.

Office of the Secretary of State

Filed \_\_\_\_\_, 20\_\_\_\_  
at \_\_\_\_\_ o'clock \_\_ M.

\_\_\_\_\_  
Secretary of State

By \_\_\_\_\_  
Asst. Secretary of State