

# State of South Dakota

EIGHTY-FIRST SESSION  
LEGISLATIVE ASSEMBLY, 2006

841M0489      SENATE COMMERCE COMMITTEE ENGROSSED NO.  
**SB 133 - 01/26/2006**

**This bill has been extensively amended (hoghoused) and may no longer be consistent with the original intention of the sponsor.**

Introduced by: Senators Broderick, McCracken, and Sutton (Dan) and Representatives Rounds, Elliott, and Sebert

1    FOR AN ACT ENTITLED, An Act to revise certain provisions relating to charges associated  
2        with installment sales contracts.

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

4        Section 1. That § 54-3A-5 be amended to read as follows:

5        54-3A-5. In addition to the finance charge, a creditor may contract for, and receive the  
6    following additional charges in connection with an installment sales contract if such charges are  
7    itemized and disclosed to the buyer:

8        (1)    Official fees and taxes;

9        (2)    Charges for guaranteed asset protection waivers, or credit life, accident, health, loss  
10        of income, property, or liability insurance. However any insurance is optional, and  
11        the consumer shall be informed, in writing, that any insurance is optional; and

12        (3)    Charges for debt cancellation contracts and debt suspension contracts, as defined in  
13        § 51A-1-2, if the debt cancellation contract or debt suspension contract is a contract  
14        of a depository institution authorized to provide such coverage, and the contract is



1           sold directly by the authorized depository institution or by a retailer acting as an agent  
2           for the authorized depository institution. However, any debt cancellation contract or  
3           debt suspension contract is optional, and the consumer shall be informed, in writing,  
4           that any such contract is optional.

5           Any such charges must be disclosed and explained to the consumer prior to signing any  
6           agreement to repay a consumer credit obligation. Any such charges must be separately agreed  
7           to in writing and separately signed by the consumer.