

State of South Dakota

EIGHTY-NINTH SESSION
LEGISLATIVE ASSEMBLY, 2014

400V0277

SENATE BILL NO. 60

Introduced by: The Committee on Transportation at the request of the Department of
Revenue

1 FOR AN ACT ENTITLED, An Act to revise certain provisions regarding the titling and
2 licensing of boats and motor vehicles and to establish certain penalties for violation of those
3 provisions.

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

5 Section 1. That § 32-3A-23 be amended to read as follows:

6 32-3A-23. Any boat dealer or motor vehicle dealer licensed pursuant to chapter 32-6B
7 transferring a large boat requiring titling under §§ 32-3A-20 to 32-3A-23, inclusive, and §§ 32-
8 3A-24 to 32-3A-32, inclusive, shall assign the title to the new owner within thirty days of the
9 date of sale, or if a new large boat, the boat dealer shall assign the manufacturer's certificate of
10 origin to the new owner within thirty days of the date of sale. Within thirty days the applicant
11 shall forward all title fees and applications to the county treasurer. A violation of this section
12 is a Class 2 misdemeanor. Any subsequent violation that occurs within two years from any
13 violation of this section is a Class 1 misdemeanor.

14 Section 2. That § 32-3A-24 be amended to read as follows:

15 32-3A-24. No person may sell, assign, or transfer a large boat titled by the state without



1 delivering to the purchaser or transferee a certificate of title with an assignment on it showing
2 title in the purchaser or transferee. The certificate of title with an assignment shall be transferred
3 to the purchaser or transferee within thirty days from the date of the sale, assignment, or transfer.
4 No person may purchase or otherwise acquire a large boat required to be titled by the state
5 without obtaining a certificate of title for it in that person's name. A violation of this section is
6 a Class 2 misdemeanor. Any subsequent violation that occurs within two years from any
7 violation of this section is a Class 1 misdemeanor.

8 Section 3. That § 32-3A-52 be amended to read as follows:

9 32-3A-52. Exempt from the provisions of § 32-3A-50 are:

- 10 (1) Any large boat which is the property of the governmental units which are exempted
11 from motor vehicle registration fees by §§ 32-5-42 and 32-5-42.1;
- 12 (2) Any large boat acquired by inheritance or bequest;
- 13 (3) Any large boat previously titled or licensed jointly in the names of two or more
14 persons and subsequently transferred without consideration to one or more of such
15 persons;
- 16 (4) Any large boat transferred without consideration between spouses, between a parent
17 and child, and between siblings;
- 18 (5) Any large boat transferred pursuant to any mergers or consolidations of corporations
19 or plans of reorganization by which substantially all of the assets of a corporation are
20 transferred if the large boat was previously titled, licensed, and registered in this
21 state;
- 22 (6) Any large boat transferred by a subsidiary corporation to its parent corporation for
23 no or nominal consideration or in sole consideration of the cancellation or surrender
24 of the subsidiary's stock if the large boat was previously titled, licensed, and

- 1 registered in this state;
- 2 (7) Any large boat transferred between an individual and a corporation if the individual
3 and the owner of the majority of the capital stock of the corporation are one and the
4 same and if the large boat was previously titled and registered in this state;
- 5 (8) Any large boat transferred between a corporation and its stockholders or creditors if
6 to effectuate a dissolution of the corporation it is necessary to transfer the title from
7 the corporate entity to the stockholders or creditors and if the large boat was
8 previously titled and registered in this state;
- 9 (9) Any large boat transferred between an individual and limited or general partnership
10 if the individual and the owner of the majority interest in the partnership are one and
11 the same person and if the large boat was previously titled and registered in this state;
- 12 (10) Any large boat transferred to effect a sale of all or substantially all of the assets of the
13 business entity if the large boat was previously titled and registered in this state;
- 14 (11) Any large boat acquired by a secured party or lien holder in satisfaction of a debt;
- 15 (12) Any large boat sold or transferred which is eleven or more years old and which is
16 sold or transferred for ~~one thousand five hundred~~ two thousand two hundred dollars
17 or less before trade-in;
- 18 (13) Any damaged large boat transferred to an insurance company in the settlement of an
19 insurance claim;
- 20 (14) Any large boat owned by a former resident of this state who returns to the state and
21 who had previously paid excise tax to this state on the large boat as evidenced within
22 the department's records or by submission of other acceptable proof of payment of
23 such tax;
- 24 (15) Between corporations, both subsidiary and nonsubsidiary, if the individuals who hold

1 a majority of stock in the first corporation also hold a majority of stock in the second
2 corporation; but these individuals need not hold the same ratio of stock in both
3 corporations provided the large boat was previously titled and registered in this state;
4 and

5 (16) Any large boat transferred by a trustor to his trustee or from a trustee to a beneficiary
6 of a trust.

7 Section 4. That chapter 32-3 be amended by adding thereto a NEW SECTION to read as
8 follows:

9 Any dealer, upon the sale and delivery of any new motor vehicle, shall, within thirty days
10 of the sale and delivery of the new motor vehicle, deliver to the purchaser the manufacturer's
11 statement of origin or manufacturer's certificate of origin for the motor vehicle. However,
12 notwithstanding any other provision of law, if the purchaser defaults on the terms of the sale
13 within the thirty-day period, the seller does not have to deliver the manufacturer's statement of
14 origin or manufacturer's certificate of origin to the purchaser. The seller shall notify the
15 department in writing of the seller's refusal to deliver the manufacturer's statement of origin or
16 manufacturer's certificate of origin to the purchaser within fourteen days of the purchaser's
17 default on the terms of the sale. A violation of this section is a Class 2 misdemeanor. Any
18 subsequent violation that occurs within two years from any violation of this section is a Class
19 1 misdemeanor.