

State of South Dakota

EIGHTIETH SESSION LEGISLATIVE ASSEMBLY, 2005

671L0610

HOUSE BILL NO. 1111

Introduced by: Representatives Krebs, Buckingham, Dykstra, Lange, McLaughlin, Michels,
and Weems and Senators Olson (Ed), Abdallah, Bartling, Earley, Hundstad,
Koskan, and Peterson (Jim)

1 FOR AN ACT ENTITLED, An Act to revise certain provisions regarding the records required
2 to be kept by vehicle dealers and used vehicle dealers and to require that certain liens be
3 paid by a dealer before a vehicle is offered for sale, sold, or exchanged.

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

5 Section 1. That § 32-6B-20 be amended to read as follows:

6 32-6B-20. Each dealer licensed under the provisions of this chapter, shall keep books,
7 records, or files, in such form as prescribed or approved by the department. ~~The dealer shall~~
8 ~~keep a record of the purchase, sale, or exchange, of any vehicle, a description of the vehicle,~~
9 ~~together with the name and address of the owner or other person from whom the vehicle was~~
10 ~~purchased or received, and to whom it was sold or delivered. The description shall include the~~
11 ~~vehicle identification number, manufacturer's make and model, and odometer mileage. The~~
12 ~~dealer shall also possess a certificate of title from the previous owner of any vehicle not~~
13 ~~purchased from the manufacturer, from the time the vehicle is delivered to the dealer until it has~~
14 ~~been disposed of by the dealer. However, for any vehicle with a manufacturer's weight of sixteen~~
15 ~~thousand pounds or greater, if a copy of the front and back of any certificate of title which has~~



1 ~~been assigned to the dealer is kept at the location where the vehicle is being offered for sale, the~~
2 ~~certificate of title for the vehicle may be kept at another South Dakota dealership owned by the~~
3 ~~same dealer or kept by a lending institution. Prior to keeping any certificate of title at another~~
4 ~~dealership or at a lending institution, the dealer shall notify the department in writing where the~~
5 ~~certificate of title is to be kept. Such record shall be open to inspection by any peace officer or~~
6 ~~department dealer inspector., including the following:~~

7 (1) A record of the purchase, sale, or exchange, of any vehicle;

8 (2) A description of each vehicle purchased, sold, or exchanged, together with the name
9 and address of the owner or other person from whom the vehicle was purchased or
10 received and to whom it was sold or delivered. The description shall include the
11 vehicle identification number, manufacturer's make and model, and odometer
12 mileage; and

13 (3) A certificate of title from the previous owner of any vehicle not purchased from the
14 manufacturer, from the time the vehicle is delivered to the dealer until it has been
15 disposed of by the dealer.

16 The books and records and other papers and documents shall, at all times during business
17 hours of the day, be subject to inspection by the secretary of revenue and regulation or the
18 secretary's duly authorized agents and employees.

19 Section 2. That chapter 32-6B be amended by adding thereto a NEW SECTION to read as
20 follows:

21 A dealer is not required to keep a certificate of title for any vehicle with a manufacturer's
22 weight of sixteen thousand pounds or greater if a copy of the front and back of the certificate
23 of title which has been assigned to the dealer is kept at the location where the vehicle is being
24 offered for sale and the original certificate of title for the vehicle is kept at another South Dakota

dealership owned by the same dealer or kept by a lending institution.

Prior to keeping any certificate of title at another dealership or at a lending institution, the dealer shall notify the department in writing where the certificate of title is to be kept.

Section 3. That chapter 32-6B be amended by adding thereto a NEW SECTION to read as follows:

A dealer may sell or exchange a vehicle even though a certificate of title has not been received from the previous vehicle owner if:

(1) The vehicle is encumbered by a lien noted on the title, the dealer is able to show that payment has been tendered to the lienholder for the amount of the lien; and

(2) The dealer has applied for title through the electronic on-line title system and has submitted the documents to the department.

This section does not relieve a dealer from the provisions of § 32-3-7.

Section 4. That chapter 32-6B be amended by adding thereto a NEW SECTION to read as follows:

If a person trades in a vehicle to a dealer or enters into a consignment agreement with a dealer whereby the dealer will sell the vehicle and the vehicle has a lien noted on the title, the dealer and person may agree that the dealer shall satisfy the lien amount by paying the lienholder who is noted on the title.

Section 5. That chapter 32-6B be amended by adding thereto a NEW SECTION to read as follows:

If a dealer enters into an agreement pursuant to section 4 of this Act, the dealer shall satisfy the lien within ten business days after the receipt of funds. The dealer may not offer the vehicle for sale until payment has been tendered to the lienholder.