



2021 South Dakota Legislature

House Bill 1049

Introduced by: **Representative Anderson**

1 **An Act to create the used vehicle dealer education program and revise provisions**
 2 **regarding used vehicle licensure requirements.**

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

4 **Section 1.** That a NEW SECTION be added:

5 **32-6B-90. Used vehicle dealer--License--Education requirement.**

6 An applicant applying for a used vehicle dealer license shall complete a minimum
 7 of eight hours of pre-licensing education program courses prior to applying for a license
 8 from the department, pursuant to the provisions of this Act.

9 **Section 2.** That a NEW SECTION be added:

10 **32-6B-91. Used vehicle dealer--License renewal--Continuing education**
 11 **requirement.**

12 A licensed used vehicle dealer seeking renewal shall complete a minimum of four
 13 hours of continuing education program courses each year, pursuant to the provisions of
 14 this Act, prior to applying for license renewal. However, an applicant for renewal of a used
 15 vehicle dealer license who has met the pre-licensing education requirement under the
 16 provisions of this Act within the preceding twelve months is exempt from the continuing
 17 education requirement for license renewal.

18 **Section 3.** That a NEW SECTION be added:

19 **32-6B-93. Used vehicle dealer--Education requirement--Curriculum.**

20 The South Dakota Independent Automobile Dealers Association, in consultation
 21 with the department, shall develop the pre-licensing and continuing education course
 22 curricula for the used vehicle dealer education program, that shall include examination of
 23 federal and state laws applicable to the motor vehicle industry and federal and state
 24 regulations pertaining to used vehicle dealers. The education program courses shall be

1 provided by the South Dakota Independent Automobile Dealers Association in conjunction
2 with the department and may be held in person or taken online.

3 **Section 4.** That a NEW SECTION be added:

4 **32-6B-94. Used vehicle dealer--Licensure--Display required.**

5 The department shall issue a certificate to each applicant who successfully
6 completes the pre-licensing education program or continuing education program under
7 this section. The current certificate of completion, or a copy of the certificate, shall be
8 posted conspicuously in the principal of the licensee.

9 **Section 5.** That a NEW SECTION be added:

10 **32-6B-95. Used vehicle dealer--License exemptions.**

11 The provisions of §§ 32-6B-90 to 32-6B-94, inclusive, do not apply to:

- 12 (1) Motor vehicle rental companies having a national franchise;
13 (2) National motor vehicle auction companies;
14 (3) Used car dealerships owned by a franchise motor vehicle dealer; or
15 (4) Banks, credit unions, and savings and loan associations.

16 **Section 6.** That § 32-6B-6 be AMENDED.

17 **32-6B-6. Vehicle sales--License requirement--License application.**

18 Any person selling vehicles pursuant to the requirements of this chapter shall file
19 with the department, upon forms provided by the department, an application including
20 the following:

- 21 (1) The name and address of the applicant;
22 (2) The name of the firm or copartnership, with the names and addresses of all
23 members, if the applicant is a firm or copartnership;
24 (3) The name of the corporation or limited liability company, with the names and
25 addresses of the principal officers or members, if the applicant is a corporation or
26 limited liability company;
27 (4) The exact location of the place of business and, if owned by the applicant, when
28 acquired. If the place of business is leased, a true copy of the lease shall accompany
29 the application;
30 (5) A certification that the location provides an adequately equipped office and is not
31 the residence of the applicant;

- 1 (6) A certification that the location affords sufficient space to adequately store all
2 vehicles offered for sale;
- 3 (7) A certification that the location is the place where the applicant keeps and maintains
4 books, records, and files necessary to conduct business, ~~which~~that shall be
5 available at all reasonable hours to inspection by the department;
- 6 (8) A consent to allow periodic inspections of the dealership by the department;
- 7 (9) A certification that the business of a vehicle dealer is the principal business
8 conducted at the location;
- 9 (10) A description of the principal place of business and any supplemental lots;
- 10 (11) A statement, if applicable, that the applicant is ~~either~~ franchised by a manufacturer
11 of vehicles, in which case the name of each vehicle that the applicant is franchised
12 to sell shall be included or is a used vehicle dealer;
- 13 (12) A list of financial references;
- 14 (13) A certification that neither the applicant, nor any other partner, member, officer, or
15 financial supporter, has been convicted of a crime involving vehicle theft or fraud in
16 the last five years;
- 17 (14) Such other information as the department may require;
- 18 (15) Verification as to the accuracy of the information provided by the applicant;
- 19 (16) A certificate that the applicant has obtained a public liability insurance policy of not
20 less than three hundred thousand dollars; ~~and~~
- 21 (17) For any emergency vehicle dealer whose principal place of business is not located
22 in South Dakota, proof the dealer is a licensed dealer in another state and has no
23 outstanding dealer violations; and
- 24 (18) A certification that the applicant has completed the education requirements to be
25 licensed as a used vehicle dealer pursuant to the provisions of §§ 32-6B-90 to 32-
26 6B-95, inclusive.