

State of South Dakota

EIGHTY-SIXTH SESSION
LEGISLATIVE ASSEMBLY, 2011

564S0688

HOUSE COMMERCE AND ENERGY ENGROSSED NO. **HB 1207** - 2/7/2011

Introduced by: Representatives Kirkeby, Abdallah, Brunner, Dennert, Greenfield, and
Turbiville and Senators Rhoden, Adelstein, and Brown

1 FOR AN ACT ENTITLED, An Act to allow the consignment or auction of certain out-of-state
2 vehicles and motorcycles.

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

4 Section 1. That § 32-6B-3.4 be amended to read as follows:

5 32-6B-3.4. Notwithstanding the provisions of subdivision 32-6B-5(4), any titled vehicle,
6 including a vehicle owned by a vehicle dealer who has obtained a permit under the provisions
7 of section 3 of this Act but who is licensed in another state, except a motorcycle, which is not
8 titled in South Dakota and which is at least twenty years old may be sold at a public auction on
9 consignment if the title of the vehicle is issued in the name of the seller. All other provisions
10 of this chapter pertaining to consignment sales or public auctions need be met.

11 Section 2. That § 32-6B-3.5 be amended to read as follows:

12 32-6B-3.5. Notwithstanding the provisions of subdivision 32-6B-5(4), any motorcycle,
13 including a motorcycle owned by a dealer who has obtained a permit under the provisions of
14 section 3 of this Act but who is licensed in another state, which is not titled in South Dakota and



1 which is at least thirty years old may be sold at a public auction on consignment if the title of
2 the vehicle is issued in the name of the seller. All other provisions of this chapter pertaining to
3 consignment sales or public auction need to be met.

4 Section 3. That § 32-6B-5 be amended to read as follows:

5 32-6B-5. The following persons are exempt from the provisions of this chapter:

- 6 (1) Any employee of any person licensed as a vehicle dealer if engaged in the specific
7 performance of the employee's duties;
- 8 (2) Any financial institution chartered or licensed in any other jurisdiction that acquires
9 vehicles as an incident to the financial institution's regular business and sells the
10 vehicles to dealers licensed under this chapter;
- 11 (3) Any nonprofit automobile club if selling automobiles twenty years old or older under
12 the provisions of chapter 32-3;
- 13 (4) Any person acting as an auctioneer if auctioning South Dakota titled vehicles for a
14 licensed dealer or a person who is exempt from the provisions of this chapter;
- 15 (5) Any person engaged in the business of manufacturing or converting new vehicles if
16 selling the vehicles to a licensed dealer holding a franchise from the original
17 manufacturer of the vehicle;
- 18 (6) Any person engaged in the business of manufacturing or customizing motor vehicles
19 may display but may not sell any motor vehicle at an event, if the event lasts three or
20 more days and if the person registers with and purchases a permit from the
21 Department of Revenue and Regulation. If purchased in advance of the event, the
22 person shall pay a fee of two hundred fifty dollars for a ten-day temporary permit.
23 However, if the permit is purchased at the event, the person shall pay a fee of five
24 hundred dollars for the temporary permit. This subdivision does not apply to any

1 customized motorcycle being built for and displayed during a sponsored event where
2 the participants had to qualify through competition. A permit is required if any
3 customized motorcycle is being displayed outside the sponsored event. Any person
4 found to be in violation of the provisions contained in this subdivision shall be
5 denied a temporary permit for a period of one year from the date of violation;

6 (7) Any person engaged in the business of manufacturing trailers may display but may
7 not sell any trailers at an event, if the event lasts three or more days and if the person
8 registers with and purchases a permit from the Department of Revenue and
9 Regulation. If purchased in advance of the event, the person shall pay a fee of two
10 hundred fifty dollars for a ten-day temporary permit. However, if the permit is
11 purchased at the event, the person shall pay a fee of five hundred dollars for the
12 temporary permit. Any person found to be in violation of the provisions contained
13 in this subdivision shall be denied a temporary permit for a period of one year from
14 the date of violation;

15 (8) Any person may sell motorcycles at an event, if the event lasts three or more days and
16 if the person registers and purchases a permit from the Department of Revenue and
17 Regulation. Before issuance of a permit, the applicant shall provide proof the
18 applicant is a licensed dealer in the applicant's own state and has no outstanding
19 dealer violations. The permit shall only be issued if the new motorcycles being sold
20 are not franchised in this state. If purchased in advance of the event, the person shall
21 pay a fee of two hundred fifty dollars for a ten-day temporary permit. However, if the
22 permit is purchased at the event, the person shall pay a fee of five hundred dollars for
23 the temporary permit. Any person found to be in violation of the provisions contained
24 in this subdivision shall be denied a temporary permit for a period of one year from

- 1 the date of violation;
- 2 (9) Any person may sell trailers at an event, if the event lasts three or more days and if
3 the person registers and purchases a permit from the Department of Revenue and
4 Regulation. Before issuance of a permit, the applicant shall provide proof the
5 applicant is a licensed dealer in the applicant's own state and has no outstanding
6 dealer violations. The permit will only be issued if the trailers being sold are not
7 franchised in this state. If purchased in advance of the event, the person shall pay a
8 fee of two hundred fifty dollars for a ten-day temporary permit. However, regardless
9 of whether or not there is a franchise in this state, any person may display a trailer at
10 such an event. However, if the permit is purchased ~~before~~ at the event, the person
11 shall pay a fee of five hundred dollars for the temporary permit. Any person found
12 to be in violation of the provisions contained in this subdivision shall be denied a
13 temporary permit for a period of one year from the date of violation;
- 14 (10) Any person not engaged in the sale of vehicles as a business and is disposing of
15 vehicles used solely for personal use if the vehicles were acquired and used in good
16 faith and not for the purpose of avoiding the provisions of this chapter;
- 17 (11) Any person not engaged in the sale of vehicles as a business who operates fleets of
18 vehicles and is disposing of vehicles used in the person's business if the same were
19 acquired and used in good faith and not for the purpose of avoiding the provisions
20 of this chapter;
- 21 (12) Any person who sells less than five vehicles in a twelve-month period, unless the
22 person is licensed as a dealer in another state or holds himself or herself out as being
23 in the business of selling vehicles. However, if the vehicles are travel trailers, any
24 person who sells less than three travel trailers in a twelve-month period;

- 1 (13) Any public officer while performing the officer's official duties;
- 2 (14) Any receiver, trustee, personal representative, guardian, or other person appointed by
3 or acting under the judgment or order of any court;
- 4 (15) Any regulated lenders as that term is defined in § 54-3-14, any insurance company
5 authorized to do business in this state, or any financing institution as defined in and
6 licensed pursuant to chapter 54-4 that acquires vehicles as an incident to its regular
7 business;
- 8 (16) Any towing agency that acquires and sells a vehicle which has been towed at the
9 request of a private landowner under the provision of chapter 32-36 or at the request
10 of a law enforcement officer, if no vehicle is sold for an amount over two hundred
11 dollars;
- 12 (17) Any vehicle rental and leasing company that sells its used vehicles to dealers licensed
13 under this chapter; ~~and~~
- 14 (18) Any South Dakota nonprofit corporation which gives a donated motor vehicle to a
15 needy family or individual; and
- 16 (19) Any dealer licensed in another state may sell any vehicle or motorcycle that is not
17 titled in South Dakota if the vehicle is at least twenty years old and the motorcycle
18 is at least thirty years old at a public auction on consignment if the title is issued in
19 the name of the dealer and the dealer purchases a permit from the Department of
20 Revenue. Before issuance of a permit, the applicant shall provide proof the applicant
21 is a licensed dealer in the applicant's own state and has no outstanding dealer
22 violations. If purchased in advance of the auction, the dealer shall pay a fee of two
23 hundred fifty dollars for the permit. However, if the permit is purchased at or after
24 the auction, the dealer shall pay a fee of five hundred dollars for the temporary

1 permit. Any dealer found to be in violation of the provisions contained in this
2 subdivision shall be denied a temporary permit for a period of one year from the date
3 of violation.