

State of South Dakota

NINETY-FIRST SESSION
LEGISLATIVE ASSEMBLY, 2016

535X0480

HOUSE BILL NO. 1113

Introduced by: Representatives Jensen (Alex), Anderson, Beal, Conzet, Cronin, Dryden, Harrison, Mickelson, Otten (Herman), Peterson (Kent), Rounds, Schoenbeck, Solum, Stalzer, Westra, and Wollmann and Senators Peters, Brown, Ewing, Frerichs, Greenfield (Brock), and Haverly

1 FOR AN ACT ENTITLED, An Act to provide for the transfer of motor vehicles to a nonprofit
2 organization in certain cases.

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

4 Section 1. That § 32-5B-2 be amended to read:

5 32-5B-2. Motor vehicles exempted from the provisions of this chapter are as follows:

- 6 (1) Any motor vehicle exempted in § 32-5-1.3, 32-5-42, 32-5-42.1, or 32-5-42.2;
- 7 (2) Any motor vehicle acquired by inheritance from or bequest of a decedent;
- 8 (3) Any motor vehicle previously titled or licensed jointly in the names of two or more
9 persons and subsequently transferred without consideration to one or more of such
10 persons;
- 11 (4) Any motor vehicle transferred without consideration between spouses, between a
12 parent and child, and between siblings;
- 13 (5) Any motor vehicle transferred pursuant to any mergers or consolidations of
14 corporations or limited liability companies, or plans of reorganization by which



1 substantially all of the assets of a corporation or limited liability company are
2 transferred if the motor vehicle was previously titled, licensed, and registered in this
3 state;

4 (6) Any motor vehicle transferred by a subsidiary corporation or limited liability
5 company to its parent corporation or limited liability company for no or nominal
6 consideration or in sole consideration of the cancellation or surrender of the
7 subsidiary's stock if the motor vehicle was previously titled, licensed, and registered
8 in this state;

9 (7) Any motor vehicle transferred between an individual and a corporation if the
10 individual and the owner of the majority of the capital stock of the corporation are
11 one and the same, or any motor vehicle transferred between an individual and a
12 limited liability company if the individual and the majority member of the limited
13 liability company are one and the same, and if the motor vehicle was previously
14 titled, licensed, and registered in this state;

15 (8) Any motor vehicle transferred between a corporation or limited liability company and
16 its stockholders, members, or creditors if to effectuate a dissolution of the corporation
17 or limited liability company it is necessary to transfer the title from the corporate
18 entity or limited liability company to the stockholders, members, or creditors and if
19 the motor vehicle was previously titled, licensed, and registered in this state;

20 (9) Any motor vehicle transferred between an individual and a limited or general
21 partnership if the individual and the owner of the majority interest in the partnership
22 are one and the same person and if the motor vehicle was previously titled, licensed,
23 and registered in this state;

24 (10) Any motor vehicle transferred to effect a sale of all or substantially all of the assets

1 of the business entity if the motor vehicle was previously titled, licensed, and
2 registered in this state;

3 (11) Any motor vehicle acquired by a secured party or lien holder in satisfaction of a debt;

4 (12) Any motor vehicle sold or transferred that is eleven or more model years old and that
5 is sold or transferred for two thousand two hundred dollars or less before trade-in;

6 (13) Any damaged motor vehicle transferred to an insurance company in the settlement
7 of an insurance claim;

8 (14) Any motor vehicle owned by a former resident of this state who returns to the state
9 and who had previously paid vehicle excise tax to this state on the motor vehicle as
10 evidenced within the department's records or by submission of other acceptable proof
11 of payment of such tax;

12 (15) Any motor vehicle transferred between corporations, both subsidiary and
13 nonsubsidiary, if the individuals who hold a majority of stock in the first corporation
14 also hold a majority of stock in the second corporation; but these individuals need not
15 hold the same ratio of stock in both corporations and if the motor vehicle was
16 previously titled, licensed, and registered in this state;

17 (16) Any motor vehicle transferred between limited liability companies, both subsidiary
18 and nonsubsidiary, if the individuals who hold a majority interest in the first limited
19 liability company also hold a majority interest in the second limited liability company
20 and if the motor vehicle was previously titled, licensed, and registered in this state;

21 (17) Any motor vehicle transferred by a trustor to a trustee or from a trustee to a
22 beneficiary of a trust;

23 (18) Any motor vehicle rented for twenty-eight days or less is subject to the tax imposed
24 by § 32-5B-20; ~~and~~

1 (19) Any motor vehicle transferred without consideration to any South Dakota nonprofit
2 ~~corporation~~ organization that will donate the motor vehicle to a needy family or
3 individual; and

4 (20) Any motor vehicle transferred without consideration to any South Dakota nonprofit
5 organization, which sells the motor vehicle within forty-five days of the transfer.