



2025 South Dakota Legislature

Senate Bill 131

ENROLLED

AN ACT

ENTITLED An Act to establish an electronic system for vehicle titles.

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

Section 1. That § 10-4-2 be AMENDED:

10-4-2. Real property, for the purposes of ad valorem taxation, includes:

- (1) Land and all rights and privileges thereto belonging;
- (2) Improvements to land and all rights and privileges thereto belonging, consisting of items permanently affixed to and becoming part of the real estate. The term, permanently affixed, refers to the economic life of the improvement rather than perpetuity;
- (3) Mines, minerals, and quarries;
- (4) Buildings and structures which are on foundations, and improvements to buildings and structures including any heating system, air conditioning, ventilation, sanitation, lighting, or plumbing which is part of the building or structure; and
- (5) Mobile homes as defined in § 32-3-1 which are on foundations.

For assessment purposes, a structure is anything constructed or erected from an assembly of materials, which requires a permanent location on or in the ground.

For assessment purposes, a building is a structure designed to stand permanently and cover a space of land which is enclosed by walls and is covered with a roof.

Section 2. That § 10-4-2.4 be AMENDED:

10-4-2.4. Real property, for the purposes of ad valorem taxation, includes manufactured homes as defined in § 32-3-1 and mobile homes as defined in § 32-3-1. This section does not apply to any manufactured home in the inventory of any dealer as defined in § 32-7A-1.

Section 3. That § 10-9-1 be AMENDED:

10-9-1. As used in this chapter, unless the context otherwise plainly requires, "mobile home" means a mobile home as that term is defined in § 32-3-1.

Section 4. That § 10-45-2.1 be AMENDED:

10-45-2.1. Sales of sectional homes are subject to sales tax, which shall be based upon the fair market value of the raw materials used to construct each home.

For the purpose of this section, the term, sectional homes, means any home pre-built in whole or in part for the purpose of permanent placement on a foundation. Mobile homes as defined in § 32-3-1 and manufactured homes as defined in § 32-3-1 are not sectional homes.

Section 5. That § 10-46-5.1 be AMENDED:

10-46-5.1. If a sectional home is permanently affixed to real property, it is not a vehicle subject to registration under chapter 32-3, and shall be classified as real property. A contractor who erects such a home shall hold a sales tax or use tax license and pay use tax based upon the fair market value of the raw materials used to construct and erect the home.

For the purpose of this section, the term, sectional home, means any home pre-built in part or in whole for the purpose of permanent placement on a foundation. Mobile homes as defined by § 32-3-1 and manufactured homes as defined in § 32-3-1 are not sectional homes.

Section 6. That § 32-3-1 be AMENDED:

32-3-1. Terms used in chapters 32-3 to 32-5B, inclusive, mean:

- (1) "Approved entity," any person who receives or transfers a vehicle title by sale, gift, or any means, and who is authorized by the department to use the electronic title and registration system to validate ownership and facilitate the assignment, reassignment, or transfer of title custody or ownership of a vehicle without a paper record;
- (2) "Commercial motor vehicle," any motor vehicle used or maintained for the transportation of persons or property for hire, compensation, or profit; or designed, used, or maintained primarily for the transportation of property, and not specifically excluded under § 32-9-3;

- (3) "Component part," any part of a motor vehicle, trailer, or semitrailer other than a tire, having a vehicle identification number;
- (4) "Dealer," any person who, for commission or with intent to make a profit or gain, sells, exchanges, rents with option to purchase, offers, or attempts to negotiate a sale or exchange of new, or new and used vehicles; or who is engaged wholly or in part in the business of selling new, or new and used vehicles, whether or not the vehicles are owned by that person;
- (5) "Department," Department of Revenue;
- (6) "Electric bicycle," as that term is defined in § 32-20B-9;
- (7) "Electronic title and registration system," a system established under § 32-3-69.1 by which title applications, title lien statements, certificates of title, and other supporting documents, signatures, and fees are entered and transmitted through the title application and registration process in an electronic format;
- (8) "ERT provider," a person who operates a program that provides title and registration services and is authorized by the department to act on behalf of the department and county treasurers in receiving, processing, and transmitting to the department registration applications and related fees;
- (9) "Gross vehicle weight rating," the value specified by the manufacturer as the loaded weight of a single vehicle;
- (10) "Junking certificate," a certificate of ownership, which may not be restored to a title document that allows highway use, issued by the department to the owner of a vehicle that is going to be dismantled and sold for parts;
- (11) "Low-speed vehicle," a four-wheeled motor vehicle whose speed attainable in one mile is more than twenty miles per hour and not more than twenty-five miles per hour on a paved level surface;
- (12) "Manufactured home," a structure, transportable in one or more sections, that is eight body feet or more in width or forty body feet or more in length in the traveling mode, or is three hundred twenty square feet or more when erected on a site; that is built on a permanent chassis and designed to be used as a dwelling, with or without a permanent foundation, when connected to the required utilities; and that contains the plumbing, heating, air conditioning, and electrical systems therein. The term includes any structure that meets all the requirements of this subdivision and any other structure that has been certified by the secretary of housing and urban development. The term does not include a recreational park trailer;

- (13) "Manufacturer," any person, firm, corporation, limited liability company, or association engaged in the manufacture of new motor vehicles as a regular business;
- (14) "Mobile home," a movable or portable unit, designed and constructed to be towed on its own chassis (comprised of frame and wheels), and designed to be connected to utilities for year-round occupancy. The term includes:
 - (a) Units containing parts that may be folded, collapsed, or telescoped when being towed and that may be expanded to provide additional cubic capacity; and
 - (b) Units composed of two or more separately towable components designed to be joined into one integral unit capable of being separated again into the components for repeated towing.

The term does not include a recreational park trailer;

- (15) "Moped," a motor-driven cycle equipped with two or three wheels. If a combustion engine is used, the maximum piston or rotor displacement is fifty cubic centimeters regardless of the number of chambers in the power source. The power source must be equipped with a power drive system that functions directly or automatically only, not requiring clutching or shifting by the operator after the drive system is engaged. The term does not include an electric bicycle;
- (16) "Motorcycle," includes motorcycles, motorbikes, mopeds, bicycles with a motor attached, and all motor-operated vehicles of the bicycle or tricycle type, whether the motive power be a part thereof or attached thereto, and having a saddle or seat with the driver sitting astride or upon it, or a platform on which the driver stands, but excluding a tractor. The term does not include an electric bicycle;
- (17) "Motor vehicle," automobiles, motor trucks, motorcycles, house trailers, trailers, and all vehicles propelled by power other than muscular power, except traction engines, road rollers, farm wagons, freight trailers, vehicles that run only on rails or tracks, electric bicycles, multi-passenger quadricycle as defined in § 32-14-17, and off-road vehicles as defined in § 32-20-1;
- (18) "New motor vehicle," any motor vehicle to which a manufacturer's statement of origin has not been transferred, or is a motor vehicle on which title was issued from the manufacturer's statement of origin or manufacturer's certificate of origin and is still in the name of the first person who took title to the vehicle;
- (19) "Noncommercial motor vehicle," any motor vehicle not classified as a commercial motor vehicle;

- (20) "Noncommercial trailer or semitrailer," any trailer or semitrailer not used or maintained for the transportation of persons or property for hire, compensation, or profit;
- (21) "Notation," a physical or electronic process of recording a lien on a certificate of title, a manufacturer's statement of origin, or a manufacturer's certificate of origin;
- (22) "Off-road vehicle," any self-propelled, two-or-more-wheeled vehicle designed primarily to be operated on land other than a highway and includes all terrain vehicles, dune buggies, and any vehicle whose manufacturer's statement of origin or manufacturer's certificate of origin states that the vehicle is not for highway use. The term does not include a farm vehicle or an electric bicycle as defined in this section;
- (23) "Owner," any person, firm, association, trust, or corporation renting a motor vehicle or having the exclusive use thereof, under a lease or otherwise, for a period greater than thirty days; as between contract vendor and contract vendee, the term, owner, refers to the contract vendee, unless the contrary clearly appears from the context of chapters 32-3 to 32-5B, inclusive, or a person or trust having legal possession or title;
- (24) "Rebuilt vehicle," any motor vehicle, trailer, or semitrailer that has been rebuilt by the addition or deletion of assemblies, subassemblies, parts, or component parts so that upon gross visual examination it does not appear to be the vehicle described in the certificate of title last issued for the vehicle, or whose title has been marked as rebuilt by this state or another state or jurisdiction;
- (25) "Recreational park trailer," a vehicle that is primarily designed to provide temporary living quarters for recreational, camping, or seasonal use and which:
 - (a) Is built on a single chassis mounted on wheels;
 - (b) Has a gross trailer area not exceeding four hundred square feet in the setup mode;
 - (c) Is certified by the manufacturer as complying with American National Standards Institute Standard No. A119.5 in effect on January 1, 2008; and
 - (d) Has at least a seventeen digit identification number and the manufacturer has designated the vehicle as a recreational park model on the manufacturer statement of origin;
- (26) "Recreational vehicle," a vehicular portable structure built on a chassis designed to be used as a temporary dwelling for travel, recreational, vacation, or seasonal uses,

- and that is permanently identified as a travel trailer or a recreational park trailer by the manufacturer of the trailer;
- (27) "Road tractor," any motor vehicle designed and used for drawing other vehicles, except farm or logging tractors used exclusively for farming or logging, and not so constructed as to carry any load thereon either independently or any part of the weight of a vehicle or load so drawn;
 - (28) "Secretary," secretary of revenue;
 - (29) "Semitrailer," any vehicle of the trailer type, equipped with a kingpin assembly, designed and used in conjunction with a fifth wheel connecting device on a motor vehicle constructed so that some part of its weight and that of its load rests upon or is carried by another vehicle;
 - (30) "State," includes the territories and the federal districts of the United States;
 - (31) "Trailer," any vehicle without motive power designed for carrying property or passengers wholly on its own structure and for being drawn by a motor vehicle;
 - (32) "Truck tractor," any motor vehicle designed and used primarily for drawing other vehicles and not so constructed as to carry a load other than a part of the weight of the vehicle and load so drawn;
 - (33) "Used vehicle," any motor vehicle to which title has been issued to someone other than the first person who took title to the motor vehicle from the manufacturer's statement of origin or manufacturer's certificate of origin; and
 - (34) "Vehicle identification number," the number assigned by the manufacturer or by the department for the purpose of identifying the vehicle. The term includes any number or letters assigned by the manufacturer for the purpose of identifying a component part and any such number stamped on a vehicle or part according to law or the rules promulgated by the department for the purpose of identifying the vehicle or part.

Section 7. That § 32-3-53 be AMENDED:

32-3-53. If any vehicle, trailer, or semitrailer is rebuilt as defined in § 32-3-1 and is restored to operation, the owner shall submit an application to the Department of Revenue for a rebuilt title. The motor vehicle, trailer, or semitrailer may not be licensed or titled until there is submitted to the department proper affidavits, photo copies of receipts, bills of sale establishing ownership, or titles and the source of all parts and component parts used to rebuild the vehicle. The rebuilt title and registration shall be issued and delivered in accordance with the provisions of this chapter. After the motor

vehicle is inspected, the owner shall take his copy of the certificate of inspection to the county treasurer, purchase his license plates and pay any tax owed. Once the department is notified that the inspection is complete and has verified that the correct amount of tax has been paid, it shall issue a rebuilt title. Each new certificate of title shall have noted thereon that the vehicle has been rebuilt. The highway patrol or an employee of the department may inspect rebuilt titles and rebuilt motor vehicles.

Section 8. That § 32-3-57 be AMENDED:

32-3-57. The secretary of revenue may promulgate rules pursuant to chapter 1-26 and issue instructions as are necessary to ensure and obtain uniformity in the administration of the provisions of this chapter. Rules may be adopted in the following areas:

- (1) Application requirements for new vehicles, trailers, snowmobiles, and mobile homes;
- (2) Certificate of title for vehicles previously registered, time limits of making application, duplicate certificates, and transfer of certificate of title;
- (3) Assignment of certificate of title;
- (4) Corrections of titles and procedure when there is a body type change;
- (5) Lien recording, assignment of liens, execution of cancellation of liens, and delivery of certificate of title;
- (6) Transfer of ownership;
- (7) Registration tax dealers guides for used vehicles or mobile homes, older motor vehicles and government vehicles, title and license requirements, nonresident reciprocity, manufacturer's price sticker, wrecked motor vehicles, leased vehicles, and homemade vehicles;
- (8) Establishment of a transaction fee for online access to the title and registration system that does not exceed fifty cents for each transaction;
- (9) Standards and procedures for the electronic title and registration system under § 32-3-69.1, including qualifications, applications, and annual registration fees for approved entities;
- (10) Standards and procedures for the electronic lien filing system under § 32-3-70; and
- (11) Requirements for retention of physical documents.

All local officials charged with the administration of the provisions of this chapter are governed in their official acts by the rules promulgated by the secretary.

Section 9. That § 32-3-69.1 be AMENDED:

32-3-69.1. On or before July 1, 2026, the department shall establish an electronic title and registration system for motor vehicles; boats, as described in chapters 32-3A and 32-7B; vehicles, as defined in § 32-6B-1; snowmobiles, as described in chapter 32-6C; manufactured and mobile homes, as described in chapter 32-7A; commercial motor vehicles, as described in chapter 32-9; and fleet vehicles and fleets, as described in chapter 32-10.

The electronic title and registration system required under this section must permit:

- (1) Electronic transmission of data and scans by an approved entity or county treasurer to or from the department in lieu of the transmission of paper documents required under this chapter, including:
 - (a) The manufacturer's statement of origin;
 - (b) The manufacturer's certificate of origin; and
 - (c) Odometer disclosure information;
- (2) Receipt and processing of electronic record transactions from an approved entity;
- (3) The production and submission by an approved entity of title records generated from electronic records of title and registration maintained by the department; and
- (4) Certification and audit by the department of data and scans submitted to the department by an approved entity.

Any approved entity or other participant in the electronic title and registration system shall submit electronic applications for original vehicle titles in a form and format prescribed by the department. A participant shall electronically provide all documentation or information required by the department to process the electronic title application, including the electronic manufacturer's statement of origin or odometer disclosure statement. The department shall verify the authenticity of the electronic information before the electronic title is issued.

Section 10. That a NEW SECTION be added to chapter 32-3:

An entity must submit an application to become an approved entity for purposes of this chapter. An approved entity may charge a customer a fee for services provided under section 11 of this Act.

Section 11. That a NEW SECTION be added to chapter 32-3:

An approved entity using the electronic title and registration system shall transmit all application documents, required electronic signatures, and fees, through the system to the department. Upon receiving an application transmitted through the electronic title and registration system, the county treasurer shall, by close of business on the third business day, either:

- (1) Accept the application and forward it to the department; or
- (2) Reject the application and return it to the approved entity.

Section 12. That a NEW SECTION be added to chapter 32-3:

The department shall enter into contracts with one or more qualified ERT providers to integrate with the electronic title and registration system and other necessary, related state systems to provide software and programs to approved entities, the department, and county treasurers, to facilitate electronic vehicle registration, titling, and filing of lien statements.

An ERT provider that contracts with the department under this section may act on behalf of the department and county treasurers in receiving, processing, and transmitting, to the county treasurer, title and lien applications, title lien statements, and related documents and fees. An ERT provider may charge the approved entity a fee for services provided under this section.

Section 13. That a NEW SECTION be added to chapter 32-3:

Any reference in this chapter to a "certificate of title" also applies to an electronic record of title under the electronic title and registration system required by § 32-3-69.1. The department may allow a person to submit a document required under this chapter by using electronic media deemed feasible by the department, instead of requiring an original document. If a signature on a document is required by law and the document is submitted electronically, the signature requirement is satisfied by an authenticated, electronically submitted signature. An electronically submitted document, once accepted by the department, is deemed the same as an original document and is admissible in all administrative, quasi-judicial, and judicial proceedings.

Section 14. That a NEW SECTION be added to chapter 32-3:

If a title is held electronically, no paper title will be printed, except in the following circumstances:

- (1) The owner is relocating to another state, and there is no electronic system in place to transfer the title electronically between the states;
- (2) The owner has sold the titled property to a new owner in another state, and there is no electronic system in place to transfer the title electronically between the states; or
- (3) The owner requests a paper title to be printed and pays the applicable fee under this chapter.

The owner is required to submit an application to the department to have the paper title printed pursuant to this section. The application must be in a form prescribed by the department. If the title is subject to a lien, the requirements of § 32-3-70 must be met.

Section 15. That § 32-5-85 be AMENDED:

32-5-85. Two number plates must be issued, except that as to a motorcycle, recreational vehicle, semitrailer, and trailer, as such terms are defined in § 32-3-1, one number plate must be issued.

Section 16. That § 32-10-1 be AMENDED:

32-10-1. Terms used in this chapter mean:

- (1) "Administrator," the secretary of revenue;
- (2) "Commercial vehicle," any vehicle which is operated in interstate commerce in furtherance of any commercial enterprise;
- (3) "Department," the Department of Revenue;
- (4) "Interstate commerce," the movement of a vehicle between jurisdictions but does not include the movement of any vehicle which transports or is being used to transport persons or property, the transportation of which originates in one jurisdiction and passes into or through another jurisdiction or jurisdictions, for delivery in the jurisdiction in which the transportation originated;
- (5) "Jurisdiction," a state, district, territory, or possession of the United States, a foreign country, and a state or province of a foreign country;
- (6) "Motor vehicle," shall have the meaning ascribed to it by § 32-9-1;
- (7) "Owner," as defined in subdivision § 32-3-1, except that for the purposes of proportional registration of vehicles as authorized and provided in §§ 32-10-10 and 32-10-15 to 32-10-28, inclusive, "owner" means a person who holds a legal title of a vehicle, or in the event a vehicle is the subject of an agreement for the conditional sale thereof with the right of purchase upon performance of the

conditions stated in the agreement and with an immediate right of possession vested in the conditional vendee, or in the event while a vehicle is subject to a lease with an immediate right of possession vested in the lessee, or in the event a mortgagor of a vehicle is entitled to possession, then such conditional vendee, lessee or mortgagee is considered to be the owner;

- (8) "Person" shall have the meaning ascribed to it by § 32-9-1;
- (9) "Preceding year," a period of twelve consecutive months fixed by the administrator which period shall be within the sixteen months immediately preceding the commencement of the registration or license year for which proportional registration is sought; and the administrator in fixing such period shall make it conform to the terms, conditions, and requirements of any applicable agreement or arrangement for the proportional registration of vehicles;
- (10) "Properly registered," as applied to place of registration:
 - (a) The jurisdiction where the person registering the vehicle has his legal residence; or
 - (b) In the case of a commercial vehicle, the jurisdiction in which it is registered if the commercial enterprise in which such vehicle is used has a place of business therein, and, if the vehicle is most frequently dispatched, garaged, serviced, maintained, operated, or otherwise controlled in or from such place of business, and, the owner has assigned the vehicle to such place of business; or
 - (c) In the case of a commercial vehicle, the jurisdiction where, because of an agreement or arrangement between two or more jurisdictions, or pursuant to a declaration, the vehicle has been registered as required by said jurisdiction.

In case of doubt or dispute as to the proper place of registration of a vehicle, the administrator shall make final determination, but in making such determination, may confer with administrators of the other states or jurisdictions affected;

- (11) "Vehicle" shall have the meaning ascribed to it by § 32-9-1.

Section 17. That § 32-14-11 be AMENDED:

32-14-11. No person may occupy a house trailer or a recreational vehicle as defined by § 32-3-1 while it is being towed. A violation of this section is a petty offense. This section does not apply to a recreational vehicle being towed by a truck, truck tractor, or pickup with a fifth-wheel device, if the recreational vehicle is equipped with safety

glazing materials wherever glazing materials are used in windows or doors, with an audible or visual signaling device which a passenger inside the recreational vehicle can use to gain the attention of the motor vehicle driver, and with at least one unobstructed exit capable of being opened from both the interior and exterior of the recreational vehicle. The requirement for safety glazing materials does not apply to vehicles manufactured prior to July 1, 1977.

Section 18. That § 32-15-7 be AMENDED:

32-15-7. The windshield on every motor vehicle as defined by subdivision § 32-3-1 except farm tractors and motorcycles, shall be equipped with a device for cleaning rain, snow, or other moisture from the windshield, which device shall be operated by the driver of the vehicle. No person may operate a motor vehicle upon the highways unless such vehicle shall be equipped with such device in good working order capable of cleaning the windshield thereof and which device shall provide the driver a clear view of the highway. A violation of this section is a petty offense.

Section 19. That § 32-33-17 be AMENDED:

32-33-17. The driver of any single or combination vehicle weighing in excess of ten thousand pounds gross vehicle weight, who fails to stop at or who knowingly passes or bypasses any state weighing station, upon any public highway, when the station is open and being operated by law enforcement officers or motor carrier inspectors, is guilty of a Class 2 misdemeanor. This section does not apply to any recreational vehicle as defined in § 32-3-1. For purposes of this section, a combination vehicle is any vehicle consisting of two or more units including a truck, tractor, or towing vehicle, and one or more trailers.

Section 20. That § 37-5-13 be AMENDED:

37-5-13. Terms used in §§ 37-5-13 to 37-5-15, inclusive, mean:

- (1) "Dealer," any person who receives machinery from a manufacturer under a dealership contract and who offers and sells the machinery to the general public from manufacturer authorized facilities in this state. The term, dealer, does not include a single-line dealer or any person with total annual gross sales in this state and elsewhere of one hundred million dollars or more of industrial and construction equipment, attachments, replacement parts, and service related to the equipment, from any one manufacturer or supplier of such equipment;

- (2) "Dealership contract," a written agreement or contract between a manufacturer and dealer which fixes the legal rights and liabilities of the parties to such agreement or contract;
- (3) "Machinery," any farm vehicle as defined by § 32-3-2.4 or any off-road vehicle as defined by § 32-3-1 or merchandise as defined in § 37-5-12.2;
- (4) "Manufacturer," any person engaged in the manufacturing or distribution of machinery including any person who acts for the manufacturer;
- (5) "Single-line dealer," any person that has purchased seventy-five percent or more of the dealer's total new product inventory from a single manufacturer of industrial and construction equipment under agreements with that manufacturer and has a total annual average sales of industrial and construction equipment volume for the three previous years with that single manufacturer in excess of fifty million dollars for the territory for which that dealer is responsible.

Section 21. That § 37-14-21 be AMENDED:

37-14-21. Except as otherwise agreed to in writing by the purchaser and seller, or unless otherwise provided for by advertised or announced terms at the auction premises on the day of the sale, if the purchaser of any property at an auction sale has not removed the property from the auction premises within ninety days after the date of the sale or has not otherwise taken physical possession of the property within ninety days after the date of the sale, ownership of the property reverts to the seller, and the payment is forfeited to the seller without further notice of action. This section does not apply to any motor vehicle as defined in § 32-3-1 or to any state auction held pursuant to chapter 5-24A.

An Act to establish an electronic system for vehicle titles.

I certify that the attached Act originated in the:

Senate as Bill No. 131

Secretary of the Senate

President of the Senate

Attest:

Secretary of the Senate

Speaker of the House

Attest:

Chief Clerk

Senate Bill No. 131
File No. _____
Chapter No. _____

Received at this Executive Office
this _____ day of _____,

2025 at _____ M.

By _____
for the Governor

The attached Act is hereby
approved this _____ day of
_____, A.D., 2025

Governor

STATE OF SOUTH DAKOTA,

ss.

Office of the Secretary of State

Filed _____, 2025
at _____ o'clock ___ M.

Secretary of State

By _____
Asst. Secretary of State