

# State of South Dakota

EIGHTY-NINTH SESSION  
LEGISLATIVE ASSEMBLY, 2014

400V0280

## HOUSE BILL NO. 1059

Introduced by: The Committee on Transportation at the request of the Department of  
Revenue

1 FOR AN ACT ENTITLED, An Act to revise certain provisions regarding the exemption of  
2 mass transit motor vehicles from licensing and registration fees and the motor vehicle excise  
3 tax.

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

5 Section 1. That § 32-5-42 be amended to read as follows:

6 32-5-42. Any motor vehicle that is the property of this state, the United States, a county, a  
7 township, a municipality, a public or nonpublic school accredited by the Department of  
8 Education, an Indian mission school in this state, an Indian tribe, a fire department, or any bus  
9 or van owned by a church, ~~or any vehicle purchased by the state under sections 18 and 16(b)2~~  
10 ~~of the Urban Mass Transportation Act of 1964 to provide public transportation or specialized~~  
11 ~~transportation or both in rural and urbanized areas~~ may be registered upon application, in the  
12 manner provided for other motor vehicles. However, the custodian of the vehicle shall make the  
13 application directly to the department. No fees may be charged for the registration of the vehicle.  
14 The department, upon payment to it of the actual cost of the plates, shall furnish number plates  
15 for the vehicle. All costs collected under the provisions of this section shall be deposited in the



1 license plate special revenue fund. ~~Any disbursement from this fund shall be made by warrants~~  
2 ~~drawn by the state auditor on vouchers duly approved by the department.~~ If the vehicle is used  
3 for a private business use or as a commercial motor carrier as defined in § 32-9-1, the operator  
4 shall secure vehicle registration pursuant to chapter 32-9 for such use.

5 Section 2. That chapter 32-5 be amended by adding thereto a NEW SECTION to read as  
6 follows:

7 Any motor vehicle owned by the state, a municipality, or county that is used to provide mass  
8 transportation services shall be registered, upon application, in the manner provided for other  
9 motor vehicles. No fees may be charged for the registration of the vehicle. The department, upon  
10 receipt of payment for the actual cost of the plates, shall furnish number plates for the vehicle.  
11 All costs collected under the provisions of this section shall be deposited in the licence plate  
12 special revenue fund.

13 Any motor vehicle paid for, in full or in part, with funds received from the United States  
14 Department of Transportation which is used to provide mass transportation services shall be  
15 registered upon application, in the manner provided for other motor vehicles. No fees may be  
16 charged for the registration of the vehicle. The department, upon receipt of payment for the  
17 actual cost of the plates, shall furnish number plates for the vehicle. All costs collected under  
18 the provisions of this section shall be deposited in the license plate special revenue fund. The  
19 secretary may, at any time, require the applicant to provide additional information to determine  
20 if the vehicle was paid for with funds received from the United States Department of  
21 Transportation.

22 Section 3. That § 32-5-67 be amended to read as follows:

23 32-5-67. All fees received pursuant to §§ 32-5-42, section 2 of this Act, 32-5-65, and 32-5-  
24 65.1 shall be credited to a fund to be known as the license plate special revenue fund. The

1 special revenue fund shall be expended for the purchase of special plates required pursuant to  
2 this chapter and the expenses of the office incident to the issuance thereof. Disbursements from  
3 this fund shall be made by warrants drawn by the state auditor on vouchers duly approved by  
4 the secretary.

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

6 32-5B-2. Motor vehicles exempted from the provisions of this chapter are as follows:

- 7 (1) Any motor vehicle exempted in § 32-5-42, 32-5-42.1, section 2 of this Act, or 32-5-  
8 1.3;
- 9 (2) Any motor vehicle acquired by inheritance from or bequest of a decedent;
- 10 (3) Any motor vehicle previously titled or licensed jointly in the names of two or more  
11 persons and subsequently transferred without consideration to one or more of such  
12 persons;
- 13 (4) Any motor vehicle transferred without consideration between spouses, between a  
14 parent and child, and between siblings;
- 15 (5) Any motor vehicle transferred pursuant to any mergers or consolidations of  
16 corporations or plans of reorganization by which substantially all of the assets of a  
17 corporation are transferred if the motor vehicle was previously titled, licensed, and  
18 registered in this state;
- 19 (6) Any motor vehicle transferred by a subsidiary corporation to its parent corporation  
20 for no or nominal consideration or in sole consideration of the cancellation or  
21 surrender of the subsidiary's stock if the motor vehicle was previously titled, licensed,  
22 and registered in this state;
- 23 (7) Any motor vehicle transferred between an individual and a corporation if the  
24 individual and the owner of the majority of the capital stock of the corporation are

1           one and the same and if the motor vehicle was previously titled, licensed, and  
2           registered in this state;

3           (8) Any motor vehicle transferred between a corporation and its stockholders or creditors  
4           if to effectuate a dissolution of the corporation it is necessary to transfer the title from  
5           the corporate entity to the stockholders or creditors and if the motor vehicle was  
6           previously titled, licensed, and registered in this state;

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

11          (10) Any motor vehicle transferred to effect a sale of all or substantially all of the assets  
12          of the business entity if the motor vehicle was previously titled, licensed, and  
13          registered in this state;

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

15          (12) Any motor vehicle sold or transferred which is eleven or more model years old and  
16          which is sold or transferred for two thousand two hundred dollars or less before  
17          trade-in;

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

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

24          (15) Between corporations, both subsidiary and nonsubsidiary, if the individuals who hold

1 a majority of stock in the first corporation also hold a majority of stock in the second  
2 corporation; but these individuals need not hold the same ratio of stock in both  
3 corporations provided the motor vehicle was previously titled, licensed, and  
4 registered in this state;

5 (16) Any motor vehicle transferred by a trustor to his trustee or from a trustee to a  
6 beneficiary of a trust;

7 (17) Any motor vehicle rented for twenty-eight days or less is subject to the tax imposed  
8 by § 32-5B-20; and

9 (18) Any motor vehicle transferred without consideration to any South Dakota nonprofit  
10 corporation which will donate the motor vehicle to a needy family or individual.