

South Dakota

PRORATE

2016-2017 License Manual

To maintain one license
and one base jurisdiction
location for each licensee.

<http://dor.sd.gov>
www.sdtruckinfo.com
www.irponline.org



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Introduction

Two Kinds of Commercial Licenses

If you are a business person who transports any item, your vehicle must be commercially licensed within every state in which it travels. Vehicles carrying loads under five hundred pounds or which qualify for another commercial exemption are not required to have a commercial license in South Dakota. Please contact the South Dakota Department of Revenue's commercial licensing section for further information on exempt vehicles.

Vehicles traveling exclusively within South Dakota will need an in-state commercial license, which may be purchased from county treasurer's offices. If you travel outside South Dakota, you will need either a trip permit or an IRP license (more commonly referred to as a prorate license). Prorate licenses are sold only by the South Dakota Department of Revenue's Division of Motor Vehicles.

"Apportionable Vehicle" means any vehicle, except recreational vehicles, vehicles displaying restricted plates, city pick up and delivery vehicles, buses used in transportation of chartered parties, and Governmental-owned vehicles, used or intended for use in two or more member jurisdictions that allocate or proportionally register vehicles and;

1. Weight in excess of 26,000 pounds; or
2. Is a power unit having three or more axles, regardless of weight; or
3. Is used in combination, when the weight of such combination exceeds 26,000 pounds gross vehicle weight.

Vehicles, or combinations thereof, having a gross weight of 26,000 pounds or less and two axle vehicles and buses used in transportation of chartered parties may be proportionally registered at the option of the registrant.

This brochure describes the prorate license. For information on the in-state commercial license, please contact your county treasurer.

For More Information on the Prorate License

Your source of information, forms, and assistance, as well as the location to which you send your application, is the Office of Prorate and Commercial Licensing.

**South Dakota Department of Revenue
Office of Prorate and Commercial Licensing
445 East Capitol Avenue
Pierre, South Dakota 57501-3185
Telephone: (605) 773-3314 and Fax: (605) 773-4117
<http://dor.sd.gov> or www.sdtruckinfo.com**

The IRP Full Reciprocity Plan (FRP) - Effective January 1, 2015

What is FRP? The FRP is a ballot that was passed by the IRP members that amends the plan to allow all jurisdictions to be printed on the cab card. A carrier will only pay fees based on where they have accrued actual distance during the reporting period. The FRP also does the following:

- Eliminations estimated distance on renewals or any jurisdiction calculation over 100%;
- Eliminates the need to add jurisdictions during a license year;
- Fairly assesses fees based on actual distance.

Any carrier whose renewal registration began on or after January 1, 2015 would be subject to FRP provisions. Actual distance must be reported when the carrier's fleet accumulated any distance during the distance reporting period. The 90-day rule is no longer in effect. If the carrier had one day of operation during the distance reporting period, actual distance must be reported.

A NEW carrier with no actual distance during the reporting period will be apportioned for all jurisdictions and fees collected for all jurisdictions based on the South Dakota distance chart.

General Information

The Cost of a Prorate License

The cost of a prorated license depends on two factors:

1. The fee schedule in each jurisdiction in which your vehicles travel;
2. The percent traveled in each jurisdiction of the total distance that your vehicles travel.

Because fees vary widely among jurisdictions, two carriers licensed in the same jurisdictions but differing in the proportion of distance traveled in each jurisdiction could have different licensing costs. For example, assume that vehicles of carrier “A” travel 80 percent of their distance in jurisdictions whose fee schedules are high and 20 percent of their distance in jurisdictions whose fees are low. In contrast, carrier “B’s” vehicles travel the same jurisdictions, but 80 percent of their distance is in jurisdictions whose fees are low and only 20 percent are in jurisdictions whose fees are high. If their vehicles are comparable, carrier “A” will pay a higher prorated license fee than will carrier “B.”

- Individual jurisdictions may base their fees on:
 - The weight of the vehicle;
 - Its model year;
 - Its value;
 - Some combination of weight, model year and value.

Because of these variations, the cost of a prorated license cannot be calculated without information from carriers about the distance their vehicles travel in each jurisdiction as well as specific vehicle information such as the weight, model year and value of their vehicles. This information is collected as part of the licensing process.

Determining the Value of Your Vehicle

In some jurisdictions, the value of your vehicle determines a portion of your license fee. In South Dakota, your vehicle’s value is used to calculate the excise tax due on the vehicle. The 4 percent excise tax is paid when a vehicle is titled and is based on the percentage of a vehicle’s total distance that is traveled in South Dakota. For example, if a vehicle travels 50 percent of its distance in South Dakota, the excise tax would be .02 percent of the vehicle’s value.

The value of the vehicle is equal to its purchase price of the vehicle, minus the value of the trade-in.

New vehicles sometimes have a federal tax (FET) added to the price of the vehicle. This federal tax should be deducted from the selling price, as in a trade-in, to arrive at the vehicle’s value.

On the other hand, items such as down payments or re-

bates cannot be deducted from the purchase price.

Licensing in Non-IRP Jurisdictions

Application for licensing in the remaining non-IRP jurisdictions must be made directly to the jurisdiction in which you intend to travel. The application can be made at 24-hour permit centers, port-of-entry stations, or through wire services.

If you have registered vehicles weighing over 80,000 lbs., be sure to contact each jurisdiction in which you intend to travel for any additional heavy vehicle permits or requirements.

Federal Heavy Use Tax

All jurisdictions are required to verify that the federal heavy vehicle use tax has been paid before the jurisdiction licenses a vehicle. This tax applies only to vehicles with a combined gross weight of 55,000 pounds or more.

If you are licensing a vehicle weighing over 55,000 pounds, you may verify your payment of the heavy vehicle tax in the following ways:

- By sending us a photocopy of IRS Form 2290, “Federal Heavy Vehicle Use Tax,” and a photocopy of the receipted Form 2290, Schedule I, which were returned to you by the IRS after they processed your tax payment; or
- If you have not received a receipted copy of Form 2290, Schedule I, from the IRS, send us photocopies of the Form 2290 and the Schedule I that you filed with the IRS, along with photocopies of both sides of your tax payment check. If payment was made with a bank draft or money order, send a copy of your receipt.
- If you have not paid your heavy vehicle use tax, you may do so at one of the following Taxpayer Assistance Centers:

Aberdeen IRS
115 Fourth Avenue SE, Room 411
Aberdeen, SD 57401

Rapid City IRS
515 Ninth St.
Rapid City, SD 57701

Sioux Falls IRS
1720 S. Southeastern Avenue
Sioux Falls, SD 57103

General Information (cont.)

Licensing and Vehicle Titles

All vehicles licensed for prorated travel must have a South Dakota title or an Interstate Title.

South Dakota Titles

If your vehicle is not yet titled in your name, you must include the following documents with your request for a prorated license:

- A completed application for a South Dakota Prorate License;
- A completed application for South Dakota Vehicle Title (MV-608);
- The Manufacturer's Certificate of Origin (MCO) if the vehicle is new; a title properly assigned and free of all prior liens if the vehicle is used;
- A copy of a purchase invoice, purchase order or sales contract showing the Dealer's List Price if the vehicle is new; a copy of a purchase order, sales contract or bill of sale if the vehicle is used.

Title Notes: Please include the model name or number of any semi-tractor and trailer on the Application for South Dakota Motor Vehicle Title (MV-608). Also, if the MCO or former title does not list the vehicle's unladen weight, you will need to obtain and submit a scale weight ticket for the unit with the title application.

If the title application is for a vehicle which is less than 10 years of age and has a manufacturer's gross weight rating of less than 16,000 pounds, then you will need to complete and include a Uniform Damage and Odometer Disclosure Statement. This disclosure statement is incorporated onto the back of any vehicle title form issued after January 1, 1991. Otherwise, the Uniform Damage and Odometer Disclosure Statement form can be obtained from either our office or any local county treasurer's office in the state.

Out-of-State Titles

If your vehicle is titled in another jurisdiction and you are not a South Dakota resident, you may obtain a "Non-negotiable Interstate Title" from South Dakota. This title is required before your vehicle can be registered under IRP in this state. In making such an application, please include the following documents:

- A completed application for a South Dakota Prorate License;
- A completed application for South Dakota Motor Vehicle Title (MV-608) to be used in processing the Interstate Title;
- A photocopy of the vehicle's out-of-state title;
- A "General Purpose Affidavit" form with the "Inter-

state Affidavit" section completed (confirms that the application is for an Interstate Title and not a South Dakota title).

Establishing Fleets

A fleet is one or more vehicles with a prorated license. Normally, carriers use a single fleet because it simplifies record keeping and reduces the possibility of losing licensing fees if vehicles change their area of service. In some cases it may be advantageous for the registrant to create additional fleets. The reasons for creating additional fleets are varied and may depend on the number of units operating within your fleet and the jurisdictions into which they operate.

Change of Operation

If you have had a change of operation, prior written approval must be received from the division before any carrier will be allowed to use the estimated distance. Send your written request explaining the change to the Office of Prorate and Commercial Licensing.

Change of Account Name or Ownership

Any time a change occurs in the name of your account or in the ownership of the business (corporate officers, partners or owners), a new "Ownership Information Form" must be completed (see page 7). This form must be completed in its entirety, even if there have been no changes in ownership from what was reported previously. A written statement must also be completed for a change in the business name.

General Information (cont.)

General Purpose Affidavit

SOUTH DAKOTA DIVISION OF MOTOR VEHICLES
GENERAL PURPOSE AFFIDAVIT FOR VEHICLE/BOAT REGISTRATION

AFFIANT NAME(S) _____ ADDRESS _____
 _____ ADDRESS _____
 VEHICLE/BOAT DATA YEAR _____ MAKE _____ SERIAL # _____ TITLED IN (STATE) _____
 LICENSE # _____ STATE _____ TITLE # _____

I (We) hereby affirm under oath that I (we) purchased the above described vehicle/boat on _____ (date) from _____ and that a bill of sale, Manufacturer's Statement of Origin (MSO), or other documentation of ownership is not available for presentation with the attached title application for the reasons stated in the Statement of Fact below. I (We) declare that the above noted party was the sole owner of this vehicle/boat and that they have declared it to be free and clear of all liens and encumbrances.

OR

(The following Statement of Fact is to be used to disclose any other information for which an affidavit is required.)
 STATEMENT OF FACT _____

I (We) hereby request that the Department of Revenue & Regulation issue Title covering this vehicle/boat in my (our) name(s), and that I (we) agree to protect and indemnify the South Dakota Department of Revenue & Regulation, Division of Motor Vehicles, against any and all liabilities and claims which may arise as a result of this title issuance.

Signature of Affiant(s) _____

STATE OF SOUTH DAKOTA
 COUNTY OF _____ SS. _____ Notary Public or County Treasurer
 Subscribed and Sworn to before me this _____ day of _____, 20____ Date Commission Expires _____

AFFIDAVIT IN SUPPORT OF INTERSTATE TITLE (NONNEGOTIABLE)

AFFIANT NAME(S) _____ ADDRESS _____
 _____ ADDRESS _____
 VEHICLE/BOAT DATA YEAR _____ MAKE _____ SERIAL # _____ TITLED IN (STATE) _____
 LICENSE # _____ STATE _____ TITLE # _____

I hereby apply for regular South Dakota license plates for the above vehicle/boat as provided for under SDCL 32-5-4.1 and 32-3A-36, and affirm that the described vehicle/boat will be operated on this state's highways/waters. This vehicle/boat is properly titled or registered under the laws of the state and license number listed above. I will retain the Certificate of Title or registration form issued by the state of prior issuance, but have given a copy to the County Treasurer for attachment to this affidavit. I request registration in the state of South Dakota for the reason indicated below. (Check proper response)

Applicant is in state on a temporary basis.
 Commercial vehicle titled out-of-state, but on lease to a South Dakota based motor carrier.
 Military personnel temporarily stationed at a military base located within South Dakota.
 South Dakota resident whose vehicle/boat is mortgaged by an out-of-state based financial service (mortgagor).

I (We) hereby request that the Department of Revenue & Regulation issue a nonnegotiable Interstate Title covering this vehicle/boat in my (our) name(s), and that I (we) agree to protect and indemnify the South Dakota Department of Revenue & Regulation, Division of Motor Vehicles, against any and all liabilities and claims which may arise as a result of this title issuance.

Signature of Affiant(s) _____

STATE OF SOUTH DAKOTA
 COUNTY OF _____ SS. _____ Notary Public or County Treasurer
 Subscribed and Sworn to before me this _____ day of _____, 20____ Date Commission Expires _____

MV-215 (05/04)

AFFIDAVIT OF VEHICLE OWNERSHIP BY SUCCESSION

AFFIANT NAME(S) _____ ADDRESS _____
 _____ ADDRESS _____
 VEHICLE/BOAT DATA YEAR _____ MAKE _____ SERIAL # _____
 LICENSE # _____ TITLE # _____

I hereby affirm that _____ (decedent) died on _____ (date); that at least 30 days have elapsed since that death; that the value of the entire estate wherever located, less liens and encumbrances, does not exceed \$50,000; that no application or petition for the appointment of a personal representative is pending or has been granted in any jurisdiction; that the decedent has not incurred any indebtedness to the Department of Social Services for medical assistance for nursing home or other medical institutional care; that a copy of the affidavit is being furnished to the Special Taxes Division of the Department of Revenue & Regulation and any inheritance tax due will be paid; and that the claiming successor is entitled to payment or delivery of the property.

All successors who might have a claim on the estate are listed below:

Successor _____ Successor _____ Successor _____
 Successor _____ Successor _____ Successor _____

that all successors listed above (parent or legal guardian, if successor is a minor) agree and have indicated to me that ownership of the vehicle/boat should rest in _____ (successor) of _____ (address); that all inheritance tax due South Dakota will be paid; and that I understand that an inheritance tax lien may be noted on this vehicle's/boat's title if such taxes are not paid.

I hereby request that the Department of Revenue & Regulation issue Title covering this vehicle/boat in the name indicated and that I agree to protect and indemnify the South Dakota Department of Revenue & Regulation, Division of Motor Vehicles, against any and all liabilities and claims which may arise as a result of this title issuance.

Please check applicable box:
 Certificate of title is not available Signature of Affiant(s) _____

STATE OF SOUTH DAKOTA
 COUNTY OF _____ SS. _____ Notary Public or County Treasurer
 Subscribed and Sworn to before me this _____ day of _____, 20____ Date Commission Expires _____

AFFIDAVIT OF VEHICLE REPOSESSION

AFFIANT NAME(S) _____ ADDRESS _____
 _____ ADDRESS _____
 VEHICLE/BOAT DATA YEAR _____ MAKE _____ SERIAL # _____
 LICENSE # _____ STATE _____ TITLE # _____ TITLED IN (STATE) _____

This is to certify that on the _____ day of _____, 20____ the undersigned did lawfully repossess the vehicle as described above from _____ because of the failure of the debtor to fulfill his/her obligation according to the terms of the encumbrance on said vehicle. That I (we) make this affidavit for the purpose of establishing ownership to said vehicle in order to obtain a Certificate of Title hereto under the laws of the state of South Dakota. I (we) further state that in consideration of the issuance of the transfer of certificate of title applied for, I (we) hereby agree to indemnify the Secretary of the Department of Revenue & Regulation and all persons acting for him from any and all liability that may occur by the issuance of such certificate and agree at my expense to defend any suit that may be brought against the Secretary or any person acting for him as a result of issuing such certificate.

Signature of Affiant _____ On behalf of _____ (Name of Lienholder)
 _____ Lienholder
 _____ Address _____

Please check applicable box:
 Certificate of title is not available Address _____

STATE OF SOUTH DAKOTA
 COUNTY OF _____ SS. _____ Notary Public or County Treasurer
 Subscribed and Sworn to before me this _____ day of _____, 20____ Date Commission Expires _____

New Licenses (cont.)

The cost of your prorated license would be the sum of:

- 60 percent of South Dakota's fee (60,000 miles is 60 percent of 100,000);
- 20 percent of Minnesota's fee (20,000 miles is 20 percent of 100,000 miles);
- 5 percent of the fees in each of the other four jurisdictions (5,000 miles is 5 percent of 100,000 miles).

Because of this method of calculation, accurate distance records are a necessity for all prorated carriers. For more information on distance records, see "Record Keeping and Audits."

Steps in the Licensing Process

The licensing process for a new applicant is composed of the following steps:

1. Complete the IRP Application form and Schedule A/E.
2. Attach the following documents:
 - a. Agreement to Maintain Records Form, page 19;
 - b. Power of Attorney (only required when another agency or individual is responsible for your licensing), page 23;
3. Provide proof of residency as indicated below.
4. If the power units being apportioned are not newly purchased, proof of out-of-operation must be submitted. This is required as some jurisdictions require continuous registration and will charge for 12 months of fees if documentation cannot be supplied proving that the vehicle(s) have not operated.

"Established Place of Business" means a physical structure located within the base jurisdiction that is owned or leased by the applicant or registrant and whose street address shall be specified by the applicant or registrant. This physical structure shall be open for business and shall be staffed during regular business hours by one or more persons employed by the applicant or registrant on a permanent basis (i.e., not an independent contractor) for the purpose of the general management of the applicant's or registrant's trucking-related business (i.e., not limited to credentialing, distance and fuel reporting, and answering telephone inquiries). The applicant or registrant need not have land line telephone service at the physical structure. Operational records concerning the fleet shall be maintained at this physical structure (unless such records are to be made available in accordance with the provisions of Section 1020). The base jurisdiction may accept information it deems pertinent to verify that an applicant

or registrant has an established place of business within the base jurisdiction.

When filing an application for a new license, it will be necessary for a new applicant to provide the following items in support of this requirement:

- a. Copy of a phone bill in applicant's name for address listed;
- b. Proof of insurance on the real estate property; and
- c. Proof of payment of real estate taxes for current or prior year on described property; or if rented, a copy of a rental contract for the property.

Send this material to the Office of Prorate and Commercial Licensing at the address listed in this manual. Send no money at this time unless requesting a "Temporary Clearance," see page 16.

1. The prorated office will calculate the cost of your license and will send you a billing notice for the amount due.
2. Return the top portion of the billing notice along with your payment, made payable to "South Dakota Department of Revenue." **NOTE:** If the department has ever received a dishonored personal or company check, your payments must be made in certified funds.
3. If you have received a temporary clearance, your bill must be paid within 30 days of the date of the billing or you will be assessed 1.5 percent interest monthly on the unpaid balance. You will also be assessed a penalty of 10 percent of the total fees due or \$10.00, whichever is greater.
4. After your payment is received, you will be sent license plates/decals and cab cards, which you need to review to ensure that they are correct. Requests for corrections made more than 15 days after you receive the cab cards will cost \$3.00 per cab card. If you request us to send your license(s) to a motor carrier service bureau, it will be the bureau's responsibility to forward them to you in a timely manner. You will be billed a mailing fee of \$5.00 per plate for any plates that are mailed, or \$1.00 per decal.

Licenses cannot be issued without a completed application. Please be certain to review your application before submission. Incorrect or incomplete applications will be returned or will delay the licensing process.

New Licenses (cont.)

PRISM

The Performance and Registration Information Systems Management (PRISM) program links the commercial vehicle registration process to motor carrier safety to achieve two purposes:

- Determine the safety fitness of the motor carrier prior to issuing license plates.
- Influence the carrier to improve its safety performance through an improvement process and, where necessary, the application of registration sanctions.

The PRISM program includes two major processes - the Commercial Vehicle Registration Process (Registration) and Enforcement, which work in parallel to identify motor carriers and hold them responsible for the safety of their operation. The performance of unsafe carriers is improved through a comprehensive system of identification, education, awareness, data gathering, safety monitoring and treatment.

Registration

The International Registration Plan (IRP) commercial vehicle registration process of the states provides the framework for the PRISM program. It serves two vital functions. First, it establishes a system of accountability by ensuring that no vehicle is plated without identifying the carrier responsible for the safety of the vehicle during the registration year. Second, the use of registration sanctions provides powerful incentive for unsafe carriers to improve their safety performance.

The vehicle registration process ensures that all carriers engaged in interstate commerce are uniquely identified through a USDOT number when they register their vehicles. The safety fitness of each carrier can then be checked prior to issuing vehicle registrations. Those motor carriers that have been prohibited from operating in interstate commerce by the Federal Motor Carrier Safety Administration may have their ability to register vehicles denied by the State.

Enforcement

The Motor Carrier Safety Improvement Process (MCSIP) is the means by which carrier safety is systematically tracked and improved. MCSIP is a data-driven process that uses current safety event information such as crashes, inspections, driver violations, compliance review data and other data to assess and monitor motor carrier safety performance. Safety events are assigned to the motor carrier responsible for the safety of the motor vehicle and are weighted according to severity, frequency and time since the occurrence.

The process is designed to improve the safety performance of carriers with demonstrated poor safety performance through accurate identification, performance monitoring and treatment.

Once the carrier exceeds the bounds of the established safety threshold, the motor carrier enters MCSIP. MCSIP provides opportunities for the motor carriers to improve operations and return to a safe condition. Within MCSIP, carriers with potential safety problems are identified and prioritized for an on-site review using the Motor Carrier Safety Status (SafeStat) prioritization methodology developed for the PRISM program. A federal operations out-of-service order and concurrent state registration suspension or revocation is the ultimate penalty if there is no improvement in the motor carriers' safety fitness record.

PRISM Benefits

PRISM demonstrates the following safety, economic and productivity benefits:

Accountability

Identification of the carrier (via their USDOT number) responsible for the safe operation of the vehicles being registered has clearly produced a major safety benefit. Accountability means that safety events (e.g. inspection, accident, driver moving violations) affecting a PRISM registered vehicle can be more accurately tied back to the responsible motor carrier.

Performance-Based Approach to Safety Management

The primary means for identifying potentially poor performing carriers is through an accumulation of carrier, vehicle and driver-specific safety events that is then linked to the carrier through the carrier's USDOT number. Carriers are identified, treated and released from a safety improvement program based upon demonstrated highway performance after safety treatments have been applied.

New Licenses (cont.)

Improved Productivity

The PRISM program was developed to meet the challenge of reducing the number of commercial vehicle crashes of a rapidly expanding interstate carrier population. It has increased the efficiency and effectiveness of federal and state safety efforts through:

- A more accurate process for targeting the highest-risk carriers, which allows for a more efficient allocation of scarce resources for compliance reviews and roadside inspections.
- The use of a warning letter as an effective, yet inexpensive, alternative to a compliance review for carriers with less severe safety performance problems.

Improved Data Quality

The PRISM program has shown that an improvement in the accuracy and timeliness of data will result in better resource allocation and heightened efficiencies in the administration of major federal and state safety programs.

The data improvement initiatives in this project have significantly improved the accuracy and timeliness of critical accident and inspection data collected and uploaded by state motor carrier personnel.

Several of the most notable data improvement initiatives are listed below:

- The development of a procedure for obtaining current census and operational data on interstate motor carriers as part of the state's annual vehicle registration renewal process;
- The development of a procedure for using plate numbers as a means to more effectively assign inspection and accident data to the responsible motor carrier;
- The use of automated procedures such as bar codes, for data collection in the field to eliminate typing errors on critical fields like USDOT number, plate number and VIN.

Improved Motor Carrier Safety

The PRISM program requires that motor carriers improve their identified safety deficiencies or face progressively more stringent sanctions up to a Federal out-of-service order and concurrent State registration suspensions. The PRISM program has proven to be an effective means of getting motor carriers to improve their compliance and performance deficiencies.

Rental/Leasing Registration

Rental/leasing companies who register in their own name must provide the USDOT Numbers and copies of updated MCS-150 forms to the registration office for the rental/leasing company and also for all lessees who are responsible for safety for the vehicles. The USDOT Number for the rental/leasing company should be recorded in Section I of the IRP Application and the appropriate USDOT number for the lessee's must be recorded in Section III, column 19. Column 21 must be recorded with an "n" if the terms of the lease cover the full registration year.

Exceptions to the Standard Licensing Process

If you will be traveling in jurisdictions that do not participate in the International Registration Plan and do not have special agreements with South Dakota (The Northwest Territories, Yukon Territory and the country of Mexico), you will have to register directly with those jurisdictions. The South Dakota prorated license will not be honored.

New Licenses (cont.)

What a Prorate License Doesn't Do

It does not do the following:

1. Exempt a carrier from the payment of motor fuel taxes in any jurisdiction;
2. Exempt a carrier from obtaining operating authority from a jurisdiction where the apportioned vehicle operates;
3. Exempt a carrier from the payment of the Federal Heavy Vehicle Use Tax;
4. Permit a carrier to exceed maximum length, height, width and axle limitations;
5. Permit the violation of bridge laws;
6. Exempt a carrier from obtaining a Commercial Driver's License;
7. Exempt a carrier from any sales tax due.

License Credentials - Plates/Decals/Cab Cards

When your application has been processed, you will receive a number of items from the division that define your license as a prorate carrier.

Cab Card

The cab card lists all jurisdictions that are a member of the plan and the vehicle's maximum combined gross weight. **The original cab card, not a photocopy, must be in the vehicle at all times.** Be certain to check the card for accuracy as soon as you receive it. If you request a correction of errors more than fifteen days after you receive the card, you will be charged a duplicate card fee of three dollars. The same three dollar fee applies for the replacement.

Cab Card

The vehicle described at left is proportionally registered within the following jurisdictions at the gross weight stated below:

SOUTH DAKOTA APPORTIONED REGISTRATION CAB CARD		SD 080000	WY 080000	*****	*****	*****	*****	*****	*****
Issue Date:	7/29/2010	Expiration Date:	05/31/2011						
License No.	PR00014	Decal No.	PR00014	9999-1	1				
Year	1999	Make	KW	Model/Type	K100	Unladen Wgt.	17000	Fuel	D
Serial No. (VIN)	40F504826W2017238	Title No.	APPLIED FOR						
Registrant Name	DEPT OF REVENUE TEST ACCOUNT								
DBA Name	*****								
Address	445 EAST CAPITOL								
City/ST/Zip	PIERRE SD 57501								
Owner/Lessor	TEST								
Carrier Name	TROTZKE TRUCKING INC								
Address	PO BOX 128								
City/ST/Zip	FARMERSBURG IN 47500								

REL 11
SOUTH DAKOTA 2011
05
PR00014
VOID

License Plate and Validation Decal

The number on a vehicle's license plate and decal and the number on a vehicle's cab card always correspond. Consequently, the plate identifies a vehicle as operating under the definitions described on a specific cab card. The license plate must be mounted on the front of the vehicle in accordance with the requirements of South Dakota state law and the validation decal is placed in the upper

left hand corner of the plate. The cost of replacing a lost or damaged license plate is fifteen dollars (\$10.00 plate fee and \$5.00 mailing fee). If the license is picked up at our office and not sent through the mail, the mailing fee is waived.

License Plate



Identification Plate (if applicable)

A second plate identifying a vehicle as having a prorate license ("Apportioned Vehicle") will be included in your packet if you are registering either a straight truck (TK) or a bus (BS).

This second plate must be displayed on the rear of the vehicle (power unit, not trailer). This plate does not correspond to the cab card, is not replaced each year, and should be used as long as the vehicle carries a prorate license. If desired, the identification plate can be switched from one prorate vehicle to another. If the plate is damaged or lost, the cost of a replacement is fifteen dollars (\$10.00 plate fee and \$5.00 mailing fee).

If the plate is picked up at our office and not sent through the mail, the mailing fee is waived.

Identification Plate



New Licenses (cont.)

Trailer Cab Card (if applicable)

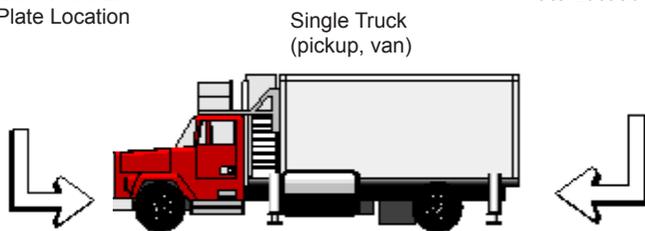
The number on the trailer cab card corresponds with the trailer identification plate. The card must be carried in the cab of the power unit pulling the trailer.

Trailer Identification Plates (if applicable)

Original and renewal license applications ask for a list of the trailers you want to license, as well as the power units. Once issued, the trailer identification plates are valid for as long as you own the trailer. The plate cannot be transferred to another trailer or to a new owner. It is your responsibility to return the trailer plate to the Office of Prorate and Commercial Licensing if the trailer leaves your service.

Standard Numerical
Multi-State License
Plate Location

"Apportioned Vehicle"
Plate Location



Unified Carrier Registration Program (UCR)

If you operate a truck or bus in interstate or international commerce there is a new federal law that applies to your business. The Unified Carrier Registration (UCR) Program requires individuals and companies that operate commercial motor vehicles in interstate or international commerce to register their business and pay an annual fee based on the size of their fleet. This law includes private carriers. It also includes Freight Forwarders, Brokers and Leasing Companies that make arrangements for the transportation of cargo and goods in interstate or international commerce.

A "Commercial Motor Vehicle" is defined as a self-propelled vehicle used on the highways in commerce principally to transport passengers or cargo, if the vehicle:

- (a) has a gross vehicle weight of 10,001 pounds or more;
- (b) is designed to transport 11 or more passengers (including the driver); or
- (c) is used in transporting hazardous materials in a quantity requiring placarding.

The fees under this program will be required to be paid each year and may vary from year to year. The fees are currently listed below:

Fleet Size (Include Trailers) Fee Per Company

Tier	From	To	
1	0	2	\$ 76.00
2	3	5	\$ 227.00
3	6	20	\$ 452.00
4	21	100	\$ 1,576.00
5	101	1,000	\$ 7,511.00
6	1,001	200,000	\$73,346.00

Example: A motor carrier operating four tractors and nine straight trucks has a fleet size of thirteen (Tier 3) commercial motor vehicles and pays \$452.00.

You may either apply for the UCR by completing a UCR application and mailing the appropriate fee to the Department or register online at www.ucr.in.gov and follow the step-by-step instructions. When registering online, payments can be made using MasterCard, Discover, Visa or e-Check. Credit card payments and e-Check payments can only be processed if you register online. Credit cards cannot be accepted if filing a paper application with the South Dakota Department of Revenue. The following fees will be applied when registering through the above mentioned website. Please note that the credit card fee is an estimate but should be fairly accurate to what you will be charged when paying by credit card.

Tier	Credit Card Fee	E-Check Fee	Debit Card Fee	Website Fee
1	\$2.57	\$1.00	\$2.99	\$3.00
2	\$5.58	\$1.00	\$3.75	\$3.00
3	\$10.05	\$1.00	\$3.75	\$3.00
4	\$32.42	\$1.00	\$3.75	\$3.00
5	\$150.53	\$1.00	\$3.75	\$3.00
6	\$1,460.65	\$1.00	\$3.75	\$3.00

Example: A motor carrier operating four tractors and nine straight trucks has a fleet size of thirteen (Tier 3) commercial motor vehicles and pays by credit card owes \$465.05. If the motor carrier pays by e-Check, he will owe \$458.70.

Yearly License Renewal

The Renewal Application Form

After your first year of licensing, the Division of Motor Vehicles will send you a Renewal Application and Vehicle Information form at least 45 days before the expiration deadline. The Renewal Form lists your licensed vehicles and all the pertinent information about those vehicles. You will need to take the following action on the Renewal Form:

1. List the total distance all vehicles traveled in the fleet for each jurisdiction from July 1 through June 30. Total distance include trip-permitted distance and distance operated on toll roads. Distance also consists of any vehicles that had operated as part of the fleet during that period even if the vehicle(s) are not being renewed.
2. List any registered distance (trip permits in the preceding twelve months), by jurisdiction, on vehicles you are licensing for the first time.
3. Delete any vehicles you do not want licensed and add any additional vehicles.
4. Make any changes in the combined gross weight of your vehicles. The combined gross weight listed will be the weight that all jurisdictions are registered at unless a weight schedule is attached that identifies otherwise.
5. Review the Ownership Information form for any changes in your address, owners, officers or partners and other pertinent information.
6. Review and update the MCS-150 Form, if applicable
7. Review the form for additional changes or errors.

Note: Colorado has a reduced fee schedule for vehicles that have operated under 10,000 miles nationally. If you are licensing your fleet for Colorado, you may submit a written statement of fact identifying each vehicle that traveled under 10,000 miles nationally within the reporting distance period. Additional documentation may be required. If you do not submit a statement, all vehicles will be registered as operating over 10,000 miles nationally, and fees will be assessed accordingly.

Calculation of Fees

Non-IRP distance will remain in the total IRP distance; however; satisfactory proof of non-IRP distance traveled may be required of any carrier whose distance figures appear questionable or incomplete.

A Solid Waste Disposal Fee is also collected on all South Dakota-based units. This fee is determined by calculating \$.25 per tire, with a maximum of \$1.00 per unit. The division will assume all units have four tires unless informed otherwise.

Licensing Deadlines

Carriers registering under IRP will be staggered on a quarterly basis. License fees will be billed accordingly based on the month of expiration set up for your fleet. Carriers having multiple fleets must use the same expiration month for all fleets.

Prior to the expiration of your credentials, a renewal application will be sent. To have your registration credentials mailed to you before your license(s) expire, you **MUST**:

- File your renewal application at least 45 days before the expiration deadline; and
- Pay your fees at least 15 days before the expiration deadline.

Following are the expiration dates and enforcement dates.

EXPIRATION DATE	ENFORCEMENT DATE
February 28	March 1
May 31	June 1
August 31	September 1
November 30	December 1

Temporary Clearances

If you are adding a new or replacement vehicle to your fleet, or if you are a new applicant, you may request a immediate, although temporary, prorated clearance. A temporary clearance is usually valid for a maximum of forty-five days or until the end of the current registration year, whichever comes first. A vehicle may receive only one temporary clearance.

The process of applying for a temporary clearance is different for new applicants who do not have an established account with the division than it is for established applicants.

Temporary Clearances for New Applicants

The first step in acquiring a temporary clearance is the completion of the Prorate Application (see “New Licenses”).

The second step is to calculate and submit an advanced deposit. To find this amount, turn to the “Table for Advanced Deposits” on page 24. Locate the correct age chart for the vehicle you want to license (“Less Than 10 Model Years Old” or “10 Model Years Old and Older”). Follow the column “Gross Weight” downward until you find the weight of the vehicle. In the column next to that number you will find the amount of deposit required for a temporary clearance. If you are licensing more than one vehicle, follow the same procedure for each vehicle.

The advanced deposit must be submitted with the “Prorate Application.” If a change in the vehicle’s title is required, a title application must be included with the advanced deposit. A document supporting the validity of the title change must be attached to the title application (MV-608). This proof includes a foreign title, an assigned South Dakota title or Manufacturer’s Certificate of Origin (MCO).

Temporary Clearances for Carriers on File

If you have an established account (at least one year of prompt payment and paperwork processing), applications for temporary clearances can be sent via fax or phone without having to submit an advanced deposit. You will be required to file an advanced deposit for a temporary clearance if you fail to make payments, fail to file paperwork in a timely manner or have additional problems with your account, or you may be denied the privilege of receiving temporaries if your account has had consistent problems or delinquencies.

When a temporary clearance is issued, the unit(s) for which the clearance is issued must be apportioned. A supplemental application adding this unit or units must be submitted to the Office of Prorate and Commercial Licensing within 20 days of the issuance of the temporary clearance. Temporary clearances will not be issued in lieu of permanently registering a unit. If you fail to file all paperwork covering any temporary clearance, you may be assessed a \$20.00 penalty. Any application submitted after a temporary clearance has expired will be assessed a \$20.00 penalty, per vehicle.

Single-Trip and Commercial Permits

Carriers who intend to use a vehicle for interstate travel for a single trip may purchase a trip permit which allows the vehicle to travel within the jurisdiction from a point of origin to a point of destination. Such vehicles must have some form of current license before a trip permit can be issued.

If a carrier is going to use the vehicle only in an intrastate operation, they may qualify for a commercial permit.

The common use of trip permits by South Dakota based carriers is for vehicles under a temporary lease. The fee for a trip permit is \$15 per trip. Trip permits may be obtained by calling the 24-hour Permit Center at (605) 698-3925 or 3924.

Special Licenses

Some commercial carriers have special requirements. The following section describes the provisions in the registration of owner-operator vehicles, leased vehicles, and the vehicles of household goods carriers.

Licensing Owner-Operator Vehicles

Owner-operators lease their vehicles to carriers and provide them with drivers. The vehicle may be licensed in the name of the owner-operator, in which case the fees are based on his or her operational records. The owner-operator retains control of the license plates and cab card.

On the other hand, the carrier leasing the vehicle may be the license holder. If so, both the owner-operator's and the carrier's names appear on the registration. The fees are then based on the records of the carrier and the license plates and cab card are controlled by the carrier.

If the owner-operator leaves the carrier's fleet, the carrier can delete the vehicle from the registered fleet by submitting an application to the Prorate Office.

If an owner-operator leasing to a carrier and operating under that carrier's license decides to license in his or her own name, while continuing the lease agreement, he or she will use actual distance as a basis for application. Actual distance is that which was traveled by the owner-operator as reported on the carrier's original account at renewal time.

In some instances, owner-operators may choose to break their lease with a carrier. If they subsequently apply for their own prorate license, they must use actual distance on their application.

Licensing Leased Vehicles

Either a lessor or lessee may license a leased vehicle. The cost of the prorate license will be based on the records of the license holder regardless of whether this is the lessor or lessee. A certified lease agreement must accompany the vehicle at all times. If the length of the lease is short-term, trip permits should be considered in place of a prorate license.

Licensing Household Goods Carriers

Vehicles used in transporting household goods may be registered in the home state of either the service representative (a service representative provides facilities, sales, warehousing, equipment, and personnel to a household goods carrier) or the carrier. If they are registered in the home state of the service representative, the names of both the service representative and the carrier (as lessor) appear on the form.

The distribution of fees among the jurisdictions are based on the operational records of both the sales representative and the carrier. Those records must be available in the sales representative's jurisdiction.

If the vehicles are registered in the home jurisdiction of the carrier, the names of both the carrier and service representative (as lessor) must appear on the form (assuming the jurisdiction is an IRP member). The distribution of fees among the jurisdictions are based on the operational records of the carrier.

Household Goods Carriers using equipment leased from service representatives may elect to base that equipment in either the base jurisdiction of the service representative or that of the carrier.

If the base jurisdiction of the service representative is selected, the equipment shall be registered in the service representative's name, and the Household Goods Carrier shall be shown as the lessee. The apportionment of fees shall be according to the combined distance records of the service representative and the carrier. Such records must be kept or made available in the service representative's base jurisdiction.

If the base jurisdiction of the Household Goods Carrier is selected, the equipment shall be registered in the name of the carrier and that of the service representative as lessor. The apportionment of fees shall be according to the combined distance records of the carrier and those of the service representative. Such records must be kept or made available in the Household Goods Carrier's base jurisdiction.

Rental and Leasing Companies

For purposes of IRP, the following definitions are applicable to rental vehicles:

Rental Owner - an owner who rents vehicles to others with or without drivers.

Rental Fleet - one or more vehicles that are offered for rent with or without drivers.

Rental Vehicle - a vehicle of a rental fleet.

Renting and Leasing - the giving of possession and control of a vehicle for valuable consideration for a specified period of time.

Rental Transaction - the rental of a vehicle shall be deemed to occur in the jurisdiction where such vehicle first comes into possession of the user.

Special Licenses (cont.)

In order to establish an account as a rental or leasing company, the applicant must register at least five vehicles.

Rental fleets registered by any person or firm engaging in the business of renting vehicles shall be extended full interjurisdiction and intrajurisdiction privileges when such person or firm complies with the following provisions:

- a. The vehicles are part of a rental fleet which are identifiable as being a part of such fleet;
- b. The person or firm registers the vehicles in accordance with the provisions of Article XI of the International Registration Plan.

Rental Passenger Cars

To determine the percentage of total fleet vehicles that shall be registered in a jurisdiction, divide the gross revenue received in the preceding year for use of such rental vehicles arising from passenger car rental transactions occurring in all jurisdictions in which such vehicles are operated. The resulting percentage shall be applied to the total number of passenger cars in the fleet and that figure shall be the number of rental passenger cars that shall be fully registered in the jurisdiction.

One Way Vehicles

Owners of trucks of less than 26,000 pounds gross vehicle weight operated as part of an identifiable one-way fleet will allocate vehicles to the respective jurisdictions and fully plate said allocated vehicles in such jurisdiction. All trucks of such one-way fleet so qualified will be allowed to perform both interjurisdiction and intrajurisdiction movements in all jurisdictions.

Trailer Fleets

South Dakota does not allow trailer fleets.

Bus Applications

An additional form must be completed when applying for a prorated license for a bus. Form IV (see page 23) must accompany any apportioned license application for a bus.

The apportionable fees of a fleet that is involved in a pool may be calculated using apportionment percentages derived according to the IRP or, in the alternative, at the option of the applicant, the apportionment percentage may be calculated by dividing (a) the scheduled route distance operated in the member jurisdiction by the vehicles in the pool by (b) the sum of the scheduled route distances operated in all the member jurisdictions by the vehicles in the pool. Scheduled route distances shall be determined from the farthest point of origination to the

farthest point of destination covered by the pool. If a registrant has used this method to register its fleet initially for a registration year, it shall also use this same method to register any apportionable vehicles it may add to its fleet during the year.

Record Keeping and Audits

Record Keeping

Prorate license holders are required to maintain detailed distance records. In practice, this means:

- Individual Vehicle Distance/Fuel Records (IVDFR) (see page 20);
- A monthly summary.
- A quarterly summary.
- A yearly summary.

Records must be retained for a period of 4 years, the current tax year plus the 3 previous years. The record retention period covers activities during the Reporting Period pertaining to the applicable registration year.

Items such as computer printouts and fuel reports are important support documents but will not replace the three reports listed above. Computer or any other PC distance systems may be used to support documentation, however, these distance systems MUST NOT be used to replace the required trip reports (IVDFR).

The IVDFR must contain the following information:

1. Dates of the trip (starting and ending);
2. Trip origin and destination;
3. Route of travel including highway numbers;
4. Total distance traveled within each jurisdiction;
5. Total trip distance (including all vehicle movement whether loaded, empty, deadhead, or bobtail miles/kilometers);
6. Unit number or vehicle identification number for power units and trailers;
7. Beginning and ending odometer readings (or hubometer);
8. Registrant's name
9. Driver's Identification (name, number, signature).

The following information is helpful, but not mandatory:

- Odometer reading at jurisdictional border crossings;
- Registrant's name;
- Trailer number.

An IVDFR must be completed any time a vehicle moves. All vehicle distance must be accounted for on an IVDFR, including distance traveled under trip permits.

South Dakota encourages the use of new technology and most cost effective methods of accumulating total and in-jurisdiction distances that accurately reflect actual route of travel. If a carrier installs/implements systems(s)

Agreement to Maintain Records

AGREEMENT TO MAINTAIN RECORDS IN ACCORDANCE WITH THE INTERNATIONAL FUEL TAX AGREEMENT AND THE INTERNATIONAL REGISTRATION PLAN'S RECORD KEEPING REQUIREMENTS

Every licensee shall maintain adequate records of operation. The licensee shall preserve the records for IRP for the three mileage reporting periods (July 1 through June 30) which immediately precede the current license year, along with the current license year. The licensee shall preserve the records for IRP for a period of four years from the date of the return.

South Dakota requires that records be made available to the department for audit upon request. In the event the licensee fails to make acceptable records available for the audit, the department may make assessments and penalties for the period under audit and may suspend or cancel license privileges.

DOCUMENTS TO BE MAINTAINED

The following paragraphs briefly describe the documents required. Detailed record keeping information and requirements are included in the South Dakota Procedures Manual.

Each trip must be supported by a driver's trip sheet, driver's log or other document completed by the driver that includes the following information:

- 1) Date of trip (beginning and ending); 2) Trip origin and destination; 3) Routes (highway numbers) traveled; 4) Mileage by jurisdiction; 5) Total trip miles; 6) Vehicle equipment number or identification number (for power unit and trailer); 7) Odometer readings; 8) Driver name and signature; 9) Both taxable and non-taxable usage of fuel; 10) Miles traveled for taxable and non-taxable use; 11) Mileage receipts for each vehicle for each jurisdiction in which the vehicle operated.

Each licensee shall maintain a complete record of fuel purchased or received, including retail and bulk storage used in the conduct of its business. The fuel records shall contain, but are not limited to:

- a. The date of each receipt of fuel;
- b. The name and address of the person from whom purchased or received;
- c. The number of gallons received;
- d. The type of fuel;
- e. The vehicle or equipment into which the fuel was placed;
- f. All information for the reconciliation of bulk storage;
- g. Both taxable and non-taxable usage of fuel;
- h. Miles traveled for taxable and non-taxable use;
- i. Mileage receipts for each vehicle for each jurisdiction in which the vehicle operated.

Mileage and fuel recorded on the driver's trip sheet or the driver's log shall be summarized monthly by equipment number showing the total number of miles operated in each jurisdiction covering the applicable mileage reporting period and the fuel purchased in each jurisdiction.

From the monthly summaries, the licensee shall prepare a yearly recap showing the total fleet miles and fuel, broken down by month for each jurisdiction, covering the applicable reporting period.

DECLARATION

The undersigned agrees to maintain records in accordance with International Fuel Tax Agreement and the International Registration Plan from the original date of licensing until such time as the IRP or IFTA account is no longer active and the license is cancelled.

(Printed Name) - Authorized Company Rep. (Signature) Title

License Business Name Account Number Date

PRIF 308 - 810
445 East Capitol Ave.
Pierre, SD 57501-0185

that provides accurate (life-to-date) distance data without driver input, carrier may request a waiver of either odometer readings or routes of travel, not both. A request for a waiver of a reporting requirement must be in writing. South Dakota will conduct an inspection of internal control procedures and fully test the carriers distance and fuel accounting system. A valid waiver of either routes of travel or odometers (not both) will bear the signature of an authorized South Dakota official. The waiver is valid for three years - unless there is a material change in internal controls or methods of accumulating key data elements necessary to complete quarterly returns.

The monthly summary must show:

- In-jurisdiction and total distance traveled by each power unit operated during the calendar month.

The quarterly summary must show fleet:

- In-jurisdiction and total distance traveled by the fleet during each calendar quarter.

The yearly summary must show:

- A summary of the July 1 to June 30 distance year (monthly/quarterly) used in preparing the application for apportionment.

You will be required to file an agreement to maintain records the first year of licensing.

Record Keeping and Audits (cont.)

Audits

The Department of Revenue routinely audits license holders. The purpose of an audit is to ensure license holders comply with the terms of the IFTA/IRP. The audit verifies the accuracy of the jurisdictional distance on the application for apportionment by reviewing the required source and summary documents listed on the Record Keeping and Audits section of this manual.

Notice of Intent to Audit

The audit process begins when the department mails a “Notice of Intent to Audit” to the license holder. License holders are normally notified at least 30 days prior to the audit date (unless the department secretary determines that a delay would jeopardize the collection of tax). The 30-day period may be waived by mutual consent of the parties.

Within 60 days after the beginning of the audit, the license holder must provide the auditor with all operational records. These records include IVDFRs, monthly, quarterly and yearly summaries and supporting documents. If the license holder fails to present documentation to the auditor within the 60-day period or if there is a deficiency in the records presented, the department will assess the following penalties:

- If records are found to be inadequate at any time, the license holder will be assessed the full 3 percent excise tax on any vehicle that had the tax apportioned during that license period.
- If records are not adequate to allow a satisfactory audit, the license holder may be assessed a penalty of up to 20 percent of the original jurisdictional fees for the year(s) under audit.
- If records are found to be inadequate in a subsequent year, the license holder may be assessed a penalty of up to 100 percent of original jurisdictional fees and/or his or her prorated license may be revoked.

Certificate of Assessment

After reviewing the license holder’s records, the auditor will discuss any discrepancies with the licensee and will issue a “Certificate of Assessment.” The certificate of assessment will show the license type and any debit or credit due from each jurisdiction, along with the net debit or credit due based on the audit. Any IRP fees due or credit due from an audit will be netted. The State of South Dakota will collect or credit all member jurisdiction’s fees based on the net amount of the audit results.

The license holder has 60 days from the date of the certificate to take the following action:

- pay the assessment, including accrued interest, or

Sample Individual Vehicle Distance Records/ Fuel Record (IVDFR)

- request a hearing (in writing) before the Secretary of Revenue.

Appealing an Audit Assessment

A request for hearing is the license holder’s only way of contesting an audit assessment. If a license holder decides to appeal the assessment, he or she must submit a

Record Keeping and Audits (cont.)

“Request for Hearing” within the 60-day time limitation. The request, submitted in letter form, must specifically identify the issues being contested. If it does not, the administrative hearing could be denied.

The request for hearing must state:

- the portion of the assessment being contested, and
- the mistake of fact or error of law the license holder believes resulted in a invalid assessment.

Once a proper request for hearing has been filed, the matter becomes a contested case and falls within the scope of the Administrative Procedures Act (SDCL 1-26). The department schedules the matter for hearing and serves the license holder with a “Notice of Hearing.”

Notice of Hearing

The notice of hearing informs the license holder of the time and place of the hearing, the name and address of the hearing examiner and sets forth the issues to be considered. The notice of hearing must be served on the license holder at least ten days prior to the hearing, to allow time for “discovery proceedings,” which may include a pre-hearing conference involving the department’s attorney, the license holder and his or her representative, and the hearing examiner.

The Administrative Hearing

The administrative hearing is conducted according to the provisions of the Administrative Procedures Act (SDCL 1-26). The license holder may be represented by an attorney.

Essentially, the license holder is a plaintiff in a civil matter. Consequently, he or she must prove that the assessment is invalid because it is based on a mistake of fact or error of law. In most cases, the administrative hearing is the license holder’s only opportunity to present testimony and evidence.

At the conclusion of the hearing, the hearing examiner may request briefs on the legal issues. Following the submission of briefs, the hearing examiner prepares proposed findings of fact and conclusions of law for the Secretary of Revenue to consider.

Findings of Fact, Conclusions of Law and Order of the Secretary

The secretary may adopt the proposals of the hearing examiner or, after reviewing the record, may submit his or her own findings, conclusions and decision. Copies of the findings of fact, the conclusions of law, and the order are sent to the license holder.

If the license holder is ordered to pay additional fees and/or tax and desires to appeal the decision to the circuit court, he or she must:

- pay the amounts ordered to be paid, or
- file a bond with the department to insure payment

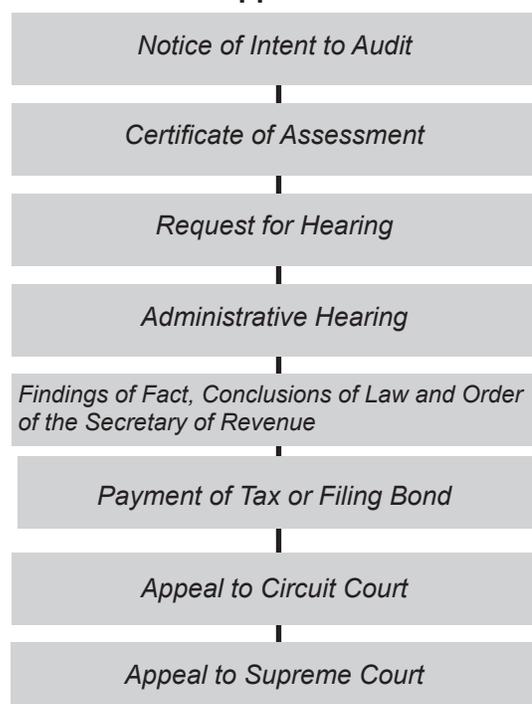
The South Dakota Supreme Court has ruled that if payment is not made, or a bond posted, the circuit court cannot hear an appeal.

Notice of Appeal

After the license holder has paid the fees and/or tax or filed a bond, the appeal to the circuit court is governed by the Administrative Procedures Act. The license holder must serve his or her notice of appeal upon the Department of Revenue and file it, along with proof of service, with the clerk of courts of the appropriate county. This notice of appeal must be filed within 30 days of the date the Secretary of Revenue serves the license holder notice of his or her decision.

When the court hears the appeal, it will base its review of the department secretary’s decision upon the administrative record. With regard to the questions of fact, the secretary’s findings will be upheld unless “clearly erroneous.” Questions of law are fully reviewable by the court. The decision of the circuit court may be appealed to the South Dakota Supreme Court. The supreme court will review the secretary’s decision on the record, under the same standards of review employed by the circuit court.

Audit and Appeal Flow Chart



Record Keeping and Audits (cont.)

Collections

If a license holder fails to pay fees, taxes, penalties and interest, the Department of Revenue may begin a civil suit against the license holder for recovery of the debt. If successful, the department becomes a judgment creditor and can use the normal collection procedures open to such a creditor.

Distress Warrant

If the license holder still fails to make payment, the department requests the county treasurer to issue a distress warrant to the county sheriff. The distress warrant directs the sheriff to proceed to collect the delinquent fees and/or taxes by seizing and selling the license holder's property.

License Revocations

If the holder of a prorated license fails to pay fees and/or taxes in a timely fashion, the license may be revoked. The department will give the license holder prior notice and an opportunity to be heard before his or her license is suspended or revoked.

A hearing examiner conducts the revocation hearing. The department presents evidence to prove the failure to pay fees and/or taxes. The license holder then submits his or her evidence or testimony to show compliance with the licensing regulations. Following the hearing, the hearing examiner prepares minutes and a decision for the secretary to consider. The secretary will then issue his or her order, which may include an assessment of additional taxes, penalty and interest.

The department and the license holder have the right of judicial review of the secretary's order. The procedure for judicial review is essentially the same as that described in the previous section on audit appeals.

Declaratory Rulings

If a license holder believes that an error has been made in determining his or her liability, he or she may ask the Secretary of Revenue to render a formal opinion regarding the application or interpretation of a licensing regulation. This opinion is called a declaratory ruling and is made according to specific rules and procedures set forth in SDCL 1-26-15.

A license holder who wants a declaratory ruling from the department secretary must submit a verified petition. The petition must present the specific question on which he or she is requesting a ruling and the factual basis for the question. Typically, the petition will include a request for a refund of fees and/or taxes. If the secretary determines

that additional facts or information are needed, he or she may call for a hearing on the petition. The secretary must notify the license holder of the hearing at least ten days prior to the hearing date.

The secretary may decline to render a decision if he or she determines that a ruling will not settle the controversy. If a ruling is made, the secretary will include findings of fact and conclusion of law.

The secretary's ruling is subject to appeal to the courts. The appeal is the same as an appeal of any other agency decision in a contested case.

Pre-Hearing Checklist Appealing an Audit Assessment

- Submit your request for hearing in writing to the Secretary of Revenue within thirty days of the Certificate of Assessment date.
- Submit your list of witnesses to the hearing examiner with a copy to the Department of Revenue, not less than ten days prior to the date of hearing.
- If rescheduling a hearing, submit a request for continuance to the hearing examiner with a copy to the Secretary of Revenue at least seven days prior to the hearing date.
- Submit proposed stipulations to the hearing examiner at least two days prior to the date of the hearing.
- Make arrangements for a court reporter if you require a verbatim record of the hearing.
- Prepare all exhibits for marking for identification prior to the hearing.

Current Model Year and Nine Preious Years								
Tonnage	Gross Weight	Amount	Tonnage	Gross Weight	Amount	Tonnage	Gross Weight	Amount
2T	UNDER 4,000	\$ 14.00	23T	44,001 - 46,000	\$ 128.00	44T	86,001 - 88,000	\$ 269.00
3T	4,001 - 6,000	\$ 17.00	24T	46,001 - 48,000	\$ 135.00	45T	88,001 - 90,000	\$ 276.00
4T	6,001 - 8,000	\$ 19.00	25T	48,001 - 50,000	\$ 142.00	46T	90,001 - 92,000	\$ 283.00
5T	8,001 - 10,000	\$ 22.00	26T	50,001 - 52,000	\$ 148.00	47T	92,001 - 94,000	\$ 289.00
6T	10,001 - 12,000	\$ 25.00	27T	52,001 - 54,000	\$ 155.00	48T	94,001 - 96,000	\$ 296.00
7T	12,001 - 14,000	\$ 29.00	28T	54,001 - 56,000	\$ 162.00	49T	96,001 - 98,000	\$ 303.00
8T	14,001 - 16,000	\$ 33.00	29T	56,001 - 58,000	\$ 168.00	50T	98,001 - 100,000	\$ 309.00
9T	16,001 - 18,000	\$ 38.00	30T	58,001 - 60,000	\$ 175.00	51T	100,001 - 102,000	\$ 316.00
10T	18,001 - 20,000	\$ 42.00	31T	60,001 - 62,000	\$ 182.00	52T	102,001 - 104,000	\$ 323.00
11T	20,001 - 22,000	\$ 48.00	32T	62,001 - 64,000	\$ 188.00	53T	104,001 - 106,000	\$ 329.00
12T	22,001 - 24,000	\$ 55.00	33T	64,001 - 66,000	\$ 195.00	54T	106,001 - 108,000	\$ 336.00
13T	24,001 - 26,000	\$ 62.00	34T	66,001 - 68,000	\$ 202.00	55T	108,001 - 110,000	\$ 343.00
14T	26,001 - 28,000	\$ 68.00	35T	68,001 - 70,000	\$ 208.00	56T	110,001 - 112,000	\$ 349.00
15T	28,001 - 30,000	\$ 75.00	36T	70,001 - 72,000	\$ 215.00	57T	112,001 - 114,000	\$ 356.00
16T	30,001 - 32,000	\$ 82.00	37T	72,001 - 74,000	\$ 222.00	58T	114,001 - 116,000	\$ 363.00
17T	32,001 - 34,000	\$ 88.00	38T	74,001 - 76,000	\$ 228.00	59T	116,001 - 118,000	\$ 369.00
18T	34,001 - 36,000	\$ 95.00	39T	76,001 - 78,000	\$ 235.00	60T	118,001 - 120,000	\$ 376.00
19T	36,001 - 38,000	\$ 102.00	40T	78,001 - 80,000	\$ 243.00	61T	120,001 - 122,000	\$ 383.00
20T	38,001 - 40,000	\$ 108.00	41T	80,001 - 82,000	\$ 249.00	62T	122,001 - 124,000	\$ 389.00
21T	40,001 - 42,000	\$ 115.00	42T	82,001 - 84,000	\$ 256.00	63T	124,001 - 126,000	\$ 396.00
22T	42,001 - 44,000	\$ 122.00	43T	84,001 - 86,000	\$ 263.00	64T	126,001 - 128,000	\$ 403.00
						65T	128,001 - 130,000	\$ 409.00

Old Than Ten Model Model Years								
Tonnage	Gross Weight	Amount	Tonnage	Gross Weight	Amount	Tonnage	Gross Weight	Amount
2T	UNDER 4,000	\$ 13.00	23T	44,001 - 46,000	\$ 115.00	44T	86,001 - 88,000	\$ 243.00
3T	4,001 - 6,000	\$ 15.00	24T	46,001 - 48,000	\$ 122.00	45T	88,001 - 90,000	\$ 249.00
4T	6,001 - 8,000	\$ 17.00	25T	48,001 - 50,000	\$ 128.00	46T	90,001 - 92,000	\$ 255.00
5T	8,001 - 10,000	\$ 20.00	26T	50,001 - 52,000	\$ 133.00	47T	92,001 - 94,000	\$ 261.00
6T	10,001 - 12,000	\$ 23.00	27T	52,001 - 54,000	\$ 140.00	48T	94,001 - 96,000	\$ 267.00
7T	12,001 - 14,000	\$ 26.00	28T	54,001 - 56,000	\$ 146.00	49T	96,001 - 98,000	\$ 273.00
8T	14,001 - 16,000	\$ 30.00	29T	56,001 - 58,000	\$ 151.00	50T	98,001 - 100,000	\$ 279.00
9T	16,001 - 18,000	\$ 34.00	30T	58,001 - 60,000	\$ 158.00	51T	100,001 - 102,000	\$ 285.00
10T	18,001 - 20,000	\$ 38.00	31T	60,001 - 62,000	\$ 164.00	52T	102,001 - 104,000	\$ 291.00
11T	20,001 - 22,000	\$ 43.00	32T	62,001 - 64,000	\$ 169.00	53T	104,001 - 106,000	\$ 297.00
12T	22,001 - 24,000	\$ 50.00	33T	64,001 - 66,000	\$ 176.00	54T	106,001 - 108,000	\$ 303.00
13T	24,001 - 26,000	\$ 56.00	34T	66,001 - 68,000	\$ 182.00	55T	108,001 - 110,000	\$ 309.00
14T	26,001 - 28,000	\$ 61.00	35T	68,001 - 70,000	\$ 187.00	56T	110,001 - 112,000	\$ 315.00
15T	28,001 - 30,000	\$ 68.00	36T	70,001 - 72,000	\$ 194.00	57T	112,001 - 114,000	\$ 321.00
16T	30,001 - 32,000	\$ 74.00	37T	72,001 - 74,000	\$ 200.00	58T	114,001 - 116,000	\$ 327.00
17T	32,001 - 34,000	\$ 79.00	38T	74,001 - 76,000	\$ 205.00	59T	116,001 - 118,000	\$ 333.00
18T	34,001 - 36,000	\$ 86.00	39T	76,001 - 78,000	\$ 212.00	60T	118,001 - 120,000	\$ 339.00
19T	36,001 - 38,000	\$ 92.00	40T	78,001 - 80,000	\$ 219.00	61T	120,001 - 122,000	\$ 345.00
20T	38,001 - 40,000	\$ 97.00	41T	80,001 - 82,000	\$ 225.00	62T	122,001 - 124,000	\$ 351.00
21T	40,001 - 42,000	\$ 104.00	42T	82,001 - 84,000	\$ 231.00	63T	124,001 - 126,000	\$ 357.00
22T	42,001 - 44,000	\$ 110.00	43T	84,001 - 86,000	\$ 237.00	64T	126,001 - 128,000	\$ 363.00
						65T	128,001 - 130,000	\$ 369.00

South Dakota
Department of Revenue
Office of Prorate and Commercial Licenses

445 E. Capitol Avenue | Pierre, South Dakota 57501-3185

Phone: (605) 773-3314 | Fax: (605) 773-4117 | <http://dor.sd.gov> | motorv@state.sd.us

Taxpayer Bill of Rights

1. You have the right to confidentiality.
2. You have the right to tax information that is written in plain English.
3. You have the right of appeal.
4. You have the right to courteous, prompt, and accurate answers to your questions.
5. You have the right to be certain that collection procedures or assessments are not influenced by performance goals or quotas.
6. You have the right to rely on the written advice given to you by the Department of Revenue.
7. You have the right to be notified before the department audits your records unless the Secretary of Revenue determines that a delay will jeopardize the collection of tax.
8. You have the right to clear and consistent policy regarding the deadlines for filing tax returns and making payments.
9. You have the right to seek a refund of any taxes you believe you have overpaid within the last three years.
10. You have the right to a process requiring that the seizure of your property for taxes be approved by a person no lower in authority than the division director.
11. You have the right to expect that a good-faith effort to comply with tax laws will be given consideration in disputed cases.
12. You have the right to a tax credit of interest or penalties that are determined to have been inappropriately levied.
13. You have the right to the removal of a lien on your property within 30 days after you have paid all tax, penalty and interest due.
14. You have the right to have the South Dakota Department of Revenue correct the public record.

State (SDCL 20-13) and Federal (title VI of the Civil Rights Act of 1964, the Rehabilitation Act of 1983 as amended, and the Americans with Disabilities Act of 1990) laws require that the Department of Revenue provide services to all persons without regard to race, color, creed, religion, sex, disability, ancestry, or national origin.

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