

SD Department of Revenue Motor Vehicle Division Dealer Licensing Manual



Revised May 2025



Websites and Links:

Dealer System:

[https://my605drive.sd.gov/ta
p/dealer/ /](https://my605drive.sd.gov/ta
p/dealer/ /)

Dealer License Information and Dealer Agent Contact Information:

<https://dor.sd.gov/businesses/motor-vehicle/dealer-vehicle-licenses/>

County Treasurer Contact Information: <https://dor.sd.gov/government/county-treasurers/contact-county-treasurers/>

Dealer License Plates Information:

<https://dor.sd.gov/businesses/motor-vehicle/dealer-vehicle-licenses/dealer-requirements-licenseplates/>

FTC Buyers Guide Information: <https://www.ftc.gov/tips-advice/business-center/guidance/dealers-guide-used-car-rule>

Tax Facts for vehicle rentals and leases: <https://dor.sd.gov/media/1kulxyt0/tax-fact-mv-lease.pdf>

Tax Facts for vehicle sales: <https://dor.sd.gov/media/lynnmg3l/2020-3-sales-purchases.pdf>

Tax Facts for motor vehicle repair:

<https://dor.sd.gov/media/jm4h1lr3/2020-3-repairs-services.pdf>

FTC resources for vehicle dealers:

<https://www.ftc.gov/tips-advice/business-center/selected-industries/automobiles>

Motor Vehicle Forms: <https://dor.sd.gov/government/county-treasurers/>

Dealer Forms:

<https://sddor.seamlessgov.com/business-motor-vehicle-motor-vehicle-dealers>

Definition of Terms:

Advertising: For the purposes of § [32-6B-63](#) the term, advertising, means any oral, written, or graphic statement which offers for sale a particular vehicle or vehicle parts and services or which indicates the availability of a vehicle or vehicle goods or services. The term includes any statement or representation made in a newspaper, periodical, pamphlet, circular, other publication, or on a radio or television; contained in any notice, handbill, sign, billboard, poster, bill, catalog, or letter; or printed on or contained in any tag or label which is attached to a vehicle. SDCL [32-6B-64](#)

Administrator: the administrator of the dealer licensing and inspection program of the Department of Revenue SDCL [32-6B-1 \(1\)](#)

Auctioneer: a person who presides over a public auction where following an initial starting price, bids are taken from two or more people until a final bid or price is established for a motor vehicle
SDCL [32-6B-1 \(2\)](#)

Authorized emergency vehicle: any vehicle of a fire department and any ambulance and emergency vehicle of a municipal department or public service corporation that are designated or authorized by the Department of Public Safety or the Department of Health SDCL [32-6B-1 \(3\)](#)

Auxiliary lot: a physically separate location, such as a mobile home park, manufactured housing rental community, manufactured housing subdivision, or any residential lot, where a licensed dealer displays manufactured homes or mobile homes.
SDCL [32-7A-1 \(1\)](#)

Boat dealer: a boat dealer is any person who, for commission or with intent to make a profit or gain, sells, exchanges, rents, or leases with option to purchase, offers or attempts to negotiate a sale or exchange of new or used boats, or who is engaged wholly or in part in the business of selling new or used boats. SDCL [32-7B-1](#)

Broker: a person who, for a fee, commission, or other valuable consideration, arranges or offers to arrange a transaction involving the sale or exchange of vehicles, and who is not:

- (a) A dealer or a bona fide agent or employee of a dealer;
- (b) A representative or a bona fide agent or employee of a manufacturer; or
- (c) At any point in the transaction the bona fide owner of the vehicle involved in the transactions

SDCL [32-6B-1 \(4\)](#)

Chassis cab: any incomplete motor vehicle, with a completed occupant compartment, that requires only the addition of cargo carrying, work performing, or load bearing components to perform the vehicle's intended function. SDCL [32-6B-1 \(5\)](#)

Community: the franchisee's area of responsibility as stipulated in the franchise or a minimum radius of ten miles around an existing dealership SDCL [32-6B-1 \(6\)](#)

Converter: a person who modifies or installs on previously assembled chassis special bodies or equipment that, when completed, form an integral part of the vehicle and that constitutes a major manufacturing alteration and who may issue a supplemental or secondary statement of origin. SDCL [32-6B-1 \(7\)](#)

Dealer: any person, other than a manufacturer of a mobile home or a manufactured home, who, for a commission or with the intent to make a profit or gain, sells, exchanges, rents with option to purchase, offers or attempts to negotiate a sales, or makes an exchange of a mobile or manufactured home or who is engaged in the business of selling mobile or manufactured homes. SDCL [32-7A-1 \(1\)](#)

Dealer's car auction agency: For the purposes of §§ [32-6B-35](#) to [32-6B-37](#), inclusive, a dealer's car auction agency includes any person, firm, limited liability company, corporation, or association engaged in an auction, as defined by chapter [59-8](#), of vehicles. The sales shall involve only vehicles owned by dealers and sold to dealers. The provisions of this chapter apply to dealers' car auction agencies and the license issued is subject to the additional provisions set forth in §§ 32-6B-35 to 32-6B-37, inclusive. SDCL [32-6B-34](#)

Demonstration: the noncommercial use of a dealer owned vehicle by any employee of the dealership for any purpose in the ordinary course of business relating to the sale of the vehicle within the trade or market area of the dealership or demonstration by any prospective buyer for a period of three days. The term includes vehicles donated by a dealership to a community or organization and used for a one-day parade or event SDCL [32-6B-1 \(8\)](#)

Department: the Department of Revenue

SDCL 32-6B-1 (9)	SDCL 32-7A-1 (3)
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Emergency vehicle dealer: any person who converts or manufacturers authorized emergency vehicles and 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 authorized emergency vehicles, or who is

engaged wholly or in part in the business of selling new, or new and used authorized emergency vehicles SDCL [32-6B-1 \(10\)](#)

Event: a fair, exposition, vehicle show, vehicle rally, or fishing tournament that is held once each year and lasts at least three days including any setup time but does not exceed fifteen days SDCL [32-6B-1 \(11\)](#)

Final stage manufacturer dealer: any person who assembles or installs on a previously assembled new motor vehicle chassis cab any special body or equipment that forms an integral part of the motor vehicle, constitutes a major manufacturing alteration, and completes the vehicle. SDCL [3-6B-1 \(12\)](#)

Franchise: a written or oral agreement or contract between a franchisor and franchisee that fixes the legal rights and liabilities of the parties to the agreement or contract SDCL [32-6B-1 \(13\)](#)

Franchisee: person who receives vehicles from a franchisor under a franchise and who offers and sells the vehicles to the general public SDCL [32-6B-1 \(14\)](#)

Franchisor: any person engaged in the manufacturing or distribution of vehicles including any person who acts for the franchisor SDCL [3-6B-1 \(15\)](#)

Good faith: honesty in fact and the observance of reasonable, nondiscriminatory commercial standards of fair dealing in the trade SDCL [32-6B-1 \(16\)](#)

In-transit: the noncommercial use of a dealer owned vehicle by any employee of the dealership for travel to and from any service facility, detail shop, repair shop, gas station, car wash, dealer auction, another lot owned by the dealer, a supplemental lot, temporary special events lot, temporary supplemental lot, or any other location to facilitate a dealer trade SDCL [32-6B-1 \(17\)](#)

Manufactured home: a structure, transportable in one or more sections, which is eight feet or more in width or forty feet or more in length in the traveling mode, or is three hundred twenty or more square feet when erected on a site; which 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 which contains in it the plumbing, heating, air conditioning and electrical systems. The term includes any structure which has been certified by the secretary of housing and urban development as having complied with the National Manufactured Housing Construction and Safety Standards Act of 1974 as amended and in effect on January 1, 1984 SDCL [32-7A-1 \(4\)](#)

Manufacturer: a person who manufactures or assembles vehicles, including motor homes, and who issues the original or first manufacturer's statement of origin. The term includes a central or principal sales corporation through which it distributes its products to franchised dealers SDCL [32-6B-1 \(18\)](#)

Manufacturer: In §§ [32-6B-79](#) to [32-6B-83](#), inclusive, the term, manufacturer, includes a representative or a person or entity who is directly or indirectly controlled by, or is under common control with, the manufacturer. For purposes of this section, a person or entity is controlled by a manufacturer if the manufacturer has the authority directly or indirectly, by law or by agreement of the parties, to direct or influence the management and policies of the person or entity. However, the term, manufacturer, does not include any person or entity who manufactures or assembles less than two hundred fifty motorcycles a year or who manufactures or assembles trailers. SDCL [32-6B-79](#)

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;
- (6) "Supplemental lot," a physically separate location owned and maintained by a licensed dealer within the same county as the principal place of business SDCL [32-7A-1 \(5\)](#)

Motor home: For the purposes of this chapter, the term, motor home, means a motor vehicle that is designed as an integral unit to be used as a conveyance upon the public highways and for use as a temporary or recreational dwelling and that has at least four of the following permanently installed systems:

- (1) Cooking facilities;
- (2) Ice box or mechanical refrigerator;
- (3) Potable water supply including plumbing and a sink with faucet either selfcontained or with connections for an external source, or both;
- (4) Self-contained toilet connected to a plumbing system with connection for external water disposal;
- (5) Heating or air conditioning system, or both, separate from the vehicle engine or the vehicle electrical system; or
- (6) A one hundred ten--one hundred fifteen volt alternating current electrical system separate from the vehicle engine electrical system either with its own power supply or

with a connection for an external source, or both, or a liquified petroleum system and supply. SDCL [32-6B-1.1](#)

Off-road vehicle: any self-propelled, two or more wheeled vehicle designed primarily to be operated on land other than a highway and includes any all-terrain vehicle, dune buggy, and vehicle whose manufacturer's statement of origin or manufacturer's certificate of origin states that the vehicle is not for highway use
SDCL [32-6B-1](#)

Principal place of business: the term, principal place of business, means an enclosed commercial structure located within this state, easily accessible and open to the public at least twenty hours per week between the hours of 8:00 a.m. to 8:00 p.m., inclusive, with an improved display area immediately adjoining the building that is large enough to display five or more vehicles of the type the dealer is licensed to sell. It is the location at which the business of a vehicle dealer may be lawfully carried on in accordance with all applicable building codes, zoning, and other land use ordinances. Each licensed dealer shall maintain an enclosed permanent office on the location. Each office shall be adequately heated and lighted. The hours of operation of the office and an operating phone number shall be clearly posted at or near the main entrance to the office. Each location shall display an exterior sign that contains the name of the business and that is permanently affixed to the land or building. The exterior sign shall be clearly legible from the public right-of-way serving the location. It is the location where the books, records, and files necessary to conduct the business of the dealer are kept and maintained. In no event may rooms in a hotel, motel, apartment house, or any part of any single or multiple unit dwelling house be considered a principal place of business unless the entire ground floor of the facility is devoted principally to and occupied for commercial purposes. Any dealer licensed under this chapter shall maintain and continuously occupy a principal place of business. However, an emergency vehicle dealer is exempt from the requirement of having its principal place of business in South Dakota. SDCL [32-6B-2](#)

Principal place of business: an enclosed building or structure either owned in fee or leased, at which a permanent business of bartering, trading, and selling of mobile homes or manufactured homes is carried on. The place of business may not be a tent, temporary stand, or other temporary quarters, nor permanent quarters occupied pursuant to any temporary arrangement. However, a principal place of business may be a mobile home or manufactured home that has been properly mounted either on a permanent foundation or properly anchored and blocked. A licensee may use unimproved lots and premises for sale, storage, and display of mobile homes and manufactured homes. A licensee may use a residence located within or adjacent to his mobile home park or a manufactured home park as a principal place of business, unless prohibited by local zoning. SDCL [32-7A-2](#)

Public auction: a business that is open to the public where South Dakota titled motor vehicles are consigned, displayed, and auctioned to the highest bidder by an auctioneer SDCL [32-6B-1 \(20\)](#)

Recreational park trailer: a vehicle that is primarily designed to provide temporary living quarters for recreational, camping, or seasonal use and that:

- (1) Is built on a single chassis mounted on wheels;
- (2) Has a gross trailer area not exceeding four hundred square feet in the setup mode;
- (3) Is certified by the manufacturer as complying with American National Standards Institute Standard No. A119.5 in effect on January 1, 2008; and
- (4) 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. SDCL [32-6B-1.2](#)

Sell-it-yourself lot: any space provided to a person for a fee to display that person's boat or vehicle for sale
SDCL [32-6B-1 \(21\)](#)

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 and constructed so that some part of its weight and that of its load rests upon or is carried by another vehicle
SDCL [32-6B-1 \(22\)](#)

Snowmobile 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 used snowmobiles, or who is engaged wholly or in part in the business of selling new or used snowmobiles
SDCL [32-6C-1](#)

Supplemental lot: a physically separate location owned and maintained by a licensed dealer within the same county as the principal place of business

SDCL 32-6B-1 (23)	SDCL 32-7A-1 (6)
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Temporary special events: a location other than the principal place of business, supplemental lot, or temporary supplemental lot where a licensed trailer dealer, a licensed used car dealer, or a licensed vehicle dealer selling only truck tractors, trailers, or motor homes, or any combination thereof, may conduct business for a period of time not to exceed ten consecutive days for a specific purpose such as fairs, auctions, shopping center sales, or tent sales. A temporary special

events lot shall meet all local zoning and building codes for the type of business being conducted

SDCL [32-6B-1.3](#)

Temporary supplemental:

A location other than the principal place of business or supplemental lot that is:

- (1) Within the same county as the principal place of business;
- (2) Within the corporate limits of a municipality that overlaps boundaries of an adjoining county;
- (3) Within an adjoining county, if the adjoining county has no licensed vehicle dealer selling automobiles, pick-ups, or passenger vans and the lot is within a ten-mile radius of the principal place of business; or
- (4) Within an adjoining county that has no like franchised licensed dealer.

A licensed vehicle dealer or a licensed used vehicle dealer may conduct business at such a lot for a period of time not to exceed ten consecutive days for a specific purpose such as fairs, vehicle shows, auctions, shopping center promotions, or tent sales. A temporary supplemental lot shall meet all local zoning and building codes for the type of business being conducted. If a licensed vehicle dealer establishes a temporary supplemental lot in a county with a licensed used vehicle dealer, a licensed used vehicle dealer in that county may establish a temporary supplemental lot in the county of the licensed vehicle dealer. SDCL [32-6B-1.4](#)

Temporary supplemental lot: a location other than the principal place of business or supplemental lot where a licensed dealer may conduct business for a period of time not to exceed ten consecutive days for a specific purpose such as fairs, auctions, shopping center promotions or tent sales. Such temporary supplemental lots shall meet all local zoning and building codes for the type of business being conducted. SDCL [32-7A-1 \(7\)](#)

Trailer: any vehicle without motive power designed to be coupled to or drawn by a motor vehicle and constructed so that no part of its weight or that of its load rests upon the towing vehicle. SDCL [32-6B-1 \(24\)](#)

Trailer 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 used trailers, semitrailers or travel trailers or who is engaged in the business of selling new or used trailers, semitrailers or travel trailers whether or not the vehicles are owned by the person

SDCL [32-6B-1 \(25\)](#)

Travel trailer: any trailer or semitrailer that provides as its primary purpose adequate, comfortable, temporary living quarters while on pleasure excursions or while touring for business, professional, educational or recreational purposes SDCL [32-6B-1 \(26\)](#)

Used vehicle 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 used vehicles or who is engaged in the business of selling used vehicles SDCL [32-6B-1 \(27\)](#)

Vehicle: any new or used automobile, truck, truck tractor, motorcycle, off-road vehicle, motor home, trailer, semitrailer or travel trailer of the type and kind required to be titled and registered under chapters [32-3](#) and [32-5](#), or required to be titled under chapter [32-20](#) except any manufactured home, used mobile home, moped, or snowmobile SDCL [32-6B-1 \(28\)](#)

Vehicle 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

SDCL [32-6B-1 \(29\)](#)

Dealer License Requirements

Who needs a dealer license?

People who engage in the business of selling vehicles, whether exclusively or in addition to another occupation, are required to have a motor vehicle dealer license. All businesses must become licensed with the Motor Vehicle Division before any sales transactions occur. An initial violation of this requirement is a Class 2 misdemeanor. A second or subsequent violation is a Class 1 misdemeanor. SDCL [32-6B-4](#)

No person may act as, offer to act as, or hold himself or herself out to be a broker. A violation of this requirement is a Class 2 misdemeanor. SDCL [32-6B-4.1](#)

Types of licenses:

South Dakota offers vehicle, motorcycle and off-road vehicle, trailer, boat, snowmobile, manufactured home, emergency vehicle, and final stage manufacturer dealer licenses. SDCL [32-6B-12](#)

A vehicle dealer license allows you to sell vehicles, motorcycles, off-road vehicles, trailers (any weight) and low speed vehicles without obtaining any additional license.

A boat dealer license covers boats and boat trailers. SDCL

[32-7B-3](#) Building requirements for a dealership:

All dealers are required to have a principal place of business that meets the following requirements:

- An enclosed commercial structure located within this state, easily accessible and open to the public at least twenty hours per week between the hours of 8:00 a.m. to 8:00 p.m., inclusive, with an improved display area immediately adjoining the building that is large enough to display five or more vehicles of the type the dealer is licensed to sell
- It is the location at which the business of a vehicle dealer may be lawfully carried on in accordance with all applicable building codes, zoning, and other land use ordinances. Each licensed dealer shall maintain an enclosed permanent office on the location
- Each office shall be adequately heated and lighted
- The hours of operation of the office and an operating phone number shall be clearly posted at or near the main entrance to the office

- Each location shall display an exterior sign that contains the name of the business and that is permanently affixed to the land or building. The exterior sign shall be clearly legible from the public right-of-way serving the location.
- It is the location where the books, records, and files necessary to conduct the business of the dealer are kept and maintained.
- The proposed location must be inspected by a Dealer Agent to ensure it meets all requirements prior to a license being issued

In no event may rooms in a hotel, motel, apartment house, or any part of any single or multiple unit dwelling house be considered a principal place of business unless the entire ground floor of the facility is devoted principally to and occupied for commercial purposes. Any dealer licensed under this chapter shall maintain and continuously occupy a principal place of business. However, an emergency vehicle dealer is exempt from the requirement of having its principal place of business in South Dakota. SDCL [32-6B-4](#)

Requirements to sell new vehicles:

If a dealer wishes to sell new vehicles, they must enter into an agreement with the manufacturer and supply a copy of this agreement to the Department. Once added to the license, the updated license must be displayed. SDCL [32-6B-10](#)

If either the dealer or the manufacturer wishes to terminate their franchise agreement, they must notify the Department.

If a manufacturer wishes to enter into an agreement with a dealer in a community* where their franchise is already represented, the manufacturer must provide notice to the Department and must prove in a hearing that an additional dealership franchise agreement is in the public interest.

**community is the area of responsibility as stipulated in the franchise agreement with a minimum 10 mile radius*

SDCL 32-6B-47	SDCL 32-6B-50
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This does not apply to trailer franchises where the trailer weighs less than 3,000 pounds SDCL [32-6B-56.1](#)

A new vehicle dealer must have within their principle place or within the same county, a repair shop capable of performing warranty work. If no repair shop is available through the dealership, a contract with a repair shop within the same county is required to be on file with the Department. SDCL [32-6B-8](#)

Initial cost, renewal information, insurance and bond requirements:

License Type:	Fee:	Bond:	Insurance:
Vehicle dealer	\$300/initial, \$175/renewal	\$25,000	\$300,000
Mobile Home	\$300/initial, \$150/renewal	\$25,000	None
Motorcycle/Off-Road	\$250/initial, \$150/renewal	\$5,000	\$300,000
Trailer dealer:			
Under 3,000 pounds	\$125/initial, \$100/renewal	None	None
Over 3,001 pounds	\$125/initial, \$100/renewal	\$10,000	None
Boat dealer	\$250/initial, \$175/renewal	\$20,000	None
Snowmobile dealer	\$150/initial, \$125/renewal	\$5,000	None
Dealer car auction agency	\$300/initial, \$175/renewal	\$50,000	\$300,000
Emergency Vehicle	\$300/initial, \$175/renewal	\$10,000	\$300,000
Final Stage Manufacturer	\$300/initial, \$175/renewal	\$25,000	\$300,000

The type of insurance required is commercial liability insurance. The type of bond that is required is a surety bond issued by a surety company qualified to do business in the State of South Dakota.

The initial license is valid for a 12 month period. A dealer license must be renewed annually, online in the DMV Dealer System. An electronic notice will be placed on the dealer's online account 90 days prior to the license expiration. At the time of renewal, the dealer has the option add additional plates or remove plates that are no longer needed. Any dealer plates purchased through the Department must be renewed online at the time of the license renewal.

SDCL 32-6B-6 (16)	SDCL 32-6B-7	SDCL 32-6B-13	SDCL 32-6B-14	SDCL 32-6B-15
SDCL 32-6C-4	SDCL 32-6C-5	SDCL 32-7A-7	SDCL 32-7A-3	SDCL 32-7B-6
SDCL 32-7B-8	SDCL 32-6B-62			

Record Keeping Requirements:

All licensed dealers are required to keep the following records:

- A ledger of the purchase, sale or exchange of any vehicle (including trailer, motorcycle, snowmobile, mobile/manufactured home and boat). This ledger can be electronic or done on paper. The ledger must contain the following:
 - A description of the vehicle such as year, make, model, miles (if applicable), VIN and title number
 - The name and address of the individual or business the vehicle was acquired from
 - The name and address of the individual or business the vehicle was sold to
 - The date the vehicle was acquired and the date it was sold
- A certificate of title for each vehicle in their inventory and/or a statement of origin for each new vehicle in their inventory. If the physical title is unavailable due to the vehicle being financed, a physical or electronic copy of the title is acceptable.
 - If a dealer is using inventory financing, they must notify the Department in writing who they are using and if the title is physically held by the financing company
- If the title was transferred to the dealership's name, a copy of the previous title and a copy of the title application must be kept on file.
- After the vehicle is sold, the following must be kept on file:
 - A copy of the original title after proper assignment has been made
 - A copy of the completed and signed title application
 - A copy of the buyer's guide
 - A copy of the completed and signed purchase agreement or bill of sale
 - Copies of any additional documentation that pertains to the sale of the vehicle (affidavits, dealer reassignment forms, power of attorney, etc.)
 - A copy of the certified mail or registered mail tracking information or a copy of a title release signed by the customer proving the title was delivered within 45 days

All records must be kept at the principal place of business. They must be readily available for inspection during all business hours. Records are required to be kept for 5 years after the date of sale.

SDCL 32-6B-20	SDCL 32-6C-6	SDCL 32-7A-12	SDCL 32-7B-9	Admin Rule: 61:24:03:07
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Moving locations:

If a dealer is moving their location within the same county, a 30 day written notice must be provided to their Dealer Agent along with a zoning approval letter for the new location, an updated copy of their insurance and bond, if required. SDCL [32-6B-18](#)

If a dealer is moving their location outside of the county the current license is issued in, a new license must be obtained and all the initial license requirements must be met. SDCL [32-6B-17](#) Any proposed new location must be inspected and approved by a Dealer Agent.

Temporary closure:

If a dealer is planning on closing temporarily, they must provide a 30 day written notice to their Dealer Agent. Once the business is closed, a notice must be displayed in a conspicuous location viewable by the public. This notice must contain contact information for the owner of the dealership. Admin Rule: [61:24:03:01](#)

Supplemental Lot:

A dealer is allowed to sell, display or store vehicles at a location other than the principal place of business for no additional fee as long as these requirements are met:

- The supplemental location is located within the same county as the primary location
- The dealer has obtained a letter from zoning stating the proposed supplemental location meets zoning requirements to display, store or sell vehicles
- The proposed supplemental location has been inspected and approved by a Dealer Agent prior to adding the supplemental location to the dealer's license
- The name used for the supplemental location is the same as the primary location or contains the primary location's name incorporated into the supplemental location's name
- The dealer obtains a supplemental license for each location other than the primary location by submitting the proper documentation to their Dealer Agent.

The supplemental lot may be an unimproved lot as long as it meets zoning and code enforcement requirements. The titles and paperwork for vehicles sold at a supplemental location must be completed using the primary dealership's license. The titles must be properly assigned to the primary dealership. If the dealer wishes to use a name separate from the primary dealership, a new license is required to be obtained and all the initial license requirements must be met.

SDCL 32-6B-1 (23)	SDCL 32-6B-19
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Exception to supplemental lot requirements:

A vehicle dealer licensed pursuant to [32-6B](#) may lease space in the common area of a shopping mall to display new vehicles without obtaining a supplemental license as long as the shopping center is located within the corporate limits of the municipality of the dealer's primary location. A dealer may not display more than 4 vehicles at this location, contract for the exclusive right to the location or negotiate the sale of any vehicle on the premises of the

shopping mall. A dealer must maintain a copy of the lease in writing at their primary location for a period of one year after the lease expiration. This lease must be available for review by the department during regular business hours. SDCL [32-6B-87](#)

Temporary Supplemental Lot:

A dealer licensed pursuant to [32-6B](#) may operate a temporary supplemental lot which is a location other than the principal place of business or supplemental lot that is:

- Located within the same county as the dealership, or
- Located within the corporate limits of a municipality where boundaries of adjoining counties overlap, or
- Located within an adjoining county, as long as the adjoining county has no licensed vehicle dealers selling cars, pick-ups or passenger vans and the temporary lot is within a ten-mile radius of the primary dealership location, or
- Located within an adjoining county that has no like franchised dealers

A dealer operating at a temporary supplemental lot cannot conduct business for longer than 10 consecutive days for specific purposes such as fairs, vehicle shows, auctions, shopping center promotions, or tent sales. Temporary supplemental locations must meet all zoning and code enforcement requirements. An additional license is not required for temporary supplemental locations. SDCL [32-6B-1.4](#)

**Boat dealers may also attend boat shows*

SDCL 32-6B-1.3	SDCL 32-7A-3.2	SDCL 32-7B-30	SDCL 32-6B-17
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Exception to temporary special event requirements:

An off road vehicle dealer is not required to purchase or obtain a permit or temporary license to attend a two-day temporary special event location within the same county as their principal place of business or within an adjoining county. The off road vehicle dealer must still provide written notice to their Dealer Agent the event they will be attending and the dates they will be in attendance. SDCL [32-6B-88](#)

Auxiliary or Supplemental Lot for Mobile Home Dealers:

Any mobile or manufactured home dealer may display homes at an auxiliary or supplemental lot as long as it meets all local zoning and building ordinances. A supplemental lot is a location within the same county as the principal place of business. An auxiliary lot is a location in a different county from the principal place of business. These locations must be added to their dealer license.

The following are examples of an auxiliary lot:

- Mobile home park
- Manufactured home rental community
- Manufactured home subdivision
- Any residential lot that has a mobile or manufactured home

SDCL [32-7A-3.1](#)

Exceptions to Dealer License Requirement:

- Any person **not** engaged in the sale of vehicles/boats/off-road vehicles as a business and is disposing of vehicles/boats used solely for personal use if the vehicles/boats/off-road vehicles were acquired and used in good faith and not to avoid the provisions of this chapter.
- Any person who sells less than five vehicles/boats in a 12-month period, *unless* the person is licensed as a dealer in another state or holds himself or herself out as being in the business of selling vehicles/boats. However, if the vehicles are travel trailers, any person who sells less than three travel trailers in twelve months.
- Regulated Lenders as that term is defined in SDCL [54-3-14](#).
- Financial Institutions chartered or licensed in any other jurisdiction that acquires vehicles/boats as an incident to its regular business and sells such vehicles/boats to dealers licensed under this chapter.
- Vehicle Rental and Leasing Companies that sell their used vehicles to dealers licensed under this chapter.
- Any Nonprofit Automobile Club if selling automobiles twenty years old or older under the provisions of Chapter [32-3](#).
- Any person engaged in the business of manufacturing or converting new vehicles/boats if selling such vehicles/boats to a licensed dealer holding a franchise from the original manufacturer of the vehicle/boat.
- Any person acting as an auctioneer if auctioning South Dakota titled vehicles for a licensed dealer or a person who is exempt from the provisions of this chapter.
- Any Towing Agency that acquires and sells a vehicle which has been towed at the request of a private landowner under the provision of Chapter [32-36](#) or at the request of a law enforcement officer, if no vehicle is sold for an amount over one thousand two hundred dollars (\$1,200).
- Any person not engaged in the sale of vehicles as a business who operates fleets of vehicles is disposing of vehicles used in the person's business, if the same were acquired and used in good faith and not to avoid the provisions of this chapter.
- Any South Dakota nonprofit corporation which gives a donated vehicle to a needy family or individual.

SDCL [32-6B-5](#)

Dealer Agent Duties and Authority:

Dealer agents answer dealer business questions, provide training and instruction on compliance and procedures, enforce laws and regulations, investigate complaints and violations, conducts inspections and more.

To enforce compliance with the laws and regulations pertaining to dealers, a Dealer Agent of the Department may enter both public and private property to investigate and sign complaints against the persons found in violation. SDCL [32-6B-38](#)

In each calendar year or upon receipt of a complaint, a dealer inspection may be performed. A Dealer Agent may also visit the dealership to inspect records, review changes in legislation, verify dealership information and conduct any necessary training.

Any inspection or visit may include:

- A physical inspection of the principal place of business, supplemental lot, auxiliary lot or temporary special event lot
- A physical inspection of any vehicle owned by the dealership or placed on consignment to the dealership
- An examination of any books, records or files required to be kept by the Department
- An examination of the titles/MSOs for vehicles owned by the dealership

SDCL 32-6B-39	Admin Rule: 61:24:03:04
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Each inspection is documented by an inspection report. This report is also used when complaints are being investigated or for informational purposes. These reports become part of the permanent dealership record.

If a dealer refuses to allow an inspection, the Dealer Agent will leave and an inspection will not be performed. If at any point during an inspection, the dealer asks the inspection to stop, the inspection will cease and the Dealer Agent will leave. In either case, the Department may initiate immediate revocation proceedings against the dealer license.

If a dealer is found to be in violation of any law or regulation pertaining to dealers, a Dealer Agent may write a formal dealer violation in the form of a cease and desist order. Any cease and desist order stays in effect for two years.

A cease and desist order may be any of the following:

- A formal written warning
- An order to pay a fine in the amount of \$500
- An order to suspend the dealer license for not more than 30 days

- An order to revoke the dealer license permanently

Within 20 days after the receipt of a cease and desist order, the dealer may request a hearing in writing to contest the order and violation. The cease and desist order becomes final upon the expiration of 20 days after the receipt or after a decision is made as a result of a hearing.

Salvage Title and Disclosure

Salvage brand:

The following vehicles will receive a salvage title if deemed a total loss by any insurer or self-insurer:

- Cars, trucks, SUVs
- Heavy trucks weighing less than 16,000 pounds
- Motorcycles (on road)
- Trailers (including travel trailers and campers)

Vehicles that do NOT qualify for a salvage title:

- ATVs/Off road vehicles
- Dirt bikes (off road)
- Golf carts
- Dune buggies
- Humvees
- Boats
- Any vehicle more than 10 model years old
- Any vehicle that weighs more than 16,000 pounds

In the event a vehicle is deemed a total loss by an insurer or self-insurer and they acquire ownership of the vehicle, they are required to obtain a title branded as salvage within 45 days. If a vehicle is declared a total loss by an insurer or self-insurer but they do NOT acquire ownership of the vehicle, they must notify the owner in writing of their obligation to obtain a title branded as salvage within 30 days. If the owner of the vehicle sells or transfers ownership of the vehicle without obtaining a salvage title, the owner is guilty of a class 1 misdemeanor.

SDCL 32-3-51.19	SDCL 32-3-51.20	SDCL 32-3-51.21
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Damage disclosure:

South Dakota repealed the damage disclosure brand on titles effective July 1, 2015. Any title issued before July 1, 2015 with a damage disclosure will keep the disclosure.

Out of state title brands:

Any vehicle 16,000lbs GVWR or less with a salvage title from another state or jurisdiction can only apply for a salvage title or junking certificate in South Dakota. Out of state brands are displayed on all titles in the previous state field.

SDCL [32-3-51.5](#)

Damage/salvage disclosure notice:

A dealer is required by law to display a disclosure notice on any vehicle/large boat sold or offered for sale that has a damage disclosure, salvage title, or a similar notation that indicates damage.

This disclosure must:

- Be printed on white NCR paper measuring 4"x6"
- Have print in 12-point minimum Universe font - bold - capital letters
- Have a space for the customer who purchases the vehicle to sign and date
- Be displayed prominently and conspicuously inside of a side window or the front windshield where it is clearly visible to any potential customers

When the vehicle is sold, the dealer must have the customer sign and date the disclosure notice. The dealer needs to keep the original signed disclosure and the customer gets a copy. The signed disclosure notice is to be kept with the dealer's sales records for a period of 5 years from the date of sale.

If the dealer fails to display the disclosure notice properly or is unable to prove the customer signed a disclosure notice, the purchaser may return the vehicle to the dealer within 10 days of receiving their title for a full refund.

SDCL [32-3-51.18](#)

Recovered theft:

If a vehicle is stolen then recovered, the insurer or self-insurer must inspect the vehicle to determine if there is damage within 45 days. If there is no damage or the damage is less than defined by law, the insurer or self-insurer may obtain a title from the Department branded as recovered theft with no salvage notation. To obtain this title, a salvage/recovered theft disclosure statement must be completed and submitted along with the current salvage title and title transfer fee.

If the vehicle is recovered and the condition is determined it would qualify as a salvage vehicle as defined by law, the salvage title is retained and the insurer or self-insurer is not required to apply for an additional title. SDCL [32-3-51.22](#)

Junking certificate:

Any owner of a vehicle that is being dismantled for the purpose of selling parts shall apply for a junking certificate. Once a junking certificate is obtained, that vehicle is no longer considered roadworthy and will never be able to obtain a registration or plates. If a vehicle is acquired with an in state or out of state title already branded or marked nonrepairable, parts only, junk or has been deemed not roadworthy by the owner, only a junking certificate can be issued. A junking certificate will not be issued for snowmobiles or manufactured homes. The owner may not remove or alter the vehicle identification numbers or any other identification numbers. Removal or alteration of a VIN is a class 6 felony.

To apply for a junking certificate, an application must be completed, the title must be properly assigned, if there is a lienholder, written permission from the lienholder or a lien release must accompany the title. The title fee must be paid and a junking certificate will be issued.

SDCL 32-3-51.5	SDCL 32-3-51.12	SDCL 32-3-51.17
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Procedure for "Parts only vehicle" record conversion:

When a vehicle is being dismantled for the purpose of selling its parts, a recycler/salvage dealer *may* request the Division of Motor Vehicles to convert the vehicle's record to a parts only record.

To do this the recycler/salvage dealer must:

- Stamp the front of the title "Parts only vehicle" along with the dealers name and address making sure not to cover any pertinent information on the title
- Submit the original stamped title to the Motor Vehicle Division and keep copies of the stamped title as part of their records for 5 years
- Submit a title fee with the title if the title is not issued in the name of the dealership at the time it is turned in to be converted to a parts only record

The Motor Vehicle Division will cancel the title and designate it as a parts only vehicle. No title or junking certificate will be issued. This procedure would be done in place of the junking certificate process.

Sample of stamp:
PARTS ONLY VEHICLE
ANY RECYCLER
123 MAIN ST
SOMEWHERE, SD

Lemon Law

Definition of terms:

Consumer: the purchaser, other than for purposes of resale, of a new or previously untitled motor vehicle used in substantial part for personal, family, or household purposes, who is entitled by the terms of the warranty to enforce the obligations of the warranty

Express warranty: a written warranty, so labeled, issued by the manufacturer of a new motor vehicle, including any terms or conditions precedent to the enforcement of obligations under that warranty

Lemon law rights period: the period ending one year after the date of the original delivery of a motor vehicle to a consumer or the first twelve thousand miles of operation, whichever first occurs

Manufacturer: the person, firm, corporation, or limited liability company engaged in the business of manufacturing, importing, or distributing motor vehicles to be made available to a motor vehicle dealer for retail sale

Motor vehicle: any vehicle intended primarily for use and operation on the public highways which is selfpropelled. The term also includes any all-terrain vehicle with four or more wheels and with a combustion engine having a piston or rotor displacement of two hundred cubic centimeters or more. The term does not include any electric bicycle as defined in § [32-20B-9](#), any motor home or to any motor vehicle having a manufacturer's gross vehicle weight rating of fifteen thousand pounds or more

Motor vehicle dealer or authorized dealer: any person operating under a dealer agreement from a manufacturer and licensed pursuant to chapter [32-6B](#)

Nonconforming condition: any condition of a motor vehicle that is not in conformity with the terms of any express warranty issued by the manufacturer to a consumer and that significantly impairs the use, value, or safety of the motor vehicle and occurs or arises solely in the course of the ordinary use of the motor vehicle, and that does not arise or occur as a result of abuse, neglect, modification, or alteration of the motor vehicle not authorized by the manufacturer, nor from any accident or other damage to the motor vehicle which occurs or arises after the motor vehicle was delivered by an authorized dealer to the consumer

Notice of a nonconforming condition: a written statement delivered to the manufacturer and that describes the motor vehicle, the nonconforming condition, and all previous attempts to correct the nonconforming condition by identifying the person who made the attempt and the time the attempt was made

SDCL [32-6D-1](#)

Obligation to repair nonconforming vehicle:

Any vehicle that does not conform to the standards set by the manufacturer must be repaired by the manufacturer or authorized dealer to remedy any nonconformities. Notice of nonconformity must be given prior to the expiration of the lemon law rights period. The lemon law rights period is the first 24 months from the date of delivery or the first 24,000 miles, whichever occurs first.

SDCL [32-6D-2](#)

Refund or replacement of irreparable vehicle:

If the manufacturer or authorized dealer is unable to adequately repair the nonconforming vehicle to meet the manufacturer's warranty, the dealer must, at the option of the consumer: •
Replace the motor vehicle with a comparable new motor vehicle

- Refund the customer all collateral charges which include:
 - Excise tax
 - License and registration fees
 - Any similar fees paid for by the consumer to register the vehicle

OR

- Accept the return of the vehicle and refund to the customer the following:
 - The full contract price including charges for undercoating, dealer preparation and transportation charges, installed options, plus the nonrefundable portions of extended warranties and service contracts
 - All collateral charges (same as above)
 - All finance charges incurred by the consumer after the nonconformity was first reported
 - Any incidental damages including reasonable costs of alternate transportation during the time the consumer is without use of the motor vehicle due to nonconforming conditions

SDCL [32-6D-3](#)

Allowance for vehicle use by consumer:

The amount deducted from the refund to the consumer for vehicle use is calculated by multiplying the full purchase price by the number of miles on the vehicle before the first report of nonconformity divided by 100,000.

Example:

If the vehicle had 8,000 miles and the full purchase price was \$24,000, the formula would be: $24,000 \times 8,000 / 100,000 = 1,920$

The total amount eligible to be deducted from the refund to the customer from the manufacturer is \$1,920. This is determined to be the cost for the amount of use the customer got out of the vehicle before the nonconformity. SDCL [32-6D-4](#)

Reasonable attempts to correct nonconforming condition:

It is presumed that reasonable attempts to correct a nonconforming condition have been allowed by the consumer if during the lemon law rights period one of the following occurred:

- The same nonconforming condition was subject to repair attempts four or more times by the manufacturer or its authorized dealer with at least one attempt during the lemon law rights period plus a final attempt by the manufacturer and the nonconforming condition continues to exist
- The motor vehicle was out of service and in the custody of the manufacturer or authorized dealer due to repair attempts, including the final repair attempt, with at least one attempt occurring during the lemon law rights period for a cumulative total of thirty calendar days, unless the repair could not be performed because of conditions beyond the control of the manufacturer or authorized dealer such as:
 - War
 - Invasion
 - Strike
 - Fire
 - Flood or any other natural disaster

SDCL [32-6D-5](#)

Civil action against manufacturer:

A consumer that sustains damages (out of pocket expenses) due to the failure of the manufacturer or authorized dealer to perform its obligations to repair the nonconforming vehicle, may bring civil action against the manufacturer to enforce the provisions of the South Dakota lemon law if:

- Notice is given to the manufacturer via certified mail demanding correction or repair of nonconforming condition
 - The manufacturer has 7 calendar days from the date the notice is received to notify the consumer of a reasonably accessible repair facility
 - From the time the nonconforming vehicle arrives at the repair facility by the consumer, the manufacturer or authorized dealer has 14 calendar days to attempt to repair the nonconforming condition
- Reasonable attempts to repair the nonconforming condition have been performed and the manufacturer was given a final attempt to correct the nonconforming condition

If a manufacturer started informal legal proceedings, in compliance with Federal rules and regulations, the consumer must first exhaust any remedy provided under the informal legal proceedings before a cause of action can be initiated under South Dakota lemon law.

SDCL [32-6D-6](#)

Manufacturer's defense to lemon law claims:

A valid defense to any claim against the manufacturer exists if:

- An alleged nonconforming condition does not significantly impair the use, market value or safety of the motor vehicle
- A nonconforming condition is a result of abuse, neglect or any modification/alteration of a motor vehicle by a consumer that is not authorized by the manufacturer

SDCL [32-6D-7](#)

Attorney fees:

If the manufacturer fails to fulfill its obligation to repair the nonconforming vehicle, the consumer may recover reasonable attorney fees in addition to the refund of the contract price, taxes, license and registration fees.

SDCL [32-6D-8](#)

Resale of returned nonconforming vehicle:

If a motor vehicle is returned to the manufacturer under the South Dakota lemon law provisions or a similar statute of another state, the vehicle may not be sold in South Dakota unless:

- The manufacturer discloses in writing to the subsequent purchaser the fact the vehicle was returned under the lemon law provisions and the nature of the nonconformity to the vehicle's warranty

- The manufacturer returns the title to the Motor Vehicle Division and obtains a title that states the vehicle was returned to the manufacturer due to nonconformity to the vehicles warranty

SDCL [32-6D-9](#)

Liability of authorized dealer:

The manufacturer cannot charge back or require reimbursement by an authorized dealer for any costs including refunds or vehicle replacements incurred by the manufacturer as a result of South Dakotas lemon law provisions.

SDCL [32-6D-10](#)

Time limit for actions on the lemon law:

Any action brought under the lemon law provisions against the manufacturer shall be commenced within three years following the date of original delivery of the motor vehicle to the consumer.

SDCL [32-6D-11](#)

Title Information

South Dakota titled vehicles:

If a dealership acquires a vehicle already titled in South Dakota they are **not** required to obtain a title in the dealership name. Although it's not required, the dealer may obtain a title in the dealership's name by completing a title pre-application online (South Dakota Dealer tax exemption) and submitting the properly assigned title, title pre-application and title fee to their local county Treasurer's office.

The dealer is required to deliver title to their customer within 45 days from the date of sale.

SDCL [32-3-7](#)

Out of state titled vehicles:

As of July 1, 2020, any licensed vehicle dealer selling motor vehicles, trailers or semitrailers is not required to obtain a South Dakota title in the dealership name prior to selling the vehicle. The dealer may choose to reassign any out of state title whether it was purchased outright or taken in on trade.

If the dealer chooses to obtain a South Dakota title in the dealership name, they may do so by completing a title pre-application online (South Dakota Dealer tax exemption) and submitting the properly assigned title, title pre-application and title fee to their county Treasurer's office.

The dealer is required to deliver title to their customer within 45 days from the date of sale.

SDCL 32-3-7	SDCL 32-3-32	SDCL 32-5-27
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Titles with a lien:

A dealer that acquires a vehicle, snowmobile, boat or manufactured home with a lien must complete the payoff within 10 days. If the customer doesn't have the title available due to a lien, a secure power of attorney form* may be used to sign the title on the customers behalf.

**Secure power of attorney form may also be used if the original title is lost and a duplicate must be applied for*

SDCL 32-6B-20.3	SDCL 32-6B-20.4	SDCL 32-6C-6.2	SDCL 32-6C-6.3	SDCL 32-7A-12.2	SDCL 32-7A-12.3
SDCL 32-7B-9.2	SDCL 32-6B-9.3				

45-day title delivery extension:

A dealer may be eligible to request a 45 day title delivery extension if the following requirements are met:

- The lienholder failed to release their lien or failed to provide the title after the lien was paid off
- The request for the extension was made within 50 days of the date of sale

To apply for a 45 day extension, the dealer must provide:

- Proof the lien was paid off within 10 days (copy of cancelled check, receipt for payment, etc.)
- Proof of how they acquired the vehicle (bill of sale, purchase invoice, etc.)
- Proof of the date of sale to the new owner (bill of sale, purchase invoice, etc.)
- An application for 45 day title delivery extension

If the 45 day extension request is approved, a Dealer Agent will provide a new 45 day temporary permit (sold permit). This permit must be signed by a Dealer Agent for it to be valid. SDCL [32-3-7.1](#)

Selling a vehicle without the title in your possession:

A dealer may offer for sale a vehicle without a certificate of title if the dealer complies with the following:

- The dealer has a bill of sale or purchase agreement showing they own the vehicle
- The dealer has proof of satisfaction of the lien (if applicable)
- The dealer has a secure power of attorney on file from the previous owner
- Proof a South Dakota title has been applied for and the paperwork has been submitted to the county Treasurer's office (if applicable)

The dealer is still required to deliver title to their customer within 45 days of the date of sale.

SDCL 32-3-7	SDCL 32-6B-20.2	SDCL 32-6C-6.1	SDCL 32-7A-12.1	SDCL 32-7B-9.1
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Title corrections:

To correct an error on a title, the following must be submitted to the County Treasurer's Office:

- The original title
- An affidavit (statement of facts) explaining the error and how it should be corrected
- \$10 title fee for the correction

Admin Rule: [64:28:10](#)

Abandoned vehicle title:

Abandoned vehicle titles are available to removal (towing) agencies that lawfully remove vehicles from public streets, highways or right of ways. If the vehicle is removed from private property, written permission from the land owner or tenant must be obtained.

The process to obtain an abandoned vehicle title is as follows:

- The removal agency (dealer) must verify vehicle ownership by querying the VIN in the dealer system or by submitting a DPPA request for vehicle owner information if ownership information is unavailable in the dealer system
 - If it is impossible to determine the identity of the owner and all lien holders, a notice shall be published in a newspaper of general circulation in the area where the vehicle was abandoned
- Written notice on the [form](#) provided by the Department, by certified mail, must be sent to the owner and lienholder(s), if applicable, within 45 days of the vehicle being towed
 - If the written notice is not sent within 10 days of acquiring the vehicle, no storage may be charged beyond the 10-day period until the notice is sent
- If the vehicle remains unclaimed after 30 days of the notice being sent or the notice is returned as unclaimed, the removal agency may apply for an abandoned vehicle title

To obtain an abandoned vehicle title, the removal agency must submit a title application, a copy of the properly completed notice along with certified mail tracking numbers, a copy of the tow ticket or written permission from the landowner/tenant (if removed from private property) along with \$10 for the title fee must be submitted to the county treasurer's office.

Once the information has been verified, a title will be issued with the word "abandoned" on it. Upon receiving the title, the removal agency (dealer) can dispose of or sell the vehicle. If the removal agency is not a licensed vehicle dealer, the vehicle may not be sold for more than \$1,200.

SDCL Chapter [32-36](#)

Unclaimed vehicle due to unpaid repair bill:

A repair facility may apply for a title on a vehicle/boat that is left unclaimed on private property as a result of an unpaid repair bill for longer than 30 days.

Prior to applying for a title, the repair facility must:

- Send written notice to the owner, lienholder and insurer using the proper [form](#)
 - If the owner can't be identified, a notice must be placed in a newspaper where the vehicle/boat was left for repair

- The owner, lienholder or insurer must send written notice of their intent to reclaim the vehicle/boat to the department and repair facility within 30 days of receipt of the notice
 - If the vehicle/boat remains unclaimed or removed from the repair facility after 30 days of the notice of intent to reclaim the vehicle/boat, the title is irrevocably vested in the repair facility
- If the written notice is returned as unclaimed or there is no response from the owner, lienholder and insurer within 30 days, the repair facility may apply for an unclaimed vehicle due to repair bill title

A title application, a copy of the properly completed notice form along with certified mail tracking numbers and a copy of the unpaid repair bill must be submitted to the treasurer's office along with the \$10 title fee. Once the information is verified by the Department, a title will be issued to the repair facility.

Once the repair facility has the title for the unclaimed vehicle due to unpaid repair bill, the vehicle must be sold via public auction*. Any proceeds beyond the repair bill must be forwarded to the prior owner, insurer and any other party with legal interest in the vehicle/boat.

If the previous owner, insurer or lienholder is unidentifiable or unable to be contacted, the excess funds must be remitted to the State Treasurer and treated as unclaimed property.

*a public auction does not need to be conducted by an actual auctioneer - it may be conducted by the repair facility

SDCL 32-3-67	SDCL 32-3-68	SDCL 32-3-69
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Imported vehicles:

Vehicles imported to the United States must pass through a port of entry and be cleared by U.S. Customs. For Customs clearance, you will need:

- The shipper's or carrier's original bill of landing
- The bill of sale
- Foreign registration documents
- Any other documents pertaining to the vehicle
- A completed EPA Form 3520 or manufacturer's label in English affixed to the vehicle stating the vehicle meets all U.S. emission requirements

Conforming vehicle (one with a manufacturer's label):

- US CBP-7501 (or other acceptable entry summary)
- NHTSA HS-7 DOT declaration of conformity
- Other supporting documents (bill of sale, title, odometer, etc.)

- A Lien Quest (if Canadian)

Nonconforming vehicle (Vehicle held until they meet safety standards)

- Complete the 3520 form
- US CBP-7501 (or other acceptable entry summary)
- NHTSA HS-7 DOT declaration of conformity
- Other supporting documents (bill of sale, title, odometer, etc.)
- A Lien Quest (If Canadian)

Nonconforming vehicle (without a bond release letter)

- All above documents
- NHTSA statement of conformity
- Certificate of Fact from importer attesting NHTSA guidelines were followed - 30 day time period applies

Additional information on importing vehicles can be found here:

<https://www.cbp.gov/trade/basic-importexport/importing-car#>

Repossessed Vehicles:

Dealers who choose to offer in-house financing are required to place their lien on the vehicle title and title pre-application (if applicable) when processing the initial sale.

Dealers must also complete a financing contract with the customer that clearly outlines the terms/conditions of the financing being offered. A copy of this contract needs to be retained for your records.

If a repossession is required, the dealer must first acquire possession of the vehicle then complete the affidavit of repossession and apply for a repossession title online in the dealer system.

The title pre-application, affidavit of repossession and a copy of the financing contract are required to be submitted to the Treasurer's office along with the \$10 title transfer fee.

The affidavit of repossession can be found here: <https://sddor.seamlessdocs.com/f/1012>

Leased Vehicles

Definition of terms:

Leased vehicle: a motor vehicle which is titled in the name of a leasing company or the individual who is leasing the motor vehicle for a period of more than 28 days

Rental vehicle: a motor vehicle which is titled in the name of a rental company licensed under chapter [10-45](#) which is rented for 28 days or less; or a trailer titled in the name of a rental company licensed under chapter [10-45](#) with an unladen weight of 9,000 pounds or more that is rented for 6 months or less and is not rented to the same individual for multiple 6 month periods consecutively.

Closed lease: the terms of the lease are known at the time of the lease contract. A closed lease applies to vehicles with a GVWR of less than 16,000 pounds, motorcycles and fertilizer vehicles leased for more than 28 days

Open end lease: the terms of the lease are not certain at the time of the lease contract. An open end lease applies to vehicles with a GVWR of less than 16,000 pounds, motorcycles and fertilizer vehicles leased for more than 28 days.

SDCL [32-5B-19](#)

Dealers leasing/renting vehicles:

A leasing or rental company located at the same place of business as a dealer:

- Is considered a separate business from the dealership
- Must have a separate and distinct name from the dealership

Leasing company:

- Must title and license any vehicle leased for longer than 28 days
- Must have the title issued in a name separate and distinct from the name of the dealership
- Leasing company or lessee is responsible for paying applicable tax and fees

Rental company:

- Must title and license any vehicle rented for less than 28 days
- Must have the title issued in a name separate and distinct from the name of the dealership
- Rental company is exempt from paying motor vehicle excise tax because applicable taxes are collected from the customer at the time of the rental of the vehicle

SDCL [32-5B-1.2](#)

Title and registration of a rental vehicle:

Any vehicle available for rent in a dealership needs to be titled in a name separate and distinct from that of the dealership. These vehicles must be kept separate from the dealership's sales inventory.

Vehicles rented for 28 days or less and trailers with an empty weight or shipping weight of 9,000 pounds or more rented for less than 6 months are exempt from motor vehicle excise tax when they are titled. Tax exemption 19 should be used when processing the title paperwork on these vehicles.

Lightweight and utility trailers that are rented are **not** exempt from motor vehicle excise tax at the time they are titled and registered.

All rental vehicles are required to have current county issued plates and are subject to registration fees which may vary by county.

Any applicable taxes are required to be collected by the rental company and remitted to the Department of Revenue.

For more information on rentals, please contact your business tax agent or you may view the tax facts document here: <https://dor.sd.gov/media/1kulxyt0/tax-fact-mv-lease.pdf>

SDCL 32-5B-1.2	SDCL 32-5B-20
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Open end lease:

An open end lease applies to vehicles with a GVWR of less than 16,000 pounds, motorcycles, and fertilizer vehicles leased for more than 28 days where the terms of the lease are not certain at the time of the lease agreement.

Titling an open end lease:

- The lessor must title and license the vehicle. If the leasing company is located within a dealership, the leasing company name must be separate and distinct from that of the dealership.
- The lessor and the lessee's name must appear on the title
- The lessor or the lessee must pay the motor vehicle excise tax on the purchase price of the vehicle

- Purchase price on an open end leased vehicle shall be the total consideration whether received in money or otherwise. Total consideration includes the purchase price of the vehicle, plus cash, rebates, net trade-in, extended warranties, administrative fees, acquisition fees, or any other fees assessed on the purchase of the vehicle. Total consideration does not include title fees, registration fees, excise tax, federal excise tax, insurance, and refundable deposits
- The purchase price of the vehicle is certified by the dealer on the application for title or a copy of the purchase order must be submitted with the title application
- No lease tax worksheet is required for an open end lease, however, a statement from the lessor indicating it is an open end lease is required.
- A copy of the lease agreement is not required unless the lessee is not indicated on the title application

SDCL 32-5B-1.1	SDCL 32-5B-21
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Closed lease:

A closed lease applies to vehicles with a GVWR of less than 16,000 pounds, motorcycles and fertilizer vehicles leased for more than 28 days where the terms of the lease are known at the time of the lease contract.

Titling a closed lease:

- The lessor must title and license the vehicle. If the leasing company is within a dealership, the leasing company name must be separate and distinct from that of the dealership
- The lessor and lessee's name must both appear on the title
- Under plate with owner, the lessor or lessee are the owner of the plates and upon the sale or transfer of the vehicle, they can remove the plates and use them on a newly acquired vehicle upon title and registration at the County Treasurer's office.
- The lessor or lessee must pay motor vehicle excise tax on the purchase price of the vehicle
 - Purchase price on a closed lease is the total consideration whether received in money or otherwise. Total consideration is: all lease payments, including cash, rebates, extended warranties, administrative fees, acquisition fees or any other fee assessed on the purchase of the vehicle. Total consideration does not include: title fees, registration fees, excise tax, federal excise tax, insurance and refundable deposits.
 - Calculation of tax is done on a lease tax worksheet which must be submitted along with the title application at the time the vehicle is registered and titled. The purchase price is certified on the title application by the dealership or on the lease tax worksheet where the signature line has been completed
 - A copy of the lease agreement is required unless the lease is to a large corporation where the lease contract is longer than 10 pages. In these situations, a schedule A may be used in place of the agreement as long as it contains the vehicle information, the lessor, the lessee, the terms of the lease

(including payments and the end date of the lease) and the signature of the lessor and lessee

- If the lessee purchases the vehicle at the end of the lease, excise tax is assessed on the purchase price of the vehicle at the end of the lease
 - The lessor or dealer must assign and deliver the title to the lessee along with a title application certifying the purchase price.
- If a lease is terminated prior to the expiration date of the contract, no refund will be given on taxes paid
- If prior to the lease expiring, the vehicle is destroyed by fire, accident or vandalism to the extent it is a total loss, credit for lease tax paid for the period remaining on the previous vehicle is allowed if the new vehicle is substituted under the original lease agreement or a new lease is executed to replace the vehicle in the previous lease
 - The new lease or vehicle replacing the original leased vehicle must be between the original lessor and lessee for a vehicle of the same or similar make, model, year and options as the previous vehicle
 - The lease must be for the remaining lease period as the previous lease, for the same lease price and under the same lease terms as the previous lease

SDCL 32-5B-21	SDCL 32-5B-22	SDCL 32-5B-24
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Consignment Sales

Consignment sales are allowed for licensed vehicle dealers or public auctions as long as certain requirements are met. All consignment sales, whether through a licensed dealer or public auction, are subject to enforcement actions from Dealer Agents.

Acceptable consignments:

The following vehicles are allowed on consignment:

- Any vehicle titled in South Dakota
- Motorcycles, off-road vehicles, boats and boat trailers titled in neighboring states
 - If the state does not title the type of unit on consignment, the dealer must:
 - Have a copy of an active current registration for the unit
 - Have an affidavit from the owner on file stating their state does not title these types of units
 - Have a bill of sale ready to be completed by the seller

New and used vehicle dealer licenses cover consignment of vehicles, trailers, campers, trucks, motorcycles, offroad vehicles, etc. If you do not have a new or used vehicle dealer license, you can only consign the types of units your license is issued for.

If you consign boats/boat trailers or snowmobiles, you must have a boat license or a snowmobile license. These are not covered under a new or used vehicle dealer license.

A public auction is not required to obtain a dealer license as long as they are a business that is open to the public and auctioning South Dakota titled vehicles or motorcycles, off-road vehicles or boats/boat trailers titled in a neighboring state which are auctioned to the highest bidder by an auctioneer.

SDCL 32-6B-3.1	SDCL 32-6B-3.6	SDCL 32-7B-26
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Unacceptable consignments:

Examples of consignments that are **NOT** allowed are as follows:

- Any out of state titled vehicle (car, truck, SUV, etc.)
- Dealer to dealer consignments (dealers are not allowed to display vehicles out of their own county)
- A boat/snowmobile/vehicle where the MSO/MCO has not been transferred into a title (consignments must have a title)

SDCL 32-6B-3.1	SDCL 32-7B-27	SDCL 32-6C-5.2
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Required documents for consignment sales:

The following documents are required to be kept on file for every acceptable consignment sale:

- Copy of the title or proof of ownership as verified in the DMV Dealer System
 - Out of state motorcycles, off-road vehicles, boats/boat trailers from neighboring states who do not require titles on these types of units must have a copy of the current registration and an affidavit stating this type of unit is not titled in their State
- Completed and signed consignment contract
- Odometer disclosure statement, if applicable
- Damage/salvage disclosure statement, if applicable
- FTC Buyers Guide (displayed on vehicle)
- If there is a lien, a statement from the bank with the payoff
 - If the vehicle is being sold for less than what is owed, a statement from the bank must be on file stating the lowest acceptable amount the bank is willing to accept

All these documents, in addition to the bill of sale from the seller to the purchaser are required to be kept on file by the dealership for 5 years.

SDCL 32-6B-3.3	SDCL 32-6B-3	SDCL 32-6B-3.2	SDCL 32-6C-5.1	SDCL 32-6C-6.3	SDCL 32-7B-26
SDCL 32-7B-28	SDCL 32-7B-29	Admin Rule: 61:24:03:06	Admin Rule 61:24:03:07		

Consignment contract requirements:

Any vehicle being sold on consignment through a dealer or public auction must have a contract on file that contains the following:

- Name and address of the consignor (seller)
- Name and address of dealer or public auction
- Vehicle/boat description: year, make, model, VIN/HIN
- Agreed minimum sale price or price range
- Amount to be paid to the dealer or public auction
- Length of time of the consignment
- Damage or salvage disclosure, if applicable
- Odometer disclosure, if applicable
- Insurance information
- Bank/lienholder information
- Signature of the owner and the dealer or public auction

Admin Rule: [61:24:03:05](#)

Responsibilities of the seller:

The owner of the vehicle placed on consignment must provide the dealership the following:

- Current, up to date registration and plates
- Provide a sellers permit for when the vehicle is sold
- Provide proof of current insurance on the vehicle

Dealer plates, permits, blue plates or any type of vanity plates are not allowed to be used on a consignment vehicle.

Responsibilities of the dealer or public auction:

The responsibilities of the dealer or public auction are as follows:

- Provide title to the purchaser within 45 days of the date of sale
- Make the lien payoff within 10 days of the sale
- Make sure it is disclosed to the customer, in writing, this vehicle is a consignment

SDCL 32-3-7	SDCL 32-6B-20.3	SDCL 32-6B-20.4	SDCL 32-6C-6.2	SDCL 32-6C-6.3	SDCL 32-7B-9.2
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Odometers

Federal and State regulations require odometer disclosure statements to include:

- Hand-printed name of the buyer **and** seller
- Hand-written signature of the buyer **and** seller
- Address of buyer **and** seller
- Date of sale
- Odometer reading at the time of sale
- Odometer indicators (actual miles, not actual miles, exceeds mechanical limits, etc.)
- Complete description of the vehicle (year, make, model, VIN)

Under law, the seller is required to keep a copy of the title assignment or the odometer statement for 5 years after the date of sale.

Exemptions from odometer requirements:

- Any vehicle with a GVWR of more than 16,000 pounds
- Trailers/travel trailers
- Mobile/manufactured homes
- Any vehicle older than 20 model years (effective January 1, 2021)
 - Any vehicle title already marked exempt will keep the exempt mileage
- Snowmobiles
- ATV/Off road vehicles
- Boats

Odometer readings **are** required on motorcycles

Odometer readings are required on each reassignment section including MSO reassignments between dealerships.

The federal odometer disclosure on the bottom of the MSO is not completed until the first retail sale. The odometer reading in each reassignment section **is** required.

If a certificate of title is submitted without an odometer reading when an odometer reading is required, the title will not be processed and the dealer will be required to obtain an odometer disclosure statement from the seller.

Examples of acceptable odometer disclosure statements:

- Secure dealer reassignment form
- Secure odometer disclosure statement
- Secure power of attorney form

These forms are **not** provided by the Department and the dealer is responsible for obtaining the proper forms through a reliable source. SDCL [32-3-30.1](#)

FTC Buyers Guide

All vehicle dealers selling used vehicles are required to comply with the Federal Trade Commission's [Used Car Rule](#). The Used Car Rule requires dealers to place a completed [buyer's guide](#) on any used vehicle prior to offering the vehicle for sale which includes consignments and vehicles being offered for sale via public auction. This rule does not apply to vehicles being sold via dealer only auctions.

A buyer's guide is a disclosure document that gives potential customers important purchasing and warranty information on the vehicle. The buyer's guide is required to be placed in a prominent and conspicuous location, in plain sight such as on a window, under a windshield wiper, hanging from the rearview mirror or laying on the front or rear dash as long as the information is viewable from the outside of the vehicle. Placing the buyer's guide in the glove box, trunk or under the seat is not an acceptable location for the buyer's guide. The buyer's guide can be removed for test drives but it must be replaced as soon as the test drive is over.

A buyer's guide is required to be placed on any used van, truck or SUV that weighs less than 8,500 pounds GVWR.

Vehicles not required to have a buyer's guide:

- Vehicles weighing more than 8,500 pounds GVWR
- Motorcycles
- Off-road vehicles
- Trailers/travel trailers
- Boats
- Snowmobiles
- Ag equipment (tractors, farm equipment, etc.)
- Any vehicle sold for scrap, parts or salvage by a certified salvage dealer

Upon sale of the vehicle, the dealer needs to retain the original completed guide while providing a copy of the guide to their customer. This form becomes part of the vehicle sales record that dealers are required to keep for 5 years. If the form has a signature line, the customer must sign the form acknowledging they accept the information provided on it.

If a dealer fails to comply with the FTC buyer's guide requirement, they may be subject to penalties up to \$43,280 per violation in FTC enforcement action.

The buyer's guide form is not provided by the State of South Dakota. This form can be purchased through a third party vendor or downloaded from the [FTC website](#). Additional information on the FTC Buyer's Guide requirement can be found [here](#).

Dealer Plates and Permits

Dealer "77" plates:

Any new or used vehicle dealer licensed pursuant to [32-6B](#) is eligible to purchase dealer "77" plates for a fee of \$101 per year per set. These plates are renewed at the time of the dealer license renewal. If plates are purchased part way through the license period, the cost will be prorated based on the number of months until the license is renewed.

Any vehicle bearing these plates may be driven on the streets and highways in our State as long as:

- The vehicle is not a consignment

- The vehicle is not for lease or hire
- The vehicle is not a wrecker or service truck
- The vehicle being driven is owned by the dealership

These plates are not registered to a specific vehicle and can be transferred from vehicle to vehicle without notifying the county treasurer or office of dealer licensing as long as the vehicle is owned by the dealership.

If a dealer license is revoked, cancelled or the dealer goes out of business, these plates must be surrendered to the Department. If these plates are used on a vehicle after the license is closed, revoked or cancelled, the person using them is guilty of a Class 2 Misdemeanor.

SDCL 32-6B-21	SDCL 32-6B-22	SDCL 32-6B-24
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Dealer "88" plates:

Any new or used vehicle dealer licensed pursuant to [32-6B](#) is eligible to purchase dealer "88" plates. The cost of dealer "88" plates follows the commercial vehicle fee schedule and must be purchased using the correct tonnage. If plates are purchased part way through the license period, the cost is prorated based on the number of months until the license is renewed. All dealer plates are renewed at the time of the license renewal.

Any vehicle owned by the dealership bearing dealer "88" plates may be used to transport replacement dealership inventory or for demonstration use of heavy trucks for not more than 3 consecutive days.

These plates may not be used on:

- A consignment vehicle
- A vehicle for lease or hire
- A wrecker or service truck

These plates are not registered to a specific vehicle and can be transferred from vehicle to vehicle without notifying the county treasurer or office of dealer licensing as long as the vehicle is owned by the dealership. Any vehicle bearing dealer "88" plates must also comply with all motor carrier and HVUT requirements.

If a dealer license is revoked, cancelled or the dealer goes out of business, these plates must be surrendered to the Department. If these plates are used on a vehicle after the license is closed, revoked or cancelled, the person using them is guilty of a Class 2 Misdemeanor.

SDCL 32-6B-22.1	SDCL 32-6B-22.2	SDCL 32-6B-24
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Dealer auction "99" plates:

Dealer auction "99" plates are available to be purchased by any dealer auction agency licensed pursuant to 32-6B for a fee of \$101 per year per set. These plates are renewed at the time of the auction license renewal. If plates are purchased part way through the license period, the cost will be prorated based on the number of months until the license is renewed.

These plates may be used on a vehicle being offered for sale or sold by a dealer auction agency. This vehicle may be driven on our streets or highways for the purpose of transporting the vehicle to or from a dealer auction agency.

If the dealer auction license is revoked, cancelled or goes out of business, the plates must be surrendered to the Department. If these plates are used on a vehicle after the license is closed, revoked or cancelled, the person using them is guilty of a Class 2 Misdemeanor.

SDCL 32-6B-36.3	SDCL 32-6B-36.4	SDCL 32-6B-24
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Trailer and motorcycle dealer plates:

Any new or used vehicle dealer, trailer dealer or motorcycle dealer licensed pursuant to [32-6B](#) may purchase metal trailer or motorcycle plates for \$24 per year per plate. If purchased part way through the license period, the cost is prorated based on the number of months until the license is renewed. These plates are renewed annually at the time the license is renewed.

- To purchase a trailer plate, you must be a licensed new or used vehicle or trailer dealer
- To purchase a motorcycle plate, you must be a licensed new or used vehicle or motorcycle dealer

Any trailer or motorcycle owned by the dealership bearing these plates may be used for any purpose on our highways and streets including demonstration use by a potential customer. However, if a motorcycle plate is used on an off-road vehicle, the off-road vehicle must meet our on road use requirements and a completed ATV/Off-Road vehicle affidavit must be on file at the dealership.

If the dealer license is revoked, cancelled or goes out of business, the plate must be surrendered to the Department. If these plates are used on a trailer or motorcycle after the license is closed, revoked or cancelled, the person using them is guilty of a Class 2 Misdemeanor.

SDCL 32-6B-23	SDCL 32-6B-24
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Snowmobile dealer plates:

Any licensed new or used snowmobile dealer may purchase snowmobile dealer plates for \$10 per set per year. If the plates are purchased part way through the license period, the cost will be prorated based on the number of months left until the license is renewed. These plates are renewed annually at the time the license is renewed.

These plates may be used on any snowmobile owned by the dealership. These plates will be issued on durable material in sets of two, one for each side of the snowmobile. These plates can be transferred from one snowmobile to another.

SDCL 32-6C-7	SDCL 32-6C-8
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Mobile/Manufactured home plate:

Any licensed new or used mobile/manufactured home dealer may purchase dealer plates for \$10 per plate per year. If the plate is purchased part way through the license period, the cost will be prorated based on the number of months left until the license is renewed. This plate is renewed annually at the time the license is renewed.

These plates may be used to transport any new or used mobile/manufactured home on the streets or highways in this state for the purpose of:

- Delivering the home to the purchaser
- Moving the home to the dealership's place of business
- Moving the home between the dealership and a temporary lot, auxiliary lot or supplemental lot

This plate is transferrable from one home to another as long as the home is owned by the dealership. The plate is to be attached to the rear of the home being transported.

SDCL 32-7A-10	SDCL 32-7A-11
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Boat dealer plate:

Any licensed new or used boat dealer may purchase boat dealer plates for \$20 per plate per year. If the plate is purchased part way through the license period, the cost is prorated based on the number of months left until the license is renewed. This plate is renewed annually at the time the license is renewed.

Boat dealer plates may be used on any boat owned by the dealership as long as the boat is not leased or used for rentals. These plates will be issued using durable material and may either be attached to the side of the boat or carried on the boat in a place easily accessible. These plates may be transferred from one boat to another.

SDCL 32-7B-10	SDCL 32-7B-11
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Dealer demonstration/in transit plates (blue plates):

Any new or used vehicle owned by a licensed dealer bearing a demonstration/in transit (blue plate) may be used for the following purposes:

- Noncommercial use by any employee of the dealership for purposes relating to the sale of the vehicle but cannot be used on a service truck, loaner vehicle, or in place of regular dealer plates
- Travel to and from a gas station, service station, car wash, repair facility, dealer auction, another location owned by the dealer, a temporary supplemental lot, supplemental lot, special event location, any location to facilitate a dealer trade or delivery to a customer

- Demonstration use by a potential customer who checks the vehicle out for a period of no longer than 3 consecutive days

These plates may also be used on motorcycles and trailers as long as the dealer is licensed to sell those types of vehicles.

SDCL [32-6B-25](#)

Snowmobile demonstration plates:

Any new or used snowmobile owned by a licensed snowmobile dealer may use dealer demonstration plates for demonstration purposes only. Any snowmobile being used for demonstration may be checked out by a potential customer for a period not to exceed 3 consecutive days. These plates may not be used for any other purposes than demonstration use.

SDCL [32-6C-9](#)

Boat demonstration plates:

Any new or used boat owned by a licensed boat dealer may use demonstration plates for demonstration purposes only. A boat checked out for demonstration use may be used by a potential customer for up to 7 consecutive days. These plates may not be used for any other purposes than demonstration use.

SDCL [32-7B-12](#)

Trailer manufacturer in-transit plates:

Trailer manufacturer's registered with the Department as a manufacturer may use in transit plates to transport any of the manufacturer's trailers for the following reasons:

- In-transit to or from a licensed dealership
 - In-transit to or from a special event
 - Transport to or from a service facility or repair shop
- These plates may not be used for any other purpose.

SDCL [32-6B-66](#)

Design of dealer demonstration/in transit plates:

Dealer demonstration/in transit plates must meet the following requirements to be used on new or used vehicles:

- They must be printed on blue paper durable enough to maintain its shape, size and print clarity
- They must be 6 1/2 inches wide by 11 inches long
- All printing must be centered horizontally and evenly spaced vertically
- The words "South Dakota" shall be printed in 48-point universe bold letters at the top
- The words "vehicle dealer" shall be printed in 36-point universe bold letters under "South Dakota"
- Under "vehicle dealer", shall be the vehicle dealer number which shall be printed in one and one half inch tall baskerville bold letters and numbers. The dealer number shall be printed near the middle of the plate.
- Under the dealer number shall be a box measuring 10 inches long by one half inch wide containing the words "valid for dealer demonstration and in-transit purposes only" in 24 point universe medium letters to fit 59 pica wide
- Below the box shall be the dealers name followed by the city and state the dealer is located underneath. The name, city and state must be in 42 point baskerville letters

It is permissible to use print substantially equivalent to the prints specified above.

SDCL 32-6B-30	Admin Rule: 61:24:04:01
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Design of demonstration/in transit plates for boats, snowmobiles, motorcycles and trailers:

Dealer demonstration/in transit plates for new or used boats, snowmobiles, motorcycles and trailers must meet the following requirements:

- They must be printed on blue paper durable enough to maintain its shape, size and print clarity
- The permit shall be five inches by eight inches long, except for the motorcycle permit which shall be four inches by six and one-quarter inches long.
- Any printing shall be centered horizontally and evenly spaced vertically.
- The words "South Dakota" shall be printed in 24-point universe bold letters at the top of the permit.
- Underneath the words "South Dakota" shall be the words "boat dealer," "trailer dealer," "motorcycle dealer," or "snowmobile dealer," whichever applies, in 20-point universe bold letters.
- Underneath the applicable dealer type, the dealer number must be printed near the middle of the plate in one inch tall baskerville bold letters and numbers

- Under the dealer number shall be a half inch wide box containing the words "valid for dealer demonstration and in-transit only" in 20 point universe medium letters
- Below the box shall be the dealers name followed by the city and state the dealer is located under it. The name, city and state must be in 24 point baskerville letters

It is permissible to use print substantially equivalent to the prints specified above.

Admin Rule: [61:24:04:05](#)

Temporary license permit (white sold permit):

Temporary sold permits are issued only on vehicles, boats or snowmobiles sold by a licensed dealer for a period not to exceed 45 days. This permit authorizes the use of the vehicle, boat or snowmobile until the customer titles, registers and obtains the proper plates from the county treasurer's office or until the temporary plate expires, whichever occurs first.

This permit must be attached to the passenger side front window in the lower right corner and in the driver side rear window on the lower corner of vehicles sold by the dealership.

If this permit is used on a motorcycle or trailer then it must be displayed in the same manner as a metal plate would be.

Temporary sold permits are not able to be renewed, changed, altered or be used for any other purpose than vehicles, boats or snowmobiles sold by the licensed dealer. Renewing, changing, altering or using a temporary sold permit for a nonvalid use will result in a dealer violation.

Temporary sold permits are required to be issued in the 605Drive dealer system.

SDCL 32-6B-26	SDCL 32-6B-27	SDCL 32-6B-29	SDCL 32-6C-10	SDCL 32-7B-13
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Drivers Privacy and Protection act (DPPA)

Disclosure of personal information:

Personal information gathered from motor vehicle records may not be disclosed by any employee of the Department or any agent acting on behalf of the Department including County Treasurers, dealers and dealer staff authorized to use the online system by the dealer.

Any dealer staff authorized to use the online system by the dealer must enter into a confidentiality agreement with the dealership and the dealership must have this agreement on file, available for inspection by the Department. Any misuse of the online dealer system by the dealer or dealer staff may result in criminal penalties against the dealer or individual under the Federal Drivers Privacy and Protection Act.

DPPA overview:

The DPPA is a federal law enacted in 1994 to restrict state governments and their agents (county officials, dealers and dealer staff) from disclosing personal information about any person or entities motor vehicle records. This act was enacted to protect personal information from being available to the general public after a local DMV provided an address of an individual who was stalked then murdered.

Authorization to disclose information:

Personal information gathered from motor vehicle records may only be disclosed when a DPPA form is submitted and the requestor is authorized to receive such information.

DPPA request forms are to be submitted directly to the Motor Vehicle Division in Pierre for processing. If approved, the requested information will be sent to the requestor. If denied, the requestor will receive a denial letter explaining the reason the request was denied.

The following are qualifying reasons to receive information from the motor vehicle records:

- Use by the record holder or by the record holder's direct authorization
- Government Agency use
- For use by a legitimate business in order to carry out normal functions of their business but only to:
 1. Verify accuracy of personal information submitted by the individual
 2. Obtain correct information to prevent fraud, pursue legal action or recover debts from the individual
- For use in civil, criminal, administrative or arbitral legal processes leading up to court proceedings
- For use by insurers or their agents in connection with claim investigation activities, anti-fraud activities, rating and underwriting

- For use by any licensed towing agency to notify owners and lienholders of towed, impounded or abandoned vehicles
- For use by any licensed private investigative agency
- For use by an employer to obtain or verify CDL information

SDCL 32-5-144	SDCL 32-5-145	SDCL 32-5-146	SDCL 32-5-147	SDCL 32-5-148	SDCL 32-5-149
SDCL 32-5-150					

Advertising Regulations

Definition of advertising:

Any communication in any medium (email, radio, print, website, social media, etc.) to the public offering a product or service. This also includes billboards, banners and signs along with stickers, decals or signs placed on a vehicle.

Advertisement and sales presentation:

An ad or sales presentation may not be used if it does any of the following:

- Obscures or makes misleading any material fact by using a different type size, style, location, sound, lighting, or color
- Misrepresents in any way the size, inventory, or nature of the business of the advertiser or seller
- Is a part of a bait and switch plan or scheme (more info on next section)
- Advertises the immediate availability of a new motor vehicle with the intent not to supply reasonably expected demand unless the ad clearly discloses the specific quantity available
- Advertises a specific motor vehicle for sale that is not in the stock on the date the advertisement is placed unless the advertisement states "not in stock" or "order yours now" or uses a similar phrase which indicates clearly the vehicle is not available for immediate delivery and indicates the timeframe in which delivery will be made
- Makes any representation or statement of a fact if the dealer or salesperson knows or should know that the representation or statement is false and misleading
- Advertises a used vehicle in a manner that creates the impression it is a new vehicle
- Advertises a motor vehicle for sale at a price or price comparison which represents less than the total price to be paid by a retail purchaser unless the advertisement clearly and conspicuously discloses that the price is offered with reference to a trade-in, set-off, discount, or other method of price reduction and discloses the amount of the allowance
- Advertises a specific price or range of prices that a dealer will pay for trade-in vehicles unless the advertisement meets the following requirements:
 - (a)The advertisement specifies the criteria the dealer will use to determine the trade-in value of a particular vehicle;
 - (b)The advertised price applies to all trade-in vehicles, regardless of condition or age;
 - (c)The advertisement discloses any conditions trade-in vehicles must meet before the advertised price is paid

Any ad or sales presentation offering a new or used vehicle for sale must include:

- The dealership name and location
- The year, make and model of the vehicle being offered for sale

Bait and switch:

A bait and switch scheme is any ad designed to attract a customer to purchase a vehicle that the dealer does not have or does not intend to sell for the advertised price and the dealership's intention is to switch the consumer to a different vehicle

Admin Rule: [61:24:07](#)

Restricted terms:

The following are words and terms strictly prohibited from being used in any ad or sales presentation:

- Free (unless the product or service being offered is truly free and not contingent on the purchase of a vehicle, product or service)
 - Example: Free \$10 gift card with every test drive OR Free can of pop for anyone that stops at the dealership today
 - These are acceptable because they do not require a purchase to be made to obtain the free product
- Dealer cost
- Invoice price
- Factory invoice*
- Invoice
- Wholesale
- Factory billing*
- Wholesale pricing
- Factory sale*

*Advertising should not give the impression the customer is purchasing the vehicle directly from the manufacturer

Price disclosure:

Ads stating an offering price must also disclose an effective period if the price is subject to change. Any advertised price, written or oral, given to a prospective buyer is considered a price offering plus taxes, license fees, doc fees and registration fees. If an offering price is limited to a select number of vehicles, new or used, it must be disclosed in the advertisement. Vehicles bearing a monroney sticker or factory label with an MSRP must have a supplemental sticker if the price offering is greater than the MSRP.

Requirements for a supplemental sticker:

- Supplemental stickers may disclose only the offering price or the offering price with an itemized list of any charges added to the MSRP
- Difference between offering price and MSRP not representing additional goods or services shall be described as "additional profits" or "additional markup" or use similar terms
- Supplemental stickers may not make any false or misleading representations by listing charges for goods or services that are substantially larger than the dealership would typically charge other customers

Admin Rule: [61:24:07](#)

Warranty:

Any advertisement containing an offering of a warranty or guaranty shall disclose any limitation of the warranty concerning its duration, the inclusion or exclusion of service or labor charges, and the characteristics or properties of the motor vehicle or any part included or excluded and shall disclose whether the warranty or guaranty will be performed by repair, replacement, refund, or any other means and whether the manner of performance is at the option of the advertiser.

Rebates and financing:

A dealer may not advertise an offer of a manufacturer's or distributor's rebate, refund, discount, or other financial inducement or incentive of any type unless the advertisement clearly and conspicuously discloses the contribution of the dealer to the manufacturer's or distributor's rebate, refund, discount, or other financial inducement or incentive and the fact that the dealer's contribution may affect the final negotiated price of the vehicle.

An advertisement containing an offer by a dealer of an interest rate or finance charge incentive to purchasers of motor vehicles sold by the dealer which is paid for or financed by the dealer rather than the manufacturer, distributor, or financial institutions must clearly and conspicuously disclose that the dealer pays for or finances the interest charge reduction and that such an arrangement may affect the final negotiated price of the motor vehicle

Admin Rule: [61:24:07](#)

Dealer Online System

All licensed dealers are required to utilize the South Dakota online dealer system.

This system must be used for the following:

- Renewing the dealer license
- Making changes to the license information
- Updating dealer information
- Adding/removing authorized signers
- Transferring titles into the dealership name
- Transferring titles to a customer that will be registering the unit in South Dakota
- Ordering metal dealer plates
- Verifying vehicle information as it pertains to dealership transactions
- Verifying trade-in information (vehicle owner, lienholder, etc.).
- Checking title status
- Issuing 45 day temporary permits
- Paying title transfer transaction fees
 - All title transactions conducted in the dealer system are subject to a 25 cent charge per transaction and these transaction fees are billed the beginning of the following month after the total reaches \$50 OR when the license renews, whichever occurs first. These fees must be paid by the end of the month they are billed in.
 - Example: title transaction fees reach \$50 on May 15th. The total fees calculated until the end of May will be due by the end of June making the total more than \$50.

The information accessed in the dealer system is governed by the provisions in the Drivers Privacy and Protection Act. The information obtained in the dealer system may only be used for lawful business purposes and any misuse of the system may result in criminal action being pursued against the dealership.

SDCL 32-3-25	SDCL 32-3-38.1	SDCL 32-3-38.3	Admin Rule: 61:24:03:11	Admin Rule: 61:24:03:13
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