

AN ACT

ENTITLED, An Act to revise certain provisions relating to liens.

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

Section 1. That § 32-3-41 be amended to read as follows:

32-3-41. Any security interest, mechanic's lien, or similar instrument other than a financing statement covering a motor vehicle, trailer, or semitrailer, if the instrument is accompanied by delivery of the manufacturer's statement of origin or the manufacturer's certificate of origin and followed by actual and continued possession of the same by the holder of the instrument, or in the case of the certificate of title, if a notation of same has been made by the secretary or county register of deeds on the face thereof or if notation of same has been made by the seller, buyer, owner, or holder of the instrument on the reverse thereof, shall be valid against the creditors of the debtor, whether armed with process or not, and subsequent purchasers and other lien holders or claimants, but otherwise is not valid against them.

Section 2. That § 42-8-82 be amended to read as follows:

42-8-82. A security interest created in this state in a large boat, and as defined by §§ 42-8-71 to 42-8-74, inclusive, and §§ 42-8-76 to 42-8-84, inclusive, on and after March 1, 1992, is not perfected until the security interest is noted on the certificate of title. On or after July 1, 1993, a security interest created in this state on a large boat, as defined in § 42-8-2, exclusive of a motorboat is not perfected until the security interest is noted on the certificate of title. On or after July 1, 1994, a security interest created in this state on a large boat, as defined in § 42-8-2, is not perfected until the security interest is noted on the certificate of title. To perfect the security interest, a copy of the security agreement shall be presented along with the original title. The register of deeds, or the seller, buyer, owner, or holder of the instrument shall note the security interest at any place on the instrument, and if so noted, the lien shall be perfected against the creditors of the debtor, shall be valid against the creditors of the debtor, whether armed with

process or not, and subsequent purchasers and other lien holders or claimants, but otherwise is not valid against them. The fee for noting the lien is five dollars. The fees shall be credited to the county general fund. The certificate of title shall be presented to the county register of deeds if a lien is to be noted on an existing certificate of title.

The owner shall present the certificate of title to the county register of deeds when a release statement is filed.

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I certify that the attached Act
originated in the

HOUSE as Bill No. 1099

Chief Clerk

Speaker of the House

Attest:

Chief Clerk

President of the Senate

Attest:

Secretary of the Senate

House Bill No. 1099
File No. _____
Chapter No. _____

Received at this Executive Office
this ____ day of _____ ,

19__ at ____ M.

By _____
for the Governor

The attached Act is hereby
approved this _____ day of
_____, A.D., 19__

Governor

STATE OF SOUTH DAKOTA,
ss.
Office of the Secretary of State

Filed _____, 19__
at _____ o'clock __ M.

Secretary of State

By _____
Asst. Secretary of State