

AN ACT

ENTITLED, An Act to revise certain provisions regarding leased or rented boats, to revise certain provisions regarding boat license tags, and to revise certain provisions regarding the exemptions from the excise tax on boats.

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

Section 1. That chapter 32-3A be amended by adding thereto a NEW SECTION to read as follows:

For the purposes of this chapter, any leasing or rental company that operates within the principal place of business of a dealer, licensed pursuant to chapter 32-7B, is a business separate from the dealership. A leasing or rental company shall title, license, and tax any leased or rental boat in a name that is distinct and separate from that of the dealership name as indicated on the dealer license under chapter 32-7B.

Section 2. That § 32-3A-7 be repealed.

Section 3. That § 32-3A-8 be repealed.

Section 4. That § 32-3A-9 be repealed.

Section 5. That § 32-3A-10 be repealed.

Section 6. That § 32-7B-13 be amended to read as follows:

32-7B-13. If a boat is sold by a licensed dealer, the dealer may provide a temporary thirty- day license permit which is a permit to operate the boat in this state for a period of thirty days after the date of sale or until the time the purchaser receives the regular license decals from the county treasurer, whichever occurs first. The temporary boat license tags shall be displayed as required by § 32-3A-5 and any rule promulgated, pursuant to chapter 1-26, by the department. No dealer may use the permit upon any boat owned by the dealer or for any purpose other than for boats sold by the manufacturer or dealer. No person may renew the temporary thirty-day license permit nor change or

alter the date or other information thereon. A violation of this section is a Class 1 misdemeanor.

Section 7. That § 32-7B-11 be amended to read as follows:

32-7B-11. Any new boat or used boat owned by a licensed dealer, bearing dealer license plates issued pursuant to § 32-7B-10 may be operated in this state for any purpose, except no dealer boat license plate may be used on any boat used for lease or rental. The license plate shall be displayed on or carried in the boat. The license plate is transferable by the dealer from one boat owned by the dealer to another boat owned by the dealer. Any violation of this section is a Class 1 misdemeanor.

Section 8. That § 32-3A-52 be amended to read as follows:

32-3A-52. Exempt from the provisions of § 32-3A-50 are:

- (1) Any large boat which is the property of the governmental units which are exempted from motor vehicle registration fees by §§ 32-5-42 and 32-5-42.1;
- (2) Any large boat acquired by inheritance or bequest;
- (3) Any large boat previously titled or licensed jointly in the names of two or more persons and subsequently transferred without consideration to one or more of such persons;
- (4) Any large boat transferred without consideration between spouses, between a parent and child, and between siblings;
- (5) Any large boat transferred pursuant to any mergers or consolidations of corporations or plans of reorganization by which substantially all of the assets of a corporation are transferred if the large boat was previously titled, licensed, and registered in this state;
- (6) Any large boat transferred by a subsidiary corporation to its parent corporation for no or nominal consideration or in sole consideration of the cancellation or surrender of the subsidiary's stock if the large boat was previously titled, licensed, and registered in this state;
- (7) Any large boat transferred between an individual and a corporation if the individual and

the owner of the majority of the capital stock of the corporation are one and the same and if the large boat was previously titled and registered in this state;

- (8) Any large boat transferred between a corporation and its stockholders or creditors if to effectuate a dissolution of the corporation it is necessary to transfer the title from the corporate entity to the stockholders or creditors and if the large boat was previously titled and registered in this state;
- (9) Any large boat transferred between an individual and limited or general partnership if the individual and the owner of the majority interest in the partnership are one and the same person and if the large boat was previously titled and registered in this state;
- (10) Any large boat transferred to effect a sale of all or substantially all of the assets of the business entity if the large boat was previously titled and registered in this state;
- (11) Any large boat acquired by a secured party or lien holder in satisfaction of a debt;
- (12) Any large boat sold or transferred which is eleven or more years old and which is sold or transferred for one thousand five hundred dollars or less before trade-in;
- (13) Any damaged large boat transferred to an insurance company in the settlement of an insurance claim;
- (14) Any large boat owned by a former resident of this state who returns to the state and who had previously paid excise tax to this state on the large boat as evidenced within the department's records or by submission of other acceptable proof of payment of such tax;
- (15) Between corporations, both subsidiary and nonsubsidiary, if the individuals who hold a majority of stock in the first corporation also hold a majority of stock in the second corporation; but these individuals need not hold the same ratio of stock in both corporations provided the large boat was previously titled and registered in this state; and
- (16) Any large boat transferred by a trustor to his trustee or from a trustee to a beneficiary of

a trust.

An Act to revise certain provisions regarding leased or rented boats, to revise certain provisions regarding boat license tags, and to revise certain provisions regarding the exemptions from the excise tax on boats.

=====

I certify that the attached Act originated in the

HOUSE as Bill No. 1047

Chief Clerk

=====

Speaker of the House

Attest:

Chief Clerk

President of the Senate

Attest:

Secretary of the Senate

House Bill No. 1047
File No. _____
Chapter No. _____

=====

Received at this Executive Office this ____ day of _____ ,

20____ at _____ M.

By _____
for the Governor

=====

The attached Act is hereby approved this _____ day of _____ , A.D., 20__

Governor

=====

STATE OF SOUTH DAKOTA,
ss.

Office of the Secretary of State

Filed _____ , 20__
at _____ o'clock __ M.

Secretary of State

By _____
Asst. Secretary of State