

# State of South Dakota

EIGHTIETH SESSION  
LEGISLATIVE ASSEMBLY, 2005

517L0577

SENATE TRANSPORTATION COMMITTEE  
ENGROSSED NO. **HB 1202** - 02/24/2005

Introduced by: Representatives Cutler, Hennies, Hunhoff, Kraus, Murschel, Pederson (Gordon), Rounds, Sebert, Tornow, and Willadsen and Senators Napoli, Abdallah, Bartling, Bogue, Moore, and Olson (Ed)

1 FOR AN ACT ENTITLED, An Act to provide for a salvage title.

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

3 Section 1. That § 32-3-26.1 be repealed.

4 ~~—32-3-26.1. Any insurance company authorized to do business in this state does not need to~~  
5 ~~apply for a certificate of title as provided by § 32-3-26, if the motor vehicle, trailer, or~~  
6 ~~semitrailer is acquired as the result of an insurance claim settlement and is being transferred to~~  
7 ~~a licensed motor vehicle dealer. Instead, upon such a transfer of the motor vehicle, trailer, or~~  
8 ~~semitrailer, the insurance company shall give the licensed motor vehicle dealer a reassignment~~  
9 ~~of the title of the motor vehicle, trailer, or semitrailer.~~

10 Section 2. For purposes of this Act, the term, salvage vehicle, means any vehicle that an  
11 insurer or self insurer determines a total loss due to damage caused by fire, vandalism, collision,  
12 weather, submersion in water, or flood. This section does not apply to any motor vehicle more  
13 than six model years old or with a gross vehicle weight rating of more than sixteen thousand  
14 pounds.



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

3 If an insurer, in settlement of a total loss insurance claim, or self insurer acquires the  
4 ownership of any salvage vehicle as defined in section 2 of this Act that does not have a salvage  
5 vehicle title, the insurer shall within thirty days following acquisition of the certificate of title  
6 of that vehicle, surrender the certificate of title for such vehicle to the department. The  
7 department shall promptly issue a title indicating it is a salvage vehicle to the insurer or self  
8 insurer. Once a vehicle has been branded a salvage vehicle, nothing in this section prohibits a  
9 person from obtaining a rebuilt title pursuant to § 32-3-53.

10 Section 4. That chapter 32-3 be amended by adding thereto a NEW SECTION to read as  
11 follows:

12 If an insurer or self insurer declares a vehicle to be a total loss but does not acquire  
13 ownership of the vehicle, the owner shall obtain a salvage title for the vehicle. The insurer or  
14 self insurer shall, in writing, notify the owner of the obligation to obtain a salvage title before  
15 the owner sells or transfers the title. If the owner sells or transfers the ownership of the vehicle  
16 without first obtaining a salvage title, the owner is guilty of a Class 1 misdemeanor. This section  
17 does not apply to any motor vehicle more than six model years old or with a gross vehicle  
18 weight rating of more than sixteen thousand pounds.

19 Section 5. That § 32-3-51.9 be amended to read as follows:

20 32-3-51.9. For the purposes of the damage disclosure statement provided by § 32-3-51.8,  
21 "~~damage~~ the term, damage, is damage to the motor vehicle caused by fire, vandalism, collision,  
22 weather, submersion in water, or flood, and does not include normal wear and tear, glass  
23 damage, mechanical repairs, or electrical repairs that have not been caused by fire, vandalism,  
24 collision, weather, submersion in water, or flood.

1 Section 6. That § 32-3-51.5 be amended to read as follows:

2 32-3-51.5. Any motor vehicle, trailer, or semitrailer whose title has been marked by another  
3 state or jurisdiction, shall receive a title, which shall contain the damage disclosure information  
4 as set forth in §§ 32-3-51.7 and 32-3-51.8. However, if the title has been branded as salvage or  
5 with any other similar brand by another state or jurisdiction the applicant shall receive a salvage  
6 title or, at the option of the owner, a junking certificate.