

## AN ACT

ENTITLED, An Act to authorize the Department of Revenue to establish an electronic title system for motor vehicles and to revise certain provisions regarding an electronic lien filing system.

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

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

The department may establish an electronic title system for motor vehicles, as the term, motor vehicle, is defined in § 32-3-1. Any participant in the electronic title system shall submit electronic applications for original vehicle titles in a form and format prescribed by the department. A participant shall provide all documentation or information required by the department to process the electronic title application, including the electronic manufacturer's statement of origin. The department shall verify the authenticity of the electronic information before the electronic title is issued.

Section 2. That § 32-3-44 be amended to read as follows:

32-3-44. If a lien is discharged, the lienholder shall execute a release within twenty days after final payment is received. The release shall contain the vehicle identification number or the certificate of title number, and the owner's name. The lienholder shall deliver the release (and certificate of title if held by the lienholder) to any county treasurer. The treasurer shall note the cancellation of the lien on the face of the certificate of title and on the same day shall notify the secretary. The secretary shall cancel the lien on the state's computer system, if the county treasurer has not done so. If the certificate of title is lost as set forth in § 32-3-29, application for duplicate title may be forwarded along with the release to the department. The department shall cancel the lien. For failure to comply with these provisions relating to releasing a lien, the lienholder is liable to the owner for all damages sustained by the owner. The county treasurer shall mail or deliver the certificate of title to the owner, or as otherwise directed by the owner. Upon the satisfaction of a

security interest in a motor vehicle, trailer, or semitrailer for which the certificate of title is in the possession of the owner, the secured party shall within twenty days after final payment is received, execute a release of security interest on the form prescribed by the department and mail or deliver such release to the owner or as otherwise directed by the owner.

Section 3. That § 32-3-70 be amended to read as follows:

32-3-70. Notwithstanding any other provision of this title, the department may provide for an electronic lien filing system. If a lien has been noted electronically in the electronic lien filing system, no paper title may be issued to the owner of record or the lienholder. A paper title shall be issued under the following circumstances:

- (1) The lien has been satisfied and the owner requests a title; or
- (2) The owner is relocating to another state and the lienholder authorizes the issuance of a title with the lien noted.

A lien shall be noted or cancelled electronically if an electronic certificate of title exists and the lienholder is participating in the electronic lien filing system. A lien noted electronically is considered perfected as if a paper title were issued and a lien noted on it pursuant to § 32-3-41. A lienholder is liable for noting or canceling a lien in error.

An Act to authorize the Department of Revenue to establish an electronic title system for motor vehicles and to revise certain provisions regarding an electronic lien filing system.

=====

I certify that the attached Act originated in the

HOUSE as Bill No. 1043

\_\_\_\_\_  
Chief Clerk

=====

\_\_\_\_\_  
Speaker of the House

Attest:

\_\_\_\_\_  
Chief Clerk

\_\_\_\_\_  
President of the Senate

Attest:

\_\_\_\_\_  
Secretary of the Senate

House Bill No. 1043  
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