

MOTOR VEHICLE UPDATE

June 2011

As always, we enjoyed meeting with you at your recent Workshop in Pierre. For those of you that were not able to attend, we missed you. Following is information that was discussed. If upon your review you have any questions, please feel free to contact our office. Thank you too for sharing this information with all of your staff.

Self-Service Terminals:

Plans are underway to pilot a self-service terminal in the Sioux Falls area. You will be updated as plans are finalized.

Electronic Signature:

Although electronic signatures are not currently being utilized on DMV documents, we are seeing instances where it is being used by financial/lending institutions (security agreements, lien releases, etc.).

Under SDCL 53-12, an electronic signature is acceptable, but based on SDCL 53-12-49, use of electronic signatures by government agencies is not mandated (a government agency is not required to use or permit the use of electronic records or signatures). Based on this, it appears that at this point it is discretionary. DMV would like to work with you (and legal if needed) on pursuing this issue, as it is becoming apparent that this is an upcoming trend.

Electronic Lien Title (ELT) and Electronic Title (ET):

Many states are currently utilizing ELT. In these situations, if a vehicle is encumbered, a paper title is not issued until the lien is released or the owner is in need of a title, such as moving out-of-state, etc. Studies are also being done on an ET System in which no paper document will be issued on the vehicle, beginning at the manufacturer's level. States are working with National Highway Traffic Safety Administration (NHTSA) on issues relating to ELT, ET, use of a power of attorney, and methods of obtaining required disclosures and signatures in paperless situations.

License Renewal Certificates and Lienholder's Notice of Filing Certificates:

By July 1, license renewal certificates (documentation issued for registration purposes when lienholder holds title on a vehicle) will no longer be issued. Plans are underway to allow on-line access to financial

institutions which will, in turn, result in elimination of the lienholder's notice of filing certificates also.

Budget Impact:

Copies of the license fee distribution charts were distributed and are being posted on our website under separate postings entitled, "2011 Distribution of Vehicle License Fees," and "2013 Distribution of Vehicle License Fees." PLEASE NOTE: the last column appearing on the charts, entitled "Projected Increase" should be disregarded, as this figure relates to your collections and does not represent the amount you will receive. A chart entitled, "Distribution Formula for License Fees Collected at County" is also being posted.

With budget reductions, the division had to eliminate 3.1 FTE. Other savings have been made possible through technology changes, such as the on-line forms, extension of our license plates to 2016, etc.

Non-Residents:

A photo ID (i.e., out-of-state drivers license, tribal identification) is required if an applicant does not have a South Dakota drivers license (SDDL) or South Dakota Identification card (SDID). A physical address is required unless a non-resident form is completed.

A non-resident is prohibited from obtaining special plates (organization, DAV, personalized, etc.). To establish residency for purposes of obtaining special license plates, an applicant must possess a SDDL or SDID or be able to furnish some other type of evidence of residency, such as a utility bill, electric bill, cable bill, telephone bill, etc.

Residency is also required in order to obtain a disabled person parking permit. In the event this information is not available when a disabled person parking permit is requested, one temporary permit can be issued.

Please note, under SDCL 32-5-109.4, an applicant for a veteran plate must possess a SDDL.

US Citizen Documents:

When an individual does not have a US driver's license and is not a US citizen, please obtain a copy of his/her US Visa, along with an I-94 Stamp. You are not being asked to verify the validity of these documents.

Legislation:

Legislation going into effect July 1, 2011, is posted under separate heading, "2011 Legislation" on our website.

Trailers Exempt from Title/License:

Below is a memorandum dated February 20, 2004 that pertains to Fish Houses/Trailers Exempt from Title and Licensing, as well as a copy of ARSD 64:28:01:02, which defines trailers that are exempt from title and licensing.

TO: County Treasurers

FROM: Division of Motor Vehicles

SUBJ: Fish Houses

DATE: February 10, 2004

Under Administrative Rule 64:28:01:02 certain trailers are exempt from the vehicle licensing requirements. Within this category are trailers termed "special mobile equipment." These are trailers that are built specifically to carry only the specialized equipment mounted thereon. Types of trailers that might fall into this category are: log splitters, air compressors, welders, generators, cement mixers, street sweepers, barbecue pits, tar pots, stump grinders, tree chippers, tree spades, (to name a few) and, until recently, fish houses.

With the sophistication of the fish house, we are seeing some real variation in these trailers. Some of the newer houses actually fit into the travel trailer type, equipped with heaters, beds, etc. Some are built as fold downs, so when in route and collapsed other items, such as a motorcycle, four-wheeler, etc., can be carried thereon. The types of fish houses mentioned herein do not fall into the category of special mobile equipment and are not exempt from the title and license requirements.

When dealing with any of these trailer types, please try to get the specifics about the trailer. If it is a two-wheel type that carries only the specialized mounted equipment thereon, it most likely will qualify for exemption. When in doubt, additional documentation may be needed, such as photographs of the trailer, in order to make an accurate determination. Our office would be happy to assist you in this area.

Following is a copy of Administrative Rule 64:28:01:02. If you have any questions, please feel free to contact this office.

64:28:01:02. Exemptions to definitions of "trailer" and "semi-trailer." To clarify the issuance of vehicle titles and registrations for trailers and semi-trailers under SDCL chapters 32-3 and 32-5, the following exemptions from the statutory definitions of "trailer" and "semi-trailer" are established and adopted:

- (1) "Auxiliary axle," an auxiliary undercarriage assembly with a fifth wheel and tow bar used to convert a semi-trailer to a full trailer, commonly referred to as converter gears or converter dollies;
 - (2) "Implement of husbandry," every vehicle designed or adapted and used exclusively for agricultural operations and is only incidentally moved or operated upon a highway;
 - (3) "Special mobile equipment," every vehicle not designed or used primarily for the transportation of persons or property and is only incidentally operated or moved over a highway;
 - (4) "Car toter or tow dolly," a two-wheeled conveyance designed or adapted to be used to support the weight of one axle of a motor vehicle while being towed in combination behind another motor vehicle.
- Vehicles described in this section are not subject to the vehicle title and registration provisions of SDCL chapters 32-3 and 32-5.

Financial Responsibility:

SDCL 32-35-111, copy included, pertains to the transfer of vehicle ownership when an owner's registration is under suspension due to financial responsibility. Under this statute, transfer of ownership to another person is permitted, but if the transfer is to a co-owner (listed on title), the co-owner must then provide you with written evidence of insurance (financial responsibility). A copy of the proof of insurance should be submitted with the title transfer for filing and incorporation into the vehicle history.

Vehicle Left on Private Property:

Please refer to Section B, pages B-29 through B-31, of the Title and Registration Procedures Manual for information on abandoned vehicles.

It should be noted that there is a different procedure – refer to Section B, page B-31(M) of the Procedures Manual – for vehicles that are acquired as the result land acquisition.

[Procedures Manual, Page B-31, Section M: For a vehicle that is 11 years old or more that is acquired as the result of the purchase of property (for example, a farmer on whose land there is an abandoned vehicle), or similar situation, the landowner may apply for a title by submitting the following: if a record owner is on file, proof of notice by certified letter to the record owner and any lienholders of the intent to apply for a title, an

affidavit of facts, an application for title, and a title fee. The division reserves the right to deny the application if it is determined that sufficient documentation is not provided to establish proper ownership of the vehicle. This is not an abandoned vehicle transaction and the title is not branded “abandoned.”]

A DPPA form is required for release of any information. Since the applicant cannot furnish a bill of sale as proof of ownership of the vehicle, an affidavit attesting that the vehicle was acquired through a land acquisition is acceptable.

Leased Vehicles/Trusts:

On the computer system, please make sure that the lessor, in a lease situation, and the name of the trust, in a trust situation, is noted first, followed by the lessee(s) and trustee(s). An ID is needed for all of the owners (lessor, trust, lessee, and trustee).

System Forms:

Forms for special plates, disabled person and duplicate are now available on-line. The application will open along with the receipt. Print the partially completed duplicate or special plate application, complete the missing information and get signatures. If you already have a completed application, simply close the application window without printing the form.

The application for the disabled person plate is only for the person who already has a set of disabled license plates or a permanent permit; therefore, the doctor’s signature is not required. This form does not have the doctor’s portion. If this is the customer's first time applying for the disabled credentials, a manual application signed by the doctor must be provided before the plate can be requested.

Demonstrations:

A demonstration was provided on the different locations/functions on the DMV computer system (DMV website, SDcars – Que Management, reprint documents from visit search, etc).

Help Desk:

In the event of computer problems, please call the BIT HELP Desk at 773.4357 (773-HELP). If after hours, on a weekend or holiday, listen to the entire message. At the end of the message, you are given a choice to press zero or another number to call. The number that you are directed

to is the computer room which is operated 24/7, including holidays. They will have a list of on-call staff to contact if there are server issues similar to the problems that were incurred on April 22.

Voids:

Most of the time, you do not need to contact our office when voiding a title and/or registration transaction as long as you remember to void in reverse order. Registration, then void any modify title, then title. However, if the title you need to void was a Duplicate or an Amend, we have to move any attached registration back to the previous title number before you can void.

When voiding a registration with newly issued plates, the plate status automatically resets to available. When voiding a Renew Registration, the registration status resets the previous registration to active. In either of these circumstances, you can re-do the registration without a problem. If you void a New Motor Vehicle Registration where the plate was pulled from customer inventory, then you will need to continue to contact our office the change the former registration status to active.

Making Plates Available:

When a newly acquired vehicle is in a company name whose majority owner wants to use the license plate from the trade-in vehicle that was in his/her personal name, we cannot move the plate from the person to the company. We can, however, make the plate "available," which makes it just like a newly issued plate, including the fees that are calculated. If we make the plate "available," we can assist you in calculating the credit to apply to the calculated fee, as differences in age and weight will affect the total due. A miscellaneous fee receipt must be done for the county's reassignment fee.

RMI Changes:

On a new title registration when the customer's name does not match the plate RMI, changing the RMI (registration month indicator) on the plate pulled from customer inventory, the system will calculate the new expiration date and give credit (to zero) for the old registration period.

Sometimes the RMI is changed in error when the plate was attached to the new title. Correcting this error (if correcting at a later date) is a two step process. First, do an amend registration; select "Expiration Date" for the reason; and correct the expiration date. Fees may apply. Then, in a separate visit, do another amend registration, selecting "Other" and changing the RMI.

Reprinting a Document from a Visit ID:

Please Note: A document may be reprinted ONLY on the day the visit was started.

- Click the View tab, and then click on the Visit Search link.
- If you know the Visit ID, enter it. If not you must search by date range, the starting and ending date must be the current day. Your screen should now look like the one below
- Click on the Reprint Documents tab in the Navigation Tree on the left side of the screen. Your screen should now look like the one below.
- Click on the Check Boxes of each document you need reprinted on the right hand side. If you need a detailed receipt, there is a check box for that on the lower left hand side of the screen. When finished, click Re-Print Documents.

Dealer Pending Titles with Multiple Records:

Occasionally, a single customer will have multiple records. For example, John Quinton Test is the SDcars record, but the dealer put the pending application on as John Q Test (with different id number). Dealers do not search by name; they can only search by id. If the id is not found, they can add a new customer record.

- Once you have started the visit for the customer with the pending title, click on the Add button below the Associated Customers box. Search for and select the correct customer record.
- You will now need to click back on Visit Customer button in the Associated Customers box in order to see the pending title that needs to be processed. Click process in the drop down menu of the appropriate vehicle.
- Click on the Owner Information link in the Navigation tree on the left side of the screen.
- Click on the red X on the far right of the owner's information to remove the owner, a warning will pop up, click ok.

- Now click on the Add Owner button on the right hand side of the screen.
- Find the correct owner record and select it.
- Process title as normal.

Send the customer information to us to merge if appropriate.

Decals:

Counties will be provided with additional decals (gold) to accommodate the early rush that is anticipated by licensees with renewal months of May-July to avoid the July 1, 2011, license fee increases.

Post Mark Dates:

In the event you will be accepting a post mark date after July 1, 2011, when the new license fee increase goes into effect, the license fees will have to be amended to the old fee schedule.

Companies and ID Entry:

Effective July 1, 2011, the system will prevent title and registration of a vehicle to a company without an ID in the system.

Make sure that an ID is entered correctly in the system. Errors can cause many problems that are time consuming and costly to correct.

System Upgrades:

A new software system for address verification of the internet renewal cards is being utilized. This should result in fewer cases in which owners don't receive the card. In addition, a new OMR registration system is being used that allows for the automatic insertion of 4 registrations per envelope.

Reminders:

Do not use the back button after reaching the payment process. Doing this creates problems.

A separate visit for payment of collections and refunds is required.

Customer types are distinct entities and cannot be merged. For example John Q Public is a person, his personal customer records cannot be merged with his trust John Q Public Living Trust. The trust is a separate entity. The same would be true of John Q Public and John Public Farms, one is a person and the other is a company. They are not the same and cannot be merged.

Be sure to verify your customer's name and address before proceeding with a transaction.

Gross Weight Starts at 4 Tons.

Title and registration is to be performed in an applicant's county of residence. Complaints have been received that applicants are being allowed to register in incorrect counties.

Mileage cannot be reinstated on a title or carried through on a title once the mileage chain is broken. If the mileage has been carried through and there is no odometer discrepancy, please be sure to indicate it on the system, do not automatically indicate it as exempt because of the age of the vehicle.

Make sure mileage is reported on qualifying vehicles (2002 and newer). Often, "exempt" is being indicated when a vehicle does not qualify for an exemption.

Be sure to check all applicants' addresses to assure that the system contains correct information. Also, if there is a discrepancy on the title paperwork, please confirm the information.

The width and length of a trailer is needed to complete the information on the system.

Do not send in an application in which the applicant(s) has signed the form, but the application contains no information (another unsigned application with the information contained thereon accompanies it). The incomplete application will be rejected and a letter generated. Also, be sure that all applications are signed and that title numbers are recorded accurately on the title application.

Staple an ATV form to the paperwork it belongs with when submitting it with an MSO or title transfer.

The Title and Registration Procedures Manual, forms, etc. on the website will be updated prior to July 1.

