

May 1, 2013

ATTN: State's Attorneys

As you know, this is the time of year when transient vendors begin arriving in South Dakota to sell their goods and services. Many of these merchants are legitimate businesses who comply with our state's laws. Unfortunately, some of them are not reputable and pose a potential fraud risk to the citizens of your area.

The South Dakota Department of Revenue has issued the attached press release to media and business groups statewide to assist the public in making informed decisions as to whether or not to do business with these individuals. We'd also like to take this opportunity to reacquaint you with South Dakota's tax laws concerning transient vendors and ask for your help in curtailing fraudulent activity by these individuals.

Under South Dakota law, any business which intends to sell any kind of tangible personal property or service or perform construction services in the state must have a current South Dakota tax license. Anyone found guilty of engaging in business without a valid South Dakota tax license after having been notified in writing may be charged with a Class 6 felony.

There is no fee for a tax license although depending on the nature of the vendor's business, they may be required to post a bond or security. Information on obtaining a license is available at all Department of Revenue offices statewide, from our website at <http://dor.sd.gov/>, or by calling our toll-free helpline at 1-800-829-9188.

Our department is advising citizens encountering unlicensed or suspicious transient vendors to report them to local law enforcement, either on the city or county level, or the Attorney General's Consumer Protection Division at 1-800-300-1986 or consumerhelp@state.sd.us. Transient vendors tend to move quickly from community to community, and decisive action is necessary in investigating suspicious vendor activity. If you have any questions on transient vendors or the department can be of assistance in any way regarding this issue, please feel free to contact our office at 1-800-829-9188. Thank you for your assistance.

Sincerely,

Doug Schinkel
Director, Business Tax Division

For immediate release: Friday, April 26, 2013

For more information: Doug Schinkel, Director, Business Tax Division, 605.773.3311

Transient Vendors: Get the Facts Before You Buy

PIERRE, S.D. – Transient vendor season is underway in South Dakota, a time when out-of-state vendors roll into the state to sell their products and services. While many of the vendors are legitimate, the South Dakota Department of Revenue advises people to take common-sense steps to ensure vendors are reputable before doing business with them.

If you're considering hiring a person to provide repair or construction services, the department advises you to:

- Ask for a price quote, in advance, in writing.
- Question the contractor about a permanent address and telephone number, and don't assume that if the information they provide is local, they're a local business. Transient vendors often have business cards printed with local mailing services or motel addresses and telephone numbers.
- Ask for a list of local references and check them before making a decision.
- Ask if the contractor has worker's compensation and general liability insurance. If vendors are not properly insured, homeowners may be liable for accidents that occur on their property.
- Be careful about paying for work in advance; before making final payments, make sure transient vendors have paid their local suppliers or you may be held liable for unpaid materials.
- Make sure you're completely satisfied with the work before paying the bill, and don't pay more for the job than originally quoted unless you've given written approval for the additional work or cost.

Out-of-state vendors often travel to South Dakota to sell items like fruit, seafood, meat packages, paintings, magazine subscriptions, rugs, T-shirts, sunglasses, household cleaners, furniture, stuffed animals, and asphaltting and roofing services. Asking the right questions when approached by those vendors can help you avoid making a purchase you may regret:

- Question the salesperson about the product, warranties, guarantees, etc.
- Get something in writing with the company's name, address and phone number.
- Ask to see their current South Dakota tax license. State law requires everyone selling products or services to have a current South Dakota sales or contractors' excise tax license. To verify if the license is valid, call the Department's toll-free helpline at 1-800-829-9188.

All sellers must provide you with a contract or receipt at the time of sale showing the date, merchant's name and address, and a statement informing you of your right to cancel the contract within three days. After proper cancellation, the seller has 10 days to refund your money.

If you have doubts about the vendor or think you may have been the victim of a scam, call your local police department or county sheriff's office immediately. You can also contact the Attorney General's Consumer Protection Office at 1-800-300-1986 or by email at consumerhelp@state.sd.us. Be prepared to give as much information as you can about the vendor, including the name of the company and salesperson; company address and telephone number; and make, model and license number (if possible) of the vehicle the vendor was driving. Without tips from the public, law enforcement officials may not be able to catch illegal vendors before they move on to the next community.

For more information on transient vendors, contact the South Dakota Department of Revenue's toll-free helpline at 1-800-829-9188, press "1" for the Business Tax Division.