

1 ENGROSSED SENATE
2 BILL NO. 1460

By: Standridge of the Senate

3 and

4 Osburn of the House

5
6 [Oklahoma Vehicle License and Registration Act -
7 certificates of title - secured party lienholder -
8 codification - effective date]
9

10 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

11 SECTION 1. NEW LAW A new section of law to be codified
12 in the Oklahoma Statutes as Section 1105A of Title 47, unless there
13 is created a duplication in numbering, reads as follows:

14 On or before July 1, 2021, the Oklahoma Tax Commission shall
15 implement a program for mandatory electronic filing, storage and
16 delivery of motor vehicle certificates of title and associated
17 liens. The Tax Commission shall designate a vendor, subject to the
18 provisions of The Oklahoma Central Purchasing Act, to provide
19 necessary hardware, software and services to motor license agents
20 who shall provide an electronic filing, storage and delivery system
21 to be used by all applicants for a certificate of title and for
22 filing a lien pursuant to the procedures prescribed by the Oklahoma
23 Tax Commission. The provisions of this section shall apply to
24 applications for certificates of title and liens filed on or after

1 July 1, 2021. Any documents created, stored or delivered under the
2 electronic system shall be considered valid including any signatures
3 which are generated electronically or contained on a scanned copy.
4 The Tax Commission shall promulgate rules to implement the
5 provisions of this section.

6 SECTION 2. AMENDATORY 47 O.S. 2011, Section 1102, as
7 last amended by Section 1, Chapter 57, O.S.L. 2016 (47 O.S. Supp.
8 2019, Section 1102), is amended to read as follows:

9 Section 1102. As used in the Oklahoma Vehicle License and
10 Registration Act:

11 1. "All-terrain vehicle" means a vehicle manufactured and used
12 exclusively for off-highway use traveling on four or more non-
13 highway tires, and being fifty (50) inches or less in width;

14 2. "Carrying capacity" means the carrying capacity of a vehicle
15 as determined or declared in tons of cargo or payload by the owner;
16 provided, that such declared capacity shall not be less than the
17 minimum tonnage capacity fixed, listed or advertised by the
18 manufacturer of any vehicle;

19 3. "Certificate of title" means a document which is proof of
20 legal ownership of a motor vehicle as described and provided for in
21 Section 1105 of this title;

22 4. "Chips and oil" or the term "road oil and crushed rock"
23 means, with respect to materials authorized for use in the surfacing
24 of roads or highways in this title or in any equivalent statute

1 pertaining to road or highway surfacing in the State of Oklahoma,
2 any asphaltic materials. Wherever chips and oil or road oil and
3 crushed rock are authorized for use in the surfacing of roads or
4 highways in this state, whether by the Department of Transportation,
5 or by the county commissioners, or other road building authority
6 subject to the Oklahoma Vehicle License and Registration Act,
7 asphaltic materials are also authorized for use in such surfacing
8 and construction;

9 5. "Combined laden weight" means the weight of a truck or
10 station wagon and its cargo or payload transported thereon, or the
11 weight of a truck or truck-tractor plus the weight of any trailers
12 or semitrailers together with the cargo or payload transported
13 thereon;

14 6. "Commercial trailer" means any trailer, as defined in
15 Section 1-180 of this title, or semitrailer, as defined in Section
16 1-162 of this title, when such trailer or semitrailer is used
17 primarily for business or commercial purposes;

18 7. "Commercial trailer dealer" means any person, firm or
19 corporation engaged in the business of selling any new and unused,
20 or used, or both new and used commercial trailers;

21 8. "Commercial vehicle" means any vehicle over eight thousand
22 (8,000) pounds combined laden weight used primarily for business or
23 commercial purposes. Each motor vehicle being registered pursuant
24 to the provisions of this section shall have the name of the

1 commercial establishment or the words "Commercial Vehicle"
2 permanently and prominently displayed upon the outside of the
3 vehicle in letters not less than two (2) inches high. Such letters
4 shall be in sharp contrast to the background and shall be of
5 sufficient shape and color as to be readily legible during daylight
6 hours, from a distance of fifty (50) feet while the vehicle is not
7 in motion;

8 9. "Commission" or "Tax Commission" means the Oklahoma Tax
9 Commission;

10 10. "Construction machinery" means machines or devices drawn as
11 trailers which are designed and used for construction, tree trimming
12 and waste maintenance projects, which derive no revenue from the
13 transportation of persons or property, whose use of the highway is
14 only incidental and which are not mounted or affixed to another
15 vehicle; provided, construction machinery shall not include
16 implements of husbandry as defined in Section 1-125 of this title;

17 11. "Dealer" means any person, firm, association, corporation
18 or trust who sells, solicits or advertises the sale of new and
19 unused motor vehicles and holds a bona fide contract or franchise in
20 effect with a manufacturer or distributor of a particular make of
21 new or unused motor vehicle or vehicles for the sale of same;

22 12. "Deliver" means, with respect to a certificate of title or
23 lien, either the physical delivery of a paper document or the
24 electronic delivery of a document in an electronic format;

1 13. "Electronic format" means an electronic or digital format
2 or medium of any document, record or other information;

3 ~~12.~~ 14. "Mini-truck" means a foreign-manufactured import or
4 domestic-manufactured vehicle powered by an internal combustion
5 engine with a piston or rotor displacement of one thousand cubic
6 centimeters (1,000 cu cm) or less, which is sixty-seven (67) inches
7 or less in width, with an unladen dry weight of three thousand four
8 hundred (3,400) pounds or less, traveling on four or more tires,
9 having a top speed of approximately fifty-five (55) miles per hour,
10 equipped with a bed or compartment for hauling, and having an
11 enclosed passenger cab;

12 ~~13.~~ 15. "Interstate commerce" means any commerce moving between
13 any place in a state and any place in another state or between
14 places in the same state through another state;

15 ~~14.~~ 16. "Laden weight" means the combined weight of a vehicle
16 when fully equipped for use and the cargo or payload transported
17 thereon; provided, that in no event shall the laden weight be less
18 than the unladen weight of the vehicle fully equipped for use, plus
19 the manufacturer's rated carrying capacity;

20 ~~15.~~ 17. "Local authorities" means every county, municipality or
21 local board or body having authority to adopt police regulations
22 under the Constitution and laws of this state;

23 ~~16.~~ 18. "Low-speed electrical vehicle" means any four-wheeled
24 electrical vehicle that is powered by an electric motor that draws

1 current from rechargeable storage batteries or other sources of
2 electrical current and whose top speed is greater than twenty (20)
3 miles per hour but not greater than twenty-five (25) miles per hour
4 and is manufactured in compliance with the National Highway Traffic
5 Safety Administration standards for low-speed vehicles in 49 C.F.R.
6 571.500;

7 ~~17.~~ 19. "Manufactured home" means a residential dwelling built
8 in accordance with the National Manufactured Housing Construction
9 and Safety Standards Act of 1974, 42 U.S.C., Section 5401 et seq.,
10 and rules promulgated pursuant thereto and the rules promulgated by
11 the Oklahoma Used Motor Vehicle and Parts Commission pursuant to
12 Section 582 of this title. Manufactured home shall not mean a park
13 model recreational vehicle as defined in this section;

14 ~~18.~~ 20. "Manufactured home dealer" means any person, firm or
15 corporation engaged in the business of selling any new and unused,
16 or used, or both new and used manufactured homes. Such information
17 and a valid franchise letter as proof of authorization to sell any
18 such new manufactured home product line or lines shall be attached
19 to the application for a dealer license to sell manufactured homes.
20 "Manufactured home dealer" shall not include any person, firm or
21 corporation who sells or contracts for the sale of the dealer's own
22 personally titled manufactured home or homes. No person, firm or
23 corporation shall be considered a manufactured home dealer as to any
24 manufactured home purchased or acquired by such person, firm or

1 corporation for purposes other than resale; provided, that the
2 restriction set forth in this sentence shall not prevent an
3 otherwise qualified person, firm or corporation from utilizing a
4 single manufactured home as a sales office;

5 ~~19.~~ 21. "Medium-speed electrical vehicle" means any self-
6 propelled, electrically powered four-wheeled motor vehicle, equipped
7 with a roll cage or crush-proof body design, whose speed attainable
8 in one (1) mile is more than thirty (30) miles per hour but not
9 greater than thirty-five (35) miles per hour;

10 ~~20.~~ 22. "Motor license agent" means any person appointed,
11 designated or authorized by the Oklahoma Tax Commission to collect
12 the fees and to enforce the provisions provided for in the Oklahoma
13 Vehicle License and Registration Act;

14 ~~21.~~ 23. "New vehicle" or "unused vehicle" means a vehicle which
15 has been in the possession of the manufacturer, distributor or
16 wholesaler or has been sold only by the manufacturer, distributor or
17 wholesaler to a dealer;

18 ~~22.~~ 24. "Nonresident" means any person who is not a resident of
19 this state;

20 ~~23.~~ 25. "Off-road motorcycle" means any motorcycle, as defined
21 in Section 1-135 of this title, when such motorcycle has been
22 manufactured for and used exclusively off roads, highways and any
23 other paved surfaces;

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1 ~~24.~~ 26. "Owner" means any person owning, operating or
2 possessing any vehicle herein defined;

3 ~~25.~~ 27. "Park model recreational vehicle" means a vehicle that
4 is:

- 5 a. designed and marketed as temporary living quarters for
6 camping, recreational, seasonal or travel use,
- 7 b. not permanently affixed to real property for use as a
8 permanent dwelling,
- 9 c. built on a single chassis mounted on wheels with a
10 gross trailer area not exceeding four hundred (400)
11 square feet in the setup mode, and
- 12 d. certified by the manufacturer as complying with
13 standard A119.5 of the American National Standards
14 Institute, Inc.;

15 ~~26.~~ 28. "Person" means any individual, copartner, joint
16 venture, association, corporation, limited liability company,
17 estate, trust, business trust, syndicate, the State of Oklahoma, or
18 any county, city, municipality, school district or other political
19 subdivision thereof, or any group or combination acting as a unit,
20 or any receiver appointed by the state or federal court;

21 29. "Possess" means, with respect to a certificate of title or
22 lien, to hold or otherwise exercise control over a document which is
23 in either a physical or electronic format;

24 ~~27.~~ 30. "Rebodied vehicle" means a vehicle:

- 1 a. which has been assembled using a new body or new major
2 component which is of the identical type as the
3 original vehicle and is licensed by the manufacturer
4 of the original vehicle and other original, new or
5 reconditioned parts. For purposes of this paragraph,
6 "new body or new major component" means a new body,
7 cab, frame, front end clip or rear end clip,
8 b. which is not a salvage, rebuilt, or junked vehicle as
9 defined by paragraph 1, 2, or 6 of subsection A of
10 Section 1105 of this title, and
11 c. for which the Tax Commission has assigned or will
12 assign a new identifying number;

13 ~~28.~~ 31. "Recreational off-highway vehicle" means a vehicle
14 manufactured and used exclusively for off-highway use, traveling on
15 four or more non-highway tires, and being sixty-five (65) inches or
16 less in width;

17 ~~29.~~ 32. "Recreational vehicle" means every vehicle which is
18 built on or permanently attached to a self-propelled motor chassis
19 or chassis cab which becomes an integral part of the completed
20 vehicle and is capable of being operated on the highways. In order
21 to qualify as a recreational vehicle pursuant to this paragraph such
22 vehicle shall be permanently constructed and equipped for human
23 habitation, having its own sleeping and kitchen facilities,
24 including permanently affixed cooking facilities, water tanks and

1 holding tank with permanent toilet facilities. Recreational vehicle
2 shall not include manufactured homes or any vehicle with portable
3 sleeping, toilet and kitchen facilities which are designed to be
4 removed from such vehicle. Recreational vehicle shall include park
5 model recreational vehicles as defined in this section;

6 ~~30.~~ 33. "Remanufactured vehicle" means a vehicle which has been
7 assembled by a vehicle remanufacturer using a new body and which may
8 include original, reconditioned, or remanufactured parts, and which
9 is not a salvage, rebuilt, or junked vehicle as defined by
10 paragraphs 1, 2, and 6, respectively, of subsection A of Section
11 1105 of this title;

12 ~~31.~~ 34. "Rental trailer" means all small or utility trailers or
13 semitrailers constructed and suitable for towing by a passenger
14 automobile and designed only for carrying property, when the
15 trailers or semitrailers are owned by, or are in the possession of,
16 any person engaged in renting or leasing such trailers or
17 semitrailers for intrastate or interstate use or combined intrastate
18 and interstate use;

19 ~~32.~~ 35. "Special mobilized machinery" means special purpose
20 machines or devices, either self-propelled or drawn as trailers or
21 semitrailers, which derive no revenue from the transportation of
22 persons or property, whose use of the highway is only incidental,
23 and whose useful revenue producing service is performed at
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1 destinations in an area away from the traveled surface of an
2 established open highway;

3 ~~33.~~ 36. "State" means the State of Oklahoma;

4 ~~34.~~ 37. "Station wagon" means any passenger vehicle which does
5 not have a separate luggage compartment or trunk and which does not
6 have open beds, and has one or more rear seats readily lifted out or
7 folded, whether same is called a station wagon or ranch wagon;

8 ~~35.~~ 38. "Travel trailer" means any vehicular portable structure
9 built on a chassis, used as a temporary dwelling for travel,
10 recreational or vacation use, and, when factory-equipped for the
11 road, it shall have a body width not exceeding eight (8) feet and an
12 overall length not exceeding forty (40) feet, including the hitch or
13 coupling;

14 ~~36.~~ 39. "Travel trailer dealer" means any person, firm or
15 corporation engaged in the business of selling any new and unused,
16 or used, or both new and used travel trailers. Such information and
17 a valid franchise letter as proof of authorization to sell any such
18 new travel trailer product line or lines shall be attached to the
19 application for a dealer license to sell travel trailers. "Travel
20 trailer dealer" shall not include any person, firm or corporation
21 who sells or contracts for the sale of his or her own personally
22 titled travel trailer or trailers. No person, firm or corporation
23 shall be considered as a travel trailer dealer as to any travel

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1 trailer purchased or acquired by such person, firm or corporation
2 for purposes other than resale;

3 ~~37.~~ 40. "Used motor vehicle dealer" means "used motor vehicle
4 dealer" as defined in Section 581 of this title;

5 ~~38.~~ 41. "Used vehicle" means any vehicle which has been sold,
6 bargained, exchanged or given away, or used to the extent that it
7 has become what is commonly known, and generally recognized, as a
8 "secondhand" vehicle. This shall also include any vehicle other
9 than a remanufactured vehicle, regardless of age, owned by any
10 person who is not a dealer;

11 ~~39.~~ 42. "Utility vehicle" means a vehicle powered by an
12 internal combustion engine, manufactured and used exclusively for
13 off-highway use, equipped with seating for two or more people and a
14 steering wheel, traveling on four or more wheels;

15 ~~40.~~ 43. "Vehicle" means any type of conveyance or device in,
16 upon or by which a person or property is or may be transported from
17 one location to another upon the avenues of public access within the
18 state. "Vehicle" does not include bicycles, trailers except travel
19 trailers and rental trailers, or implements of husbandry as defined
20 in Section 1-125 of this title. All implements of husbandry used as
21 conveyances shall be required to display the owner's driver license
22 number or license plate number of any vehicle owned by the owner of
23 the implement of husbandry on the rear of the implement in numbers
24 not less than two (2) inches in height. The use of the owner's

1 Social Security number on the rear of the implement of husbandry
2 shall not be required; and

3 ~~41.~~ 44. "Vehicle remanufacturer" means a commercial entity
4 which assembles remanufactured vehicles.

5 SECTION 3. AMENDATORY 47 O.S. 2011, Section 1103, is
6 amended to read as follows:

7 Section 1103. It is the intent of the Legislature that the
8 owner or owners of every vehicle in this state shall possess a
9 certificate of title as proof of ownership and that every vehicle
10 shall be registered in the name of the owner or owners thereof. On
11 and after the effective date of this act, all certificates of title
12 and any associated liens shall be in electronic format and if there
13 is a perfected security interest in a vehicle, the certificate of
14 title shall be held by the party having the perfected security
15 interest in the collateral. All registration and license fees and
16 mileage taxes imposed by ~~this act~~ the Oklahoma Vehicle License and
17 Registration Act shall be for the purpose of providing funds for the
18 general governmental functions of the state, counties,
19 municipalities and schools and for the maintenance and upkeep of the
20 avenues of public access of this state. Such registration and
21 license fees shall apply to every vehicle operated upon, over, along
22 or across any avenue of public access within this state and when
23 paid in full, shall be in lieu of all other taxes, general and
24 local, unless otherwise specifically provided.

1 SECTION 4. AMENDATORY 47 O.S. 2011, Section 1105, as
2 last amended by Section 2, Chapter 133, O.S.L. 2016 (47 O.S. Supp.
3 2019, Section 1105), is amended to read as follows:

4 Section 1105. A. As used in the Oklahoma Vehicle License and
5 Registration Act:

6 1. "Salvage vehicle" means any vehicle which is within the last
7 ten (10) model years and which has been damaged by collision or
8 other occurrence to the extent that the cost of repairing the
9 vehicle for safe operation on the highway exceeds sixty percent
10 (60%) of its fair market value, as defined by Section 1111 of this
11 title, immediately prior to the damage. For purposes of this
12 section, actual repair costs shall only include labor and parts for
13 actual damage to the suspension, motor, transmission, frame or
14 unibody and designated structural components;

15 2. "Rebuilt vehicle" means any salvage vehicle which has been
16 rebuilt and inspected for the purpose of registration and title;

17 3. "Flood-damaged vehicle" means a salvage or rebuilt vehicle
18 which was damaged by flooding or a vehicle which was submerged at a
19 level to or above the dashboard of the vehicle and on which an
20 amount of loss was paid by the insurer;

21 4. "Unrecovered-theft vehicle" means a vehicle which has been
22 stolen and not yet recovered;

23 5. "Recovered-theft vehicle" means a vehicle, including a
24 salvage or rebuilt vehicle, which was recovered from a theft; and

1 6. "Junked vehicle" means any vehicle which is incapable of
2 operation or use on the highway, has no resale value except as a
3 source of parts or scrap and has an eighty percent (80%) loss in
4 fair market value.

5 B. ~~The~~ Prior to the effective date of this act, the owner of
6 every vehicle in this state shall possess a certificate of title as
7 proof of ownership of such vehicle, except those vehicles registered
8 pursuant to Section 1120 of this title and trailers registered
9 pursuant to Section 1133 of this title, previously titled by anyone
10 in another state and engaged in interstate commerce, and except as
11 provided in subsection M of this section. On and after the
12 effective date of this act, if there is a perfected security
13 interest in a vehicle, the certificate of title shall be held by the
14 party having the perfected security interest in the collateral.

15 Except for owners that possess an agricultural exemption permit
16 pursuant to Section 1358.1 of Title 68 of the Oklahoma Statutes, the
17 owner of an all-terrain vehicle or a motorcycle used exclusively off
18 roads or highways in this state which is purchased or the ownership
19 of which is transferred on or after July 1, 2005, and the owner of a
20 utility vehicle used exclusively off roads and highways in this
21 state which is purchased or the ownership of which is transferred on
22 or after July 1, 2008, shall possess a certificate of title as proof
23 of ownership. Any person possessing an agricultural exemption
24 permit and owning an all-terrain vehicle or a motorcycle used

1 exclusively off roads or highways in this state which is purchased
2 or the ownership of which is transferred on or after July 1, 2008,
3 shall possess a certificate of title as proof of ownership. Upon
4 receipt of proper application information by such owner, the
5 Oklahoma Tax Commission shall issue an original or transfer
6 certificate of title. Until July 1, 2008, any security interest in
7 an all-terrain vehicle that attached and was perfected before July
8 1, 2005, and that has not otherwise terminated shall remain
9 perfected, and shall take priority over any subsequently perfected
10 security interest in the same all-terrain vehicle, notwithstanding
11 that a certificate of title may have been issued with respect to the
12 same all-terrain vehicle on or after July 1, 2005, and that a lien
13 may have been recorded on ~~said~~ the certificate of title. There
14 shall be eight types of certificates of title:

15 1. Original title for any motor vehicle which is not a
16 remanufactured, salvage, unrecovered-theft, rebuilt, rebodied or
17 junked vehicle;

18 2. Salvage title for any motor vehicle which is a salvage
19 vehicle or is specified as a salvage vehicle or the equivalent
20 thereof on a certificate of title from another state;

21 3. Rebuilt title for any motor vehicle which is a rebuilt
22 vehicle;

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1 4. Junked title for any motor vehicle which is a junked vehicle
2 or is specified as a junked vehicle or the equivalent thereof on a
3 certificate of title from another state;

4 5. Classic title for any motor vehicle, except a junked
5 vehicle, which is twenty-five (25) model years or older;

6 6. Remanufactured title for any vehicle which is a
7 remanufactured vehicle;

8 7. Unrecovered-theft title for any motor vehicle which has been
9 stolen and not recovered; and

10 8. Rebodyed title for any motor vehicle which is a rebodied
11 vehicle.

12 Application for a certificate of title, whether the initial
13 certificate of title or a duplicate, may be made to the Tax
14 Commission or any motor license agent; provided, after the effective
15 date of this act, a certificate of title shall be in an electronic
16 format and any physical copy must be requested by the applicant.

17 When application is made with a motor license agent, the application
18 information shall be transmitted either electronically or by mail to
19 the Tax Commission by the motor license agent. If the application
20 information is transmitted electronically, the motor license agent
21 shall forward the required application along with evidence of
22 ownership, where required, by mail or electronically. Where the
23 transmission of application information cannot be performed
24 electronically, the Tax Commission is authorized to provide postage

1 paid envelopes to motor license agents for the purpose of mailing
2 the application along with evidence of ownership, where required.
3 The Tax Commission shall upon receipt of proper application
4 information issue an Oklahoma certificate of title. The
5 certificates may be mailed to the applicant. Upon issuance of a
6 certificate of title, the Tax Commission shall provide the
7 appropriate motor license agent with confirmation of such issuance.

8 C. 1. The application for certificate of title shall be upon a
9 blank physical or automated form furnished by the Tax Commission,
10 containing:

- 11 a. a full description of the vehicle,
- 12 b. the manufacturer's serial or other identification
13 number,
- 14 c. the motor number and the date on which first sold by
15 the manufacturer or dealer to the owner,
- 16 d. any distinguishing marks,
- 17 e. a statement of the applicant's source of title,
- 18 f. any security interest upon the vehicle, and
- 19 g. such other information as the Tax Commission may
20 require.

21 2. The application for a certificate of title for a vehicle
22 which is within the last seven (7) model years shall require a
23 declaration as to whether the vehicle has been damaged by collision
24 or other occurrence and whether the vehicle has been recovered from

1 theft and the extent of the damage to the vehicle. The declaration
2 shall be made by the owner of a vehicle if:

- 3 a. the vehicle has been damaged or stolen,
- 4 b. the owner did or did not receive any payment for the
5 loss from an insurer, or
- 6 c. the vehicle is titled or registered in a state that
7 does not classify the vehicle or brand the title
8 because of damage to or loss of the vehicle similar to
9 the classifications or brands utilized by this state.

10 The declaration shall be based upon the best information and
11 knowledge of the owner and shall be in addition to the requirements
12 specified in paragraph 1 of this subsection. The Tax Commission
13 shall not issue a certificate of title for a vehicle which is
14 subject to the provisions of this paragraph without the required
15 declaration, completed and signed physically or digitally by the
16 owner of the vehicle. Upon receipt of an application without the
17 properly completed declaration, the Tax Commission shall return the
18 application to the applicant with notice that the title may not be
19 issued without the required declaration. Nothing in this paragraph
20 shall prohibit the Tax Commission from recognizing the type of or
21 brand on a title or other ownership document issued by another state
22 or the inspection conducted in another state and issuing the
23 appropriate certificate of title for the vehicle.

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1 3. The physical certificate of title shall have the following
2 security features:

- 3 a. intaglio printing or security thread, with or without
- 4 watermark,
- 5 b. latent images,
- 6 c. fluorescent inks,
- 7 d. micro print,
- 8 e. void background, and
- 9 f. color coding.

10 4. Each title issued pursuant to the provisions of the Oklahoma
11 Vehicle License and Registration Act shall be color coded as
12 determined by the Tax Commission.

13 5. The physical certificate of title shall be of such size and
14 design and color as the Tax Commission may direct pursuant to the
15 provisions of this section. The title shall be on colored paper or
16 other material as designated by the Tax Commission and be of such
17 intensity or hue as will allow easy identification as to whether the
18 title is an original title, a salvage title, a rebuilt title,
19 remanufactured title, rebodied title or a junked title. The type of
20 title shall be identified on the front of the certificate of title.
21 The original title, rebuilt title, remanufactured title, an
22 unrecovered-theft title, rebodied title or classic title shall be
23 identified by the word "Original", "Rebuilt", "Remanufactured",
24 "Unrecovered Theft", "Rebodied" or "Classic" printed in the upper

1 right quadrant of the certificate of title, in the space which is
2 currently captioned "type of title". A rebodied title shall also
3 identify on the front of the title, if a physical copy, the year,
4 make and model of the originally manufactured vehicle which has been
5 rebodied and display a notation that reads as follows: "This vehicle
6 has been assembled with new major components licensed by the
7 original manufacturer".

8 D. 1. To obtain an original certificate of title for a vehicle
9 that is being registered for the first time in this state which has
10 not been previously registered in any other state, the applicant
11 shall be required to deliver, as evidence of ownership, a
12 manufacturer's certificate of origin properly assigned by the
13 manufacturer, distributor, or dealer licensed in this or any other
14 state shown thereon to be the last transferee to the applicant upon
15 a form to be prescribed and approved by the Tax Commission. A
16 manufacturer's certificate of origin shall contain:

- 17 a. the manufacturer's serial or other identification
18 number,
- 19 b. date on which first sold by the manufacturer to the
20 dealer,
- 21 c. any distinguishing marks including model and the year
22 same was made,
- 23 d. a statement of any security interests upon the
24 vehicle, and

1 e. such other information as the Tax Commission may
2 require.

3 2. The manufacturer's certificate of origin shall have the
4 following security features:

- 5 a. intaglio printing or security thread, with or without
- 6 watermark,
- 7 b. latent images,
- 8 c. fluorescent inks,
- 9 d. micro print, and
- 10 e. void background.

11 E. In the absence of a dealer's or manufacturer's number, the
12 Tax Commission may assign such identifying number to the vehicle,
13 which shall be permanently stamped, burned or pressed or attached
14 into the vehicle, and a certificate of title shall be delivered to
15 the applicant upon payment of all fees and taxes, and the remaining
16 copies shall be permanently filed and indexed by the Tax Commission.
17 The Tax Commission shall assign an identifying number to any rebuilt
18 vehicle if the vehicle identification number displayed on the
19 rebuilt vehicle does not accurately describe the vehicle as rebuilt.
20 The motor license agent, at the time of inspection of the rebuilt
21 vehicle pursuant to Section 1111 of this title, shall identify the
22 make, model, and year for the body to accurately describe the
23 rebuilt vehicle. At the time of the inspection, an appropriate
24 identifying number shall be permanently stamped, burned, pressed, or

1 attached on the rebuilt vehicle. The assigned identifying number
2 shall be recorded on the certificate of title for the rebuilt
3 vehicle. The dealer's or manufacturer's vehicle identification
4 number on the rebuilt vehicle shall be preserved in the computer
5 files of the Tax Commission for at least five (5) years.

6 F. When registering for the first time in this state a vehicle
7 which was not originally manufactured for sale in the United States,
8 to obtain a certificate of title, the Tax Commission shall require
9 the applicant to deliver:

10 1. As evidence of ownership, if the vehicle has not previously
11 been titled in the United States, the documents constituting valid
12 proof of ownership in the country in which the vehicle was
13 originally purchased, together with a notarized translation of any
14 such documents; and

15 2. As evidence of compliance with federal law, copies of the
16 bond release letters for the vehicle issued by the United States
17 Environmental Protection Agency and the United States Department of
18 Transportation, together with a receipt issued by the Internal
19 Revenue Service indicating that the applicable federal gas guzzler
20 tax has been paid.

21 The Tax Commission shall not issue a certificate of title for a
22 vehicle which is subject to the provisions of this paragraph without
23 the required documentation from agencies of the United States and
24 evidence of ownership. Upon receipt of an application without the

1 required documentation, the Tax Commission shall return the
2 application to the applicant with notice that the certificate of
3 title may not be issued without the required documentation. Nothing
4 in this paragraph shall prohibit the Tax Commission from issuing
5 certificates of title for antique or classic vehicles not driven
6 upon the public streets, roads, or highways, for mini-trucks
7 registered pursuant to Section 1151.3 of this title, or for medium-
8 speed electric vehicles.

9 G. When registering in this state a vehicle which was titled in
10 another state and which title contains the name of a secured party
11 on the face of the other state certificate of title, or such state
12 certificate is being held by the secured party in that state or any
13 other state, the Tax Commission or the motor license agent shall
14 complete a lien entry form as prescribed by the Tax Commission. The
15 owner of such vehicle shall file an affidavit with the Tax
16 Commission or the motor license agent stating that title to the
17 vehicle is being held by a secured party, has not been issued
18 pursuant to the laws of the state where titled, and that there is an
19 existing lien or encumbrance on the vehicle. The current name and
20 address of the secured party or lienholder shall also be stated in
21 the affidavit. The form of the affidavit shall be prescribed by the
22 Tax Commission and contain any other information deemed necessary by
23 the Tax Commission. A statement of the lien or encumbrance shall be
24 included on the Oklahoma certificate of title and the lien or

1 encumbrance shall be deemed continuously perfected as though it had
2 been perfected pursuant to Section 1110 of this title. For
3 completing the lien entry form and recording the security interest
4 on the certificate of title, the Tax Commission or the motor license
5 agent shall collect a fee of Three Dollars (\$3.00) which shall be in
6 addition to other fees provided by the Oklahoma Vehicle License and
7 Registration Act. The fee, if collected by the motor license agent
8 pursuant to this subsection, shall be retained by the motor license
9 agent.

10 H. The charge for each certificate of title issued, except for
11 junked titles as defined in paragraph 4 of subsection B of this
12 section, shall be Eleven Dollars (\$11.00), which charge shall be in
13 addition to any other fees or taxes imposed by law for such vehicle.
14 If a certificate of title is issued in both physical and automated
15 formats, a charge shall be made for each. One Dollar (\$1.00) of
16 each such charge shall be deposited in the Oklahoma Tax Commission
17 Reimbursement Fund. However, the charge shall not apply to any
18 vehicle which is to be registered in this state pursuant to the
19 provisions of Section 1120 or 1133 of this title and which was
20 registered in another state at least sixty (60) days prior to the
21 time it is required to be registered in this state. When an insurer
22 requests a salvage or junk title in the name of the insurer
23 resulting from the settlement of a total loss claim and upon
24 presentation of appropriate proof of loss documentation as required

1 by the Commission, such transfer may be processed as one title
2 transaction, without first requiring issuance of a replacement
3 certificate of title in the name of the vehicle owner. The fee
4 shall be Twenty-two Dollars (\$22.00). Two Dollars (\$2.00) of this
5 fee shall be deposited in the Oklahoma Tax Commission Reimbursement
6 Fund.

7 I. The vehicle identification number of a junked vehicle shall
8 be preserved in the computer files of the Tax Commission for a
9 period of not less than five (5) years. The charge of junked titles
10 as defined in paragraph 4 of subsection B of this section shall be
11 Four Dollars (\$4.00). The fee remitted to the Tax Commission shall
12 be deposited in the Oklahoma Tax Commission Reimbursement Fund.

13 J. If a vehicle is sold to a resident of another state
14 destroyed, dismantled, or ceases to be used as a vehicle, the owner
15 shall immediately notify the Tax Commission. Absent evidence to the
16 contrary, failure to notify the Tax Commission shall be prima facie
17 evidence that the vehicle has been in continuous operation in this
18 state.

19 K. If a vehicle is stolen, the owner shall immediately notify
20 the appropriate law enforcement agency. Immediately after receiving
21 such notification, the law enforcement agency shall notify the Tax
22 Commission.

23 L. Except for all-terrain vehicles, utility vehicles and
24 motorcycles used exclusively for off-road use, no title for an out-

1 of-state vehicle, except any commercial truck or truck-tractor
2 registered pursuant to Section 1120 of this title which is engaged
3 in interstate commerce or any trailer or semitrailer registered
4 pursuant to Section 1133 of this title which is engaged in
5 interstate commerce, shall be issued without an inspection of such
6 vehicle and payment of a fee of Four Dollars (\$4.00) for such
7 inspection; provided, the Tax Commission may enter into reciprocal
8 agreements with other states for such inspections to be performed at
9 locations outside the boundaries of this state for vehicles which:

- 10 1. Are offered for sale at auction;
- 11 2. Have been solely used as vehicles for rent under the
12 ownership of a licensed motor vehicle dealer or a person engaged in
13 the business of renting motor vehicles; or
- 14 3. Have not been registered in this or any other state for more
15 than one (1) year.

16 The inspection shall include a comparison of the vehicle
17 identification number on the vehicle with the number recorded on the
18 ownership records and the recording of the actual odometer reading
19 on the vehicle. The four-dollar fee shall be collected by the motor
20 license agent or Tax Commission when the title is issued. The motor
21 license agent shall retain Two Dollars (\$2.00). The remaining Two
22 Dollars (\$2.00) shall be deposited in the Oklahoma Tax Commission
23 Reimbursement Fund.

24

1 The Tax Commission may allow the inspection to be performed at a
2 location out-of-state by another state's department of motor
3 vehicles or state police.

4 M. No title for any out-of-state vehicle offered for sale at
5 salvage pools, salvage disposal sales, or an auction, or by a dealer
6 or a licensed automotive dismantler and parts recycler, shall be
7 issued without an inspection to compare the vehicle identification
8 number on the vehicle with the number recorded on the ownership
9 record and to record the actual odometer reading on the vehicle.
10 Upon request of the seller, person or entity conducting an auction,
11 dealer or licensed dismantler, the inspection shall be conducted at
12 the location or place of business of the sale, auction, dealer, or
13 the dismantler. The inspection shall be conducted by any motor
14 license agent or a duly authorized employee thereof; provided, if
15 the vehicle identification number on the vehicle offered for sale at
16 salvage pools, salvage disposal sales or a classic or antique
17 auction does not match the number recorded on the ownership record,
18 the inspection may be conducted at the location of or place of
19 business of such sale or auction by any state, county or city law
20 enforcement officer. The Tax Commission may enter into reciprocal
21 agreements with other states for such inspections to be performed at
22 locations outside the boundaries of this state for vehicles which:

- 23 1. Are offered for sale at auction;
- 24

1 2. Have been solely used as vehicles for rent under the
2 ownership of a licensed motor vehicle dealer or a person engaged in
3 the business of renting motor vehicles; or

4 3. Have not been registered in this or any other state for more
5 than one (1) year.

6 The inspection shall be certified upon forms prescribed by the Tax
7 Commission. The name and other identification of the authorized
8 person conducting the inspection shall be legibly printed or typed
9 on the form. Prior to any inspection by any employee of a motor
10 license agent, the motor license agent shall notify the Tax
11 Commission of the name and any other identification information
12 requested by the Tax Commission of the authorized person. A
13 signature specimen of the authorized person shall be submitted to
14 the Tax Commission by the employing motor license agent. If the
15 authorization to inspect vehicles is withdrawn or the employer-
16 employee relationship is terminated, the motor license agent,
17 immediately, shall notify the Tax Commission and return any
18 remaining inspection forms to the Tax Commission. The fee for the
19 inspection shall be Four Dollars (\$4.00). The motor license agent
20 shall retain Three Dollars (\$3.00) of the fee. Fees received by a
21 motor license agent or an authorized employee thereof shall be
22 handled and accounted for in the manner as prescribed by law for any
23 other fees paid to or received by a motor license agent. Out-of-
24 state vehicles brought into this state by a person licensed in

1 another state to sell new or used vehicles to be sold within this
2 state at a motor vehicle auction which is limited to dealer-to-
3 dealer transactions shall not be required to be inspected, unless
4 the vehicle is purchased by an Oklahoma dealer. Any person licensed
5 in another state to sell new or used motor vehicles, who offers a
6 motor vehicle for sale within this state at a motor vehicle auction
7 which is limited to dealer-to-dealer transactions, shall not be
8 within the definition of "owner" in Section 1102 of this title, for
9 purposes of Section 1101 et seq. of this title.

10 N. A licensed motor vehicle dealer, upon payment of a fee of
11 Fifteen Dollars (\$15.00), may reassign an out-of-state certificate
12 of title to a used motor vehicle provided such dealer obtains the
13 appropriate inspection form required by either subsection L or M of
14 this section and attaches the form to the out-of-state certificate
15 of title. Motor license agents shall be allowed to retain Two
16 Dollars and twenty-five cents (\$2.25) of the fee plus an additional
17 Two Dollars (\$2.00) or Three Dollars (\$3.00) as provided in
18 subsections L and M of this section for performance of the
19 inspection. Two Dollars (\$2.00) of the fee shall be deposited in
20 the Tax Commission Reimbursement Fund. An out-of-state vehicle
21 which has been rebuilt shall be inspected pursuant to the provisions
22 of Section 1111 of this title. The Tax Commission shall train motor
23 license agents in interpreting vehicle identification numbers to
24 assure that it accurately describes the vehicle and to detect

1 rollback or alteration of the odometer. Failure of a motor license
2 agent to inspect the vehicle and make the required notations shall
3 be a misdemeanor punishable by a fine of not more than One Thousand
4 Dollars (\$1,000.00) for the first offense and Five Thousand Dollars
5 (\$5,000.00) for the second offense or subsequent offense, or by
6 imprisonment in the county jail for not more than six (6) months, or
7 by both such fine and imprisonment.

8 O. The ownership of any unrecovered vehicle which has been
9 declared a total loss by an insurer because of theft shall be
10 transferred to the insurer by an unrecovered-theft vehicle title;
11 provided, the ownership of any such vehicle which has been declared
12 a total loss by an insurer licensed by the Insurance Department of
13 the State of Oklahoma and maintaining a multi-state motor vehicle
14 salvage processing center in this state shall be transferred to the
15 insurer by a salvage or an unrecovered-theft title without the
16 requirement of a visual inspection of the vehicle identification
17 number by the insurer. Upon recovery of the vehicle, the ownership
18 shall be transferred by an original title, salvage title, or junked
19 title, as may be appropriate based upon an estimate of the amount of
20 loss submitted by the insurer.

21 P. When an insurance company makes a total loss settlement on a
22 total loss vehicle and the insurance company or a salvage pool
23 authorized by the insurance company is unable to obtain the properly
24 endorsed certificate of ownership or other evidence of ownership

1 acceptable to the Oklahoma Tax Commission within thirty (30) days
2 following acceptance by the owner of an offer of an amount in
3 settlement of a total loss, that insurance company or salvage pool,
4 on a form provided by the Oklahoma Tax Commission and signed under
5 penalty of perjury, may request the Oklahoma Tax Commission to issue
6 the applicable salvage title for the vehicle. The request shall
7 include information declaring that the requester has made at least
8 two written attempts to obtain the certificate of ownership or other
9 acceptable evidence of title.

10 Q. The owner of any vehicle which is incapable of operation or
11 use on the public roads and has no resale value, except as parts,
12 scrap or junk, may deliver the certificate of title to the vehicle
13 to the Tax Commission for cancellation. Upon verification that any
14 perfected lien against the vehicle has been released, the
15 certificate of title shall be canceled without any fee, charge, or
16 cost required from the owner. The vehicle identification numbers on
17 the certificates of title shall be preserved in the computer files
18 of the Tax Commission for at least five (5) years from the date of
19 cancellation of the certificate of title. The Tax Commission shall
20 prescribe and provide an affidavit form to be completed by the owner
21 of any vehicle for which the certificate of title is canceled. No
22 title or registration shall subsequently be issued for a vehicle for
23 which the certificate of title has been surrendered pursuant to this
24 subsection. The Tax Commission shall prescribe a form for the

1 transfer of ownership of a vehicle for which the certificate of
2 title has been canceled.

3 R. The owner of a vehicle which is not within the last ten (10)
4 model years, not roadworthy and not capable of repair for operation
5 or use on the roads and highways, or a vehicle which is being sold
6 to a scrap metal dealer pursuant to Section 11-92 of Title 2 of the
7 Oklahoma Statutes, shall transfer the vehicle only upon a
8 certificate of ownership prescribed by the Tax Commission, if the
9 certificate of title to the vehicle is lost, has been canceled, or
10 otherwise not available. The prescribed ownership form shall
11 include the names and addresses of the buyer and seller, the driver
12 license number or social security number of the seller, the make and
13 model of the vehicle, and the public vehicle identification number.
14 If there is no public vehicle identification number, the vehicle
15 shall be inspected by a law enforcement officer to verify the
16 absence of the number on the vehicle and the prescribed ownership
17 form shall include a signed statement, by such officer, verifying
18 the absence of the number.

19 The certificate of ownership shall be completed in triplicate.
20 The buyer and seller shall each retain a copy. Within thirty (30)
21 days of the transaction, the seller shall submit one copy to the Tax
22 Commission or a motor license agent accompanied with a fee of Four
23 Dollars (\$4.00). One Dollar (\$1.00) shall be retained by the motor
24

1 license agent and Three Dollars (\$3.00) shall be deposited in the
2 Oklahoma Tax Commission Reimbursement Fund in the State Treasury.

3 Upon receipt of the certificate, the Tax Commission shall verify
4 that any perfected lien upon the vehicle has been released. If the
5 lien is not released, the Tax Commission shall mail notice of the
6 transfer to the lienholder at the lienholder's last-known address.
7 If a certificate of title has been issued, it shall be canceled and
8 the vehicle identification number shall be preserved in the computer
9 of the Tax Commission for at least five (5) years. The buyer of the
10 vehicle may not be sued and shall not be liable for monetary damages
11 to the lienholder, however, the vehicle shall be subject to a valid
12 repossession by a lienholder.

13 S. The Tax Commission shall notify the chief administrative
14 officer of the agency or department responsible for issuing motor
15 vehicle certificates of title in each state in the United States of
16 the types of motor vehicle certificate of title effective in
17 Oklahoma on and after January 1, 1989.

18 T. When registering for the first time in this state a
19 remanufactured vehicle which has not been registered in any other
20 state since its remanufacture, before issuing a certificate of
21 title, the Tax Commission shall require the applicant to deliver a
22 statement of origin from the remanufacturer.

23 U. If a vehicle is sold to a foreign buyer pursuant to the
24 provisions of the Automotive Dismantlers and Parts Recycler Act, the

1 licensed seller shall stamp the title with: "EXPORT ONLY.
2 NONTRANSFERABLE IN THE UNITED STATES." The licensed seller shall
3 supply the Tax Commission the title number, the vehicle
4 identification number and the foreign buyer's bid identification
5 number on a form prescribed by the Tax Commission. The Tax
6 Commission shall cancel the title, and the vehicle identification
7 number shall be preserved in the computer files of the Tax
8 Commission for a period of not less than five (5) years.

9 V. The Tax Commission shall not be considered a necessary party
10 to any lawsuit which is instigated for the purpose of determining
11 ownership of a vehicle, wherein the Tax Commission's only
12 involvement would be to issue title, and the court shall issue an
13 order dismissing the Tax Commission from the pending action. In the
14 event no other party or lienholder can be identified as to ownership
15 or claim, the Tax Commission shall accept an affidavit of ownership
16 from the party claiming ownership and issue proper title thereon.

17 SECTION 5. AMENDATORY 47 O.S. 2011, Section 1107, as
18 last amended by Section 21, Chapter 210, O.S.L. 2016 (47 O.S. Supp.
19 2019, Section 1107), is amended to read as follows:

20 Section 1107. A. In the event of the sale or transfer of the
21 ownership of a vehicle for which a certificate of title has been
22 issued as provided by Section 1105 of this title, the holder of such
23 certificate shall ~~endorse on the back of same~~ provide proof in
24 whatever form required by the Oklahoma Tax Commission of a complete

1 assignment thereof with warranty of title ~~in form printed thereon~~
2 with a statement of all liens or encumbrances on the vehicle, sworn
3 to before a notary public or some other person authorized by law to
4 take acknowledgments, and deliver same to the purchaser or
5 transferee at the time of delivery to the purchaser or transferee of
6 the vehicle; provided, a transfer of the ownership of a vehicle to
7 an insurer resulting from the settlement of a total loss claim shall
8 not require a notarized signature on the certificate of title. The
9 purchaser or transferee, unless such person is a bona fide used
10 motor vehicle dealer licensed by this state, a retail implement
11 dealer in connection with the purchase or transfer of off-road
12 vehicles or a charitable organization shall, within thirty (30) days
13 from the time of delivery to the purchaser or transferee of the
14 vehicle, present the assigned certificate of title and the insurance
15 security verification to the vehicle to the Oklahoma Tax Commission,
16 or one of its motor license agents, accompanied by a fee of Eleven
17 Dollars (\$11.00), together with any motor vehicle excise tax or
18 license fee that may be due, whereupon a new certificate of title,
19 shall be issued to the assignee. Provided, if there is a perfected
20 security interest in a vehicle, the Oklahoma Tax Commission or a
21 motor license agent shall issue the new certificate of title to the
22 party having the perfected security interest in the collateral. One
23 Dollar (\$1.00) of each fee shall be deposited in the Oklahoma Tax
24 Commission Reimbursement Fund. Any charitable organization

1 utilizing the exemption authorized by this subsection shall receive
2 training as prescribed by the Oklahoma Used Motor Vehicle and Parts
3 Commission.

4 B. A licensed dealer, a retail implement dealer in connection
5 with the sale or disposal of off-road vehicles or a charitable
6 organization shall, on selling or otherwise disposing of a vehicle,
7 execute and deliver to the purchaser or party having the perfected
8 security interest in the collateral thereof the certificate of title
9 properly and completely reassigned. Thereupon, the purchaser of the
10 vehicle shall present the reassigned certificate to the Commission,
11 or a motor license agent, accompanied by a fee of Eleven Dollars
12 (\$11.00), and any motor vehicle excise tax or license fee that may
13 be due, whereupon a new certificate of title will be issued to the
14 purchaser or party having the perfected security interest in the
15 collateral. One Dollar (\$1.00) of each fee shall be deposited in
16 the Oklahoma Tax Commission Reimbursement Fund. The certificate,
17 when so assigned and returned to the Commission, together with any
18 subsequent assignment or reissue thereof, shall be appropriately
19 filed and indexed so that at all times it will be possible to trace
20 title to the vehicle designated therein. Provided, when the
21 ownership of any motor vehicle shall pass by operation of law, the
22 person owning the vehicle may, upon furnishing satisfactory proof to
23 the Commission of ownership, procure a title to the motor vehicle,
24 regardless of whether a certificate of title has ever been issued.

1 The dealer shall execute and deliver to the purchaser bills of sale
2 on forms prescribed by the Commission for all new vehicles sold by
3 the dealer. On presentation of a bill of sale executed on forms
4 prescribed by the Commission, by a manufacturer or dealer for a new
5 vehicle sold in this state, accompanied by remittance in the sum of
6 Eleven Dollars (\$11.00), together with any motor vehicle excise tax
7 or license fee that may be due, a certificate of title shall be
8 issued in accordance with the provisions of the Oklahoma Vehicle
9 License and Registration Act. One Dollar (\$1.00) of each fee shall
10 be deposited in the Oklahoma Tax Commission Reimbursement Fund. For
11 purposes of this subsection, "charitable organization" shall mean
12 any organization which is exempt from taxation pursuant to the
13 provisions of the Internal Revenue Code, 26 U.S.C., Section
14 501(c)(3) and which is registered as a charitable organization with
15 the Oklahoma Secretary of State and the Oklahoma Attorney General's
16 office; "off-road vehicles" means all-terrain vehicles, utility
17 vehicles, and motorcycles used exclusively for off-road use; "retail
18 implement dealer" means a business engaged primarily in the sale of
19 farm tractors as defined in Section 1-118 of this title or
20 implements of husbandry as defined in Section 1-125 of this title or
21 a combination thereof.

22 C. Any person violating the provisions of this section shall be
23 guilty of a misdemeanor and upon the first conviction thereof shall
24 be punished by a fine not to exceed Five Hundred Dollars (\$500.00),

1 with impoundment of the vehicle until all taxes and fees are paid.
2 A second or subsequent conviction shall be punished by a fine not to
3 exceed One Thousand Dollars (\$1,000.00), with impoundment of the
4 vehicle until all taxes and fees are paid. If a vehicle is
5 impounded pursuant to the provisions of this section, the vehicle
6 shall not be released to the owner until the owner provides proof of
7 security or an affidavit that the vehicle will not be used on public
8 highways or public streets, as required pursuant to Section 7-600 et
9 seq. of this title. Each vehicle involved in a violation of this
10 section shall be considered a separate offense.

11 SECTION 6. AMENDATORY 47 O.S. 2011, Section 1110, as
12 amended by Section 1, Chapter 224, O.S.L. 2015 (47 O.S. Supp. 2019,
13 Section 1110), is amended to read as follows:

14 Section 1110. A. 1. Except for a security interest in
15 vehicles held by a dealer for sale or lease, a vehicle registered by
16 a federally recognized Indian tribe as provided in subsection G of
17 this section, and a vehicle being registered in this state which was
18 previously registered in another state and which title contains the
19 name of a secured party on the face of the other state certificate
20 or title, and except as otherwise provided in subsection B of
21 Section 1105 of this title, a security interest in a vehicle as to
22 which a certificate of title may be properly issued by the Oklahoma
23 Tax Commission shall be perfected only when a lien entry form, and
24 the existing certificate of title, if any, or application for a

1 certificate of title and manufacturer's certificate of origin
2 containing the name and address of the secured party and the date of
3 the security agreement and the required fee are delivered to the Tax
4 Commission or to a motor license agent. As used in this section,
5 the term "dealer" shall be defined as provided in Section 1-112 of
6 this title and the term "security interest" shall be defined as
7 provided in paragraph (35) of Section 1-201 of Title 12A of the
8 Oklahoma Statutes. When a vehicle title is presented to a motor
9 license agent for transferring or registering and the documents
10 reflect a lien holder, the motor license agent shall perfect the
11 lien pursuant to subsection G of Section 1105 of this title. For
12 the purposes of this section, the term "vehicle" shall not include
13 special mobilized machinery, machinery used in highway construction
14 or road material construction and rubber-tired road construction
15 vehicles including rubber-tired cranes. The filing and duration of
16 perfection of a security interest, pursuant to the provisions of
17 Title 12A of the Oklahoma Statutes, including, but not limited to,
18 Section 1-9-311 of Title 12A of the Oklahoma Statutes, shall not be
19 applicable to perfection of security interests in vehicles as to
20 which a certificate of title may be properly issued by the Tax
21 Commission, except as to vehicles held by a dealer for sale or lease
22 and except as provided in subsection D of this section. In all
23 other respects Title 12A of the Oklahoma Statutes shall be

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1 applicable to such security interests in vehicles as to which a
2 certificate of title may be properly issued by the Tax Commission.

3 2. Whenever a person creates a security interest in a vehicle,
4 the person shall surrender, or cause to be surrendered
5 electronically, to the secured party the certificate of title or the
6 signed application for a new certificate of title, on the form
7 prescribed by the Tax Commission, and the manufacturer's certificate
8 of origin. The secured party shall deliver the lien entry form and
9 the required lien filing fee within twenty-five (25) days as
10 provided hereafter with certificate of title or the application for
11 certificate of title and the manufacturer's certificate of origin to
12 the Tax Commission or to a motor license agent. If the lien entry
13 form, the lien filing fee and the certificate of title or
14 application for certificate of title and the manufacturer's
15 certificate of origin are delivered to the Tax Commission or to a
16 motor license agent within twenty-five (25) days after the date of
17 the lien entry form, perfection of the security interest shall begin
18 from the date of the execution of the lien entry form, but
19 otherwise, perfection of the security interest shall begin from the
20 date of the delivery to the Tax Commission or to a motor license
21 agent.

22 3. a. For each security interest recorded on a certificate
23 of title, or manufacturer's certificate of origin,
24 such person shall pay a fee of Ten Dollars (\$10.00),

1 which shall be in addition to other fees provided for
2 in the Oklahoma Vehicle License and Registration Act.
3 Upon the receipt of the lien entry form and the
4 required fees with either the certificate of title or
5 an application for certificate of title and
6 manufacturer's certificate of origin, a motor license
7 agent shall, by placement of a clearly distinguishing
8 mark, record the date and number shown in a
9 conspicuous place, on each of these instruments. Of
10 the ten-dollar fee, the motor license agent shall
11 retain Two Dollars (\$2.00) for recording the security
12 interest lien.

- 13 b. It shall be unlawful for any person to solicit, accept
14 or receive any gratuity or compensation for acting as
15 a messenger and for acting as the agent or
16 representative of another person in applying for the
17 recording of a security interest or for the
18 registration of a motor vehicle and obtaining the
19 license plates or for the issuance of a certificate of
20 title therefor unless the Tax Commission has appointed
21 and approved the person to perform such acts; and
22 before acting as a messenger, any such person shall
23 furnish to the Tax Commission a surety bond in such
24

1 amount as the Tax Commission shall determine
2 appropriate.

3 4. The certificate of title or the application for certificate
4 of title and manufacturer's certificate of origin with the record of
5 the date of receipt clearly marked thereon shall be returned, either
6 physically or electronically, to the debtor together with a notice
7 that the debtor is required to register and pay all additional fees
8 and taxes due within thirty (30) days from the date of purchase of
9 the vehicle; provided, after the effective date of this act, the
10 certificate of title shall be returned either physically or
11 electronically to the secured party.

12 5. Any person creating a security interest in a vehicle that
13 has been previously registered in the debtor's name and on which all
14 taxes due the state have been paid shall surrender, either
15 physically or electronically, the certificate of ownership to the
16 secured party. The secured party shall have the duty to record the
17 security interest as provided in this section and shall, at the same
18 time, obtain a new certificate of title which shall show the secured
19 interest on the face of the certificate of title.

20 6. The lien entry form with the date and assigned number
21 thereof clearly marked thereon shall be returned, either physically
22 or electronically, to the secured party. If the lien entry form is
23 received and authenticated, as herein provided, by a motor license
24 agent, the agent shall make a report thereof to the Tax Commission

1 upon the forms and in the manner as may be prescribed by the Tax
2 Commission.

3 7. The Tax Commission shall have the duty to record the lien,
4 either electronically or upon the face of the certificate of title
5 issued at the time of registering and paying all fees and taxes due
6 on the vehicle. On and after the effective date of this act, any
7 certificate of title issued which reflects a lien shall be held by
8 the secured party.

9 B. 1. A secured party shall, within seven (7) business days
10 after the satisfaction of the security interest, furnish directly or
11 by mail a release of a security interest to the Tax Commission and
12 mail a copy thereof to the last-known address of the debtor;
13 provided, on or after July 1, 2021, such release shall be created,
14 stored and delivered electronically. If the security interest has
15 been satisfied by payment from a licensed used motor vehicle dealer
16 to whom the motor vehicle has been transferred, the secured party
17 shall also, within seven (7) business days after such satisfaction,
18 mail an additional copy of the release to the dealer. If the
19 secured party fails to furnish the release as required, the secured
20 party shall be liable to the debtor for a penalty of One Hundred
21 Dollars (\$100.00). Following the seven (7) business days after
22 satisfaction of the lien and upon receipt by the lienholder of
23 written communication demanding the release of the lien, thereafter
24 the penalty shall increase to One Hundred Dollars (\$100.00) per day

1 for each additional day beyond seven (7) business days until
2 accumulating to One Thousand Five Hundred Dollars (\$1,500.00) or the
3 value of the vehicle, whichever is less, and, in addition, any loss
4 caused to the debtor by such failure.

5 2. Upon release of a security interest the owner may obtain a
6 new certificate of title omitting reference to the security
7 interest, by submitting to the Tax Commission or to a motor license
8 agent:

- 9 a. a release signed by the secured party, an application
10 for new certificate of title and the proper fees, or
- 11 b. by submitting to the Tax Commission or the motor
12 license agent an affidavit, supported by such
13 documentation as the Tax Commission may require, by
14 the owner on a form prescribed by the Tax Commission
15 stating that the security interest has been satisfied
16 and stating the reasons why a release cannot be
17 obtained, an application for a new certificate of
18 title and the proper fees.

19 Upon receiving such affidavit that the security interest has been
20 satisfied, the Tax Commission shall issue a new certificate of title
21 eliminating the satisfied security interest and the name and address
22 of the secured parties who have been paid and satisfied. The Tax
23 Commission shall accept a release of a security interest in any form
24 that identifies the debtor, the secured party, and the vehicle, and

1 contains the signature of the secured party. The Tax Commission
2 shall not require any particular form for the release of a security
3 interest.

4 The words "security interest" when used in the Oklahoma Vehicle
5 License and Registration Act do not include liens dependent upon
6 possession.

7 C. The Tax Commission shall file and index certificates of
8 title so that at all times it will be possible to trace a
9 certificate of title to the vehicle designated therein, identify the
10 lien entry form, and the names and addresses of secured parties, or
11 their assignees, so that all or any part of such information may be
12 made readily available to those who make legitimate inquiry of the
13 Tax Commission as to the existence or nonexistence of security
14 interest in the vehicle.

15 D. 1. Any security interest in a vehicle properly perfected
16 prior to July 1, 1979, may be continued as to its effectiveness or
17 duration as provided by Sections 1-9-501 and 1-9-515 of Title 12A of
18 the Oklahoma Statutes, or may be terminated, assigned or released as
19 provided by Sections 1-9-512, 1-9-513 and 1-9-514 of Title 12A of
20 the Oklahoma Statutes, as fully as if this section had not been
21 enacted, or, at the option of the secured party, may also be
22 perfected under this section, and, if so perfected, the time of
23 perfection under this section shall be the date the security
24 interest was originally perfected under the prior law.

1 2. Upon request of the secured party, the debtor or any other
2 holder of the certificate of title shall surrender, either
3 physically or electronically, as applicable, the certificate of
4 title to the secured party and shall do such other acts as may be
5 required to perfect the security interest under this section.

6 E. If a manufactured home is permanently affixed to real
7 estate, the original document of title may be surrendered to the Tax
8 Commission or a motor license agent for cancellation. When the
9 document of title is surrendered, the owner shall provide the legal
10 description or the appropriate tract or parcel number of the real
11 estate and other information as may be required on a form provided
12 by the Tax Commission. The Tax Commission may not cancel a document
13 of title if a lien has been registered or recorded. The Tax
14 Commission or motor license agent shall notify the owner and any
15 lienholder that the title has been surrendered to the Tax Commission
16 and that the Tax Commission may not cancel the title until the lien
17 is released. Such notification shall include a description of the
18 lien and such notification to the owner shall be accompanied by the
19 return of title surrendered. Permanent attachment to real estate
20 does not affect the validity of a lien recorded or registered with
21 the Tax Commission before the document of title is cancelled
22 pursuant to this section. The rights of a prior lienholder pursuant
23 to a security agreement or the provisions of a credit transaction
24 and the rights of the state pursuant to a tax lien are preserved.

1 The Tax Commission or motor license agent shall forward the
2 information to the county assessor of the county where the real
3 estate is located and indicate whether the original document of
4 title has been canceled. A fee of Five Dollars (\$5.00) shall
5 accompany the application for cancellation of title. When the fee
6 is paid by a person making an application directly with the Tax
7 Commission, the fee shall be deposited in the Oklahoma Tax
8 Commission Revolving Fund. A fee paid to a motor license agent
9 shall be retained by the agent. The owner of a manufactured home
10 upon which the document of title has been properly surrendered, may
11 apply to the Tax Commission for issuance of a new original
12 certificate of title upon submission of: (1) an attestation from the
13 homeowner indicating ownership of the manufactured home and the
14 nonexistence of any security interest or lien of record in the
15 manufactured home, and (2) a title opinion by a licensed attorney,
16 determining that the owner of the manufactured home has marketable
17 title to the real property upon which the manufactured home is
18 located and that no documents filed of record in the county clerk's
19 office concerning the real property contain a mortgage, recorded
20 financial statement, judgment, or lien of record. Persons or
21 entities to whom the title opinion is addressed may rely on the
22 title opinion. A security interest in a manufactured home perfected
23 pursuant to this section shall have priority over a conflicting
24 interest of a mortgagee or other lien encumbrancer, or the owner of

1 the real property upon which the manufactured home became affixed or
2 otherwise permanently attached. The holder of the security interest
3 in the manufactured home, upon default, may remove the manufactured
4 home from such real property. The holder of the security interest
5 in the manufactured home shall reimburse the owner of the real
6 property who is not the debtor and who has not otherwise agreed to
7 access the real property for the cost of repair of any physical
8 injury to the real property, but shall not be liable for any
9 diminution in value to the real property caused by the removal of
10 the manufactured home, trespass, or any other damages caused by the
11 removal. The debtor shall notify the holder of the security
12 interest in the manufactured home of the street address, if any, and
13 the legal description of the real property upon which the
14 manufactured home is affixed or otherwise permanently attached and
15 shall sign such other documents, including any appropriate mortgage,
16 as may reasonably be requested by the holder of such security
17 interest.

18 F. In the case of motor vehicles or trailers, notwithstanding
19 any other provision of law, a transaction does not create a sale or
20 security interest merely because it provides that the rental price
21 is permitted or required to be adjusted under the agreement either
22 upward or downward by reference to the amount realized upon sale or
23 other disposition of the motor vehicle or trailer.

24

1 G. A security interest in vehicles registered by a federally
2 recognized Indian tribe shall be deemed valid under Oklahoma law if
3 validly perfected under the applicable tribal law and the lien is
4 noted on the face of the tribal certificate of title.

5 SECTION 7. This act shall become effective July 1, 2021.

6 Passed the Senate the 10th day of March, 2020.

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Presiding Officer of the Senate

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10 Passed the House of Representatives the ____ day of _____,
11 2020.

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Presiding Officer of the House
of Representatives

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