

SENATE CHAMBER
STATE OF OKLAHOMA

DISPOSITION

FLOOR AMENDMENT

No. _____

COMMITTEE AMENDMENT

(Date)

Mr./Madame President:

I move to amend Senate Bill No. 1460, by substituting the attached floor substitute for the title, enacting clause and entire body of the measure.

Submitted by:

Senator Standridge

Standridge-JCR-FS-Req#4014
3/9/2020 4:14 PM

(Floor Amendments Only) Date and Time Filed: _____

Untimely

Amendment Cycle Extended

Secondary Amendment

1 STATE OF OKLAHOMA

2 2nd Session of the 57th Legislature (2020)

3 FLOOR SUBSTITUTE
4 FOR

5 SENATE BILL NO. 1460

6 By: Standridge of the Senate

7 and

8 Osburn of the House

9 FLOOR SUBSTITUTE

10 [Oklahoma Vehicle License and Registration Act -
11 certificates of title - secured party lienholder -
12 codification - effective date]

13
14 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

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

18 On or before July 1, 2021, the Oklahoma Tax Commission shall
19 implement a program for mandatory electronic filing, storage and
20 delivery of motor vehicle certificates of title and associated
21 liens. The Tax Commission shall designate a vendor, subject to the
22 provisions of The Oklahoma Central Purchasing Act, to provide
23 necessary hardware, software and services to motor license agents
24 who shall provide an electronic filing, storage and delivery system

1 to be used by all applicants for a certificate of title and for
2 filing a lien pursuant to the procedures prescribed by the Oklahoma
3 Tax Commission. The provisions of this section shall apply to
4 applications for certificates of title and liens filed on or after
5 July 1, 2021. Any documents created, stored or delivered under the
6 electronic system shall be considered valid including any signatures
7 which are generated electronically or contained on a scanned copy.
8 The Tax Commission shall promulgate rules to implement the
9 provisions of this section.

10 SECTION 2. AMENDATORY 47 O.S. 2011, Section 1102, as
11 last amended by Section 1, Chapter 57, O.S.L. 2016 (47 O.S. Supp.
12 2019, Section 1102), is amended to read as follows:

13 Section 1102. As used in the Oklahoma Vehicle License and
14 Registration Act:

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

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

23

24

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

4 4. "Chips and oil" or the term "road oil and crushed rock"
5 means, with respect to materials authorized for use in the surfacing
6 of roads or highways in this title or in any equivalent statute
7 pertaining to road or highway surfacing in the State of Oklahoma,
8 any asphaltic materials. Wherever chips and oil or road oil and
9 crushed rock are authorized for use in the surfacing of roads or
10 highways in this state, whether by the Department of Transportation,
11 or by the county commissioners, or other road building authority
12 subject to the Oklahoma Vehicle License and Registration Act,
13 asphaltic materials are also authorized for use in such surfacing
14 and construction;

15 5. "Combined laden weight" means the weight of a truck or
16 station wagon and its cargo or payload transported thereon, or the
17 weight of a truck or truck-tractor plus the weight of any trailers
18 or semitrailers together with the cargo or payload transported
19 thereon;

20 6. "Commercial trailer" means any trailer, as defined in
21 Section 1-180 of this title, or semitrailer, as defined in Section
22 1-162 of this title, when such trailer or semitrailer is used
23 primarily for business or commercial purposes;

24

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

4 8. "Commercial vehicle" means any vehicle over eight thousand
5 (8,000) pounds combined laden weight used primarily for business or
6 commercial purposes. Each motor vehicle being registered pursuant
7 to the provisions of this section shall have the name of the
8 commercial establishment or the words "Commercial Vehicle"
9 permanently and prominently displayed upon the outside of the
10 vehicle in letters not less than two (2) inches high. Such letters
11 shall be in sharp contrast to the background and shall be of
12 sufficient shape and color as to be readily legible during daylight
13 hours, from a distance of fifty (50) feet while the vehicle is not
14 in motion;

15 9. "Commission" or "Tax Commission" means the Oklahoma Tax
16 Commission;

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

24

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

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

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

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

20 ~~13.~~ 15. "Interstate commerce" means any commerce moving between
21 any place in a state and any place in another state or between
22 places in the same state through another state;

23 ~~14.~~ 16. "Laden weight" means the combined weight of a vehicle
24 when fully equipped for use and the cargo or payload transported

1 thereon; provided, that in no event shall the laden weight be less
2 than the unladen weight of the vehicle fully equipped for use, plus
3 the manufacturer's rated carrying capacity;

4 ~~15.~~ 17. "Local authorities" means every county, municipality or
5 local board or body having authority to adopt police regulations
6 under the Constitution and laws of this state;

7 ~~16.~~ 18. "Low-speed electrical vehicle" means any four-wheeled
8 electrical vehicle that is powered by an electric motor that draws
9 current from rechargeable storage batteries or other sources of
10 electrical current and whose top speed is greater than twenty (20)
11 miles per hour but not greater than twenty-five (25) miles per hour
12 and is manufactured in compliance with the National Highway Traffic
13 Safety Administration standards for low-speed vehicles in 49 C.F.R.
14 571.500;

15 ~~17.~~ 19. "Manufactured home" means a residential dwelling built
16 in accordance with the National Manufactured Housing Construction
17 and Safety Standards Act of 1974, 42 U.S.C., Section 5401 et seq.,
18 and rules promulgated pursuant thereto and the rules promulgated by
19 the Oklahoma Used Motor Vehicle and Parts Commission pursuant to
20 Section 582 of this title. Manufactured home shall not mean a park
21 model recreational vehicle as defined in this section;

22 ~~18.~~ 20. "Manufactured home dealer" means any person, firm or
23 corporation engaged in the business of selling any new and unused,
24 or used, or both new and used manufactured homes. Such information

1 and a valid franchise letter as proof of authorization to sell any
2 such new manufactured home product line or lines shall be attached
3 to the application for a dealer license to sell manufactured homes.
4 "Manufactured home dealer" shall not include any person, firm or
5 corporation who sells or contracts for the sale of the dealer's own
6 personally titled manufactured home or homes. No person, firm or
7 corporation shall be considered a manufactured home dealer as to any
8 manufactured home purchased or acquired by such person, firm or
9 corporation for purposes other than resale; provided, that the
10 restriction set forth in this sentence shall not prevent an
11 otherwise qualified person, firm or corporation from utilizing a
12 single manufactured home as a sales office;

13 ~~19.~~ 21. "Medium-speed electrical vehicle" means any self-
14 propelled, electrically powered four-wheeled motor vehicle, equipped
15 with a roll cage or crush-proof body design, whose speed attainable
16 in one (1) mile is more than thirty (30) miles per hour but not
17 greater than thirty-five (35) miles per hour;

18 ~~20.~~ 22. "Motor license agent" means any person appointed,
19 designated or authorized by the Oklahoma Tax Commission to collect
20 the fees and to enforce the provisions provided for in the Oklahoma
21 Vehicle License and Registration Act;

22 ~~21.~~ 23. "New vehicle" or "unused vehicle" means a vehicle which
23 has been in the possession of the manufacturer, distributor or
24

1 wholesaler or has been sold only by the manufacturer, distributor or
2 wholesaler to a dealer;

3 ~~22.~~ 24. "Nonresident" means any person who is not a resident of
4 this state;

5 ~~23.~~ 25. "Off-road motorcycle" means any motorcycle, as defined
6 in Section 1-135 of this title, when such motorcycle has been
7 manufactured for and used exclusively off roads, highways and any
8 other paved surfaces;

9 ~~24.~~ 26. "Owner" means any person owning, operating or
10 possessing any vehicle herein defined;

11 ~~25.~~ 27. "Park model recreational vehicle" means a vehicle that
12 is:

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

23 ~~26.~~ 28. "Person" means any individual, copartner, joint
24 venture, association, corporation, limited liability company,

1 estate, trust, business trust, syndicate, the State of Oklahoma, or
2 any county, city, municipality, school district or other political
3 subdivision thereof, or any group or combination acting as a unit,
4 or any receiver appointed by the state or federal court;

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

8 ~~27.~~ 30. "Rebodied vehicle" means a vehicle:

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

21 ~~28.~~ 31. "Recreational off-highway vehicle" means a vehicle
22 manufactured and used exclusively for off-highway use, traveling on
23 four or more non-highway tires, and being sixty-five (65) inches or
24 less in width;

1 ~~29.~~ 32. "Recreational vehicle" means every vehicle which is
2 built on or permanently attached to a self-propelled motor chassis
3 or chassis cab which becomes an integral part of the completed
4 vehicle and is capable of being operated on the highways. In order
5 to qualify as a recreational vehicle pursuant to this paragraph such
6 vehicle shall be permanently constructed and equipped for human
7 habitation, having its own sleeping and kitchen facilities,
8 including permanently affixed cooking facilities, water tanks and
9 holding tank with permanent toilet facilities. Recreational vehicle
10 shall not include manufactured homes or any vehicle with portable
11 sleeping, toilet and kitchen facilities which are designed to be
12 removed from such vehicle. Recreational vehicle shall include park
13 model recreational vehicles as defined in this section;

14 ~~30.~~ 33. "Remanufactured vehicle" means a vehicle which has been
15 assembled by a vehicle remanufacturer using a new body and which may
16 include original, reconditioned, or remanufactured parts, and which
17 is not a salvage, rebuilt, or junked vehicle as defined by
18 paragraphs 1, 2, and 6, respectively, of subsection A of Section
19 1105 of this title;

20 ~~31.~~ 34. "Rental trailer" means all small or utility trailers or
21 semitrailers constructed and suitable for towing by a passenger
22 automobile and designed only for carrying property, when the
23 trailers or semitrailers are owned by, or are in the possession of,
24 any person engaged in renting or leasing such trailers or

1 semitrailers for intrastate or interstate use or combined intrastate
2 and interstate use;

3 ~~32.~~ 35. "Special mobilized machinery" means special purpose
4 machines or devices, either self-propelled or drawn as trailers or
5 semitrailers, which derive no revenue from the transportation of
6 persons or property, whose use of the highway is only incidental,
7 and whose useful revenue producing service is performed at
8 destinations in an area away from the traveled surface of an
9 established open highway;

10 ~~33.~~ 36. "State" means the State of Oklahoma;

11 ~~34.~~ 37. "Station wagon" means any passenger vehicle which does
12 not have a separate luggage compartment or trunk and which does not
13 have open beds, and has one or more rear seats readily lifted out or
14 folded, whether same is called a station wagon or ranch wagon;

15 ~~35.~~ 38. "Travel trailer" means any vehicular portable structure
16 built on a chassis, used as a temporary dwelling for travel,
17 recreational or vacation use, and, when factory-equipped for the
18 road, it shall have a body width not exceeding eight (8) feet and an
19 overall length not exceeding forty (40) feet, including the hitch or
20 coupling;

21 ~~36.~~ 39. "Travel trailer dealer" means any person, firm or
22 corporation engaged in the business of selling any new and unused,
23 or used, or both new and used travel trailers. Such information and
24 a valid franchise letter as proof of authorization to sell any such

1 new travel trailer product line or lines shall be attached to the
2 application for a dealer license to sell travel trailers. "Travel
3 trailer dealer" shall not include any person, firm or corporation
4 who sells or contracts for the sale of his or her own personally
5 titled travel trailer or trailers. No person, firm or corporation
6 shall be considered as a travel trailer dealer as to any travel
7 trailer purchased or acquired by such person, firm or corporation
8 for purposes other than resale;

9 ~~37.~~ 40. "Used motor vehicle dealer" means "used motor vehicle
10 dealer" as defined in Section 581 of this title;

11 ~~38.~~ 41. "Used vehicle" means any vehicle which has been sold,
12 bargained, exchanged or given away, or used to the extent that it
13 has become what is commonly known, and generally recognized, as a
14 "secondhand" vehicle. This shall also include any vehicle other
15 than a remanufactured vehicle, regardless of age, owned by any
16 person who is not a dealer;

17 ~~39.~~ 42. "Utility vehicle" means a vehicle powered by an
18 internal combustion engine, manufactured and used exclusively for
19 off-highway use, equipped with seating for two or more people and a
20 steering wheel, traveling on four or more wheels;

21 ~~40.~~ 43. "Vehicle" means any type of conveyance or device in,
22 upon or by which a person or property is or may be transported from
23 one location to another upon the avenues of public access within the
24 state. "Vehicle" does not include bicycles, trailers except travel

1 trailers and rental trailers, or implements of husbandry as defined
2 in Section 1-125 of this title. All implements of husbandry used as
3 conveyances shall be required to display the owner's driver license
4 number or license plate number of any vehicle owned by the owner of
5 the implement of husbandry on the rear of the implement in numbers
6 not less than two (2) inches in height. The use of the owner's
7 Social Security number on the rear of the implement of husbandry
8 shall not be required; and

9 ~~41.~~ 44. "Vehicle remanufacturer" means a commercial entity
10 which assembles remanufactured vehicles.

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

13 Section 1103. It is the intent of the Legislature that the
14 owner or owners of every vehicle in this state shall possess a
15 certificate of title as proof of ownership and that every vehicle
16 shall be registered in the name of the owner or owners thereof. On
17 and after the effective date of this act, all certificates of title
18 and any associated liens shall be in electronic format and if there
19 is a perfected security interest in a vehicle, the certificate of
20 title shall be held by the party having the perfected security
21 interest in the collateral. All registration and license fees and
22 mileage taxes imposed by ~~this act~~ the Oklahoma Vehicle License and
23 Registration Act shall be for the purpose of providing funds for the
24 general governmental functions of the state, counties,

1 municipalities and schools and for the maintenance and upkeep of the
2 avenues of public access of this state. Such registration and
3 license fees shall apply to every vehicle operated upon, over, along
4 or across any avenue of public access within this state and when
5 paid in full, shall be in lieu of all other taxes, general and
6 local, unless otherwise specifically provided.

7 SECTION 4. AMENDATORY 47 O.S. 2011, Section 1105, as
8 last amended by Section 2, Chapter 133, O.S.L. 2016 (47 O.S. Supp.
9 2019, Section 1105), is amended to read as follows:

10 Section 1105. A. As used in the Oklahoma Vehicle License and
11 Registration Act:

12 1. "Salvage vehicle" means any vehicle which is within the last
13 ten (10) model years and which has been damaged by collision or
14 other occurrence to the extent that the cost of repairing the
15 vehicle for safe operation on the highway exceeds sixty percent
16 (60%) of its fair market value, as defined by Section 1111 of this
17 title, immediately prior to the damage. For purposes of this
18 section, actual repair costs shall only include labor and parts for
19 actual damage to the suspension, motor, transmission, frame or
20 unibody and designated structural components;

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

23 3. "Flood-damaged vehicle" means a salvage or rebuilt vehicle
24 which was damaged by flooding or a vehicle which was submerged at a

1 level to or above the dashboard of the vehicle and on which an
2 amount of loss was paid by the insurer;

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

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

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

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

21 Except for owners that possess an agricultural exemption permit
22 pursuant to Section 1358.1 of Title 68 of the Oklahoma Statutes, the
23 owner of an all-terrain vehicle or a motorcycle used exclusively off
24 roads or highways in this state which is purchased or the ownership

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

21 1. Original title for any motor vehicle which is not a
22 remanufactured, salvage, unrecovered-theft, rebuilt, rebodied or
23 junked vehicle;

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

4 3. Rebuilt title for any motor vehicle which is a rebuilt
5 vehicle;

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

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

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

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

15 8. Rebodyed title for any motor vehicle which is a rebodyed
16 vehicle.

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

22 When application is made with a motor license agent, the application
23 information shall be transmitted either electronically or by mail to
24 the Tax Commission by the motor license agent. If the application

1 information is transmitted electronically, the motor license agent
2 shall forward the required application along with evidence of
3 ownership, where required, by mail or electronically. Where the
4 transmission of application information cannot be performed
5 electronically, the Tax Commission is authorized to provide postage
6 paid envelopes to motor license agents for the purpose of mailing
7 the application along with evidence of ownership, where required.
8 The Tax Commission shall upon receipt of proper application
9 information issue an Oklahoma certificate of title. The
10 certificates may be mailed to the applicant. Upon issuance of a
11 certificate of title, the Tax Commission shall provide the
12 appropriate motor license agent with confirmation of such issuance.

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

- 16 a. a full description of the vehicle,
- 17 b. the manufacturer's serial or other identification
18 number,
- 19 c. the motor number and the date on which first sold by
20 the manufacturer or dealer to the owner,
- 21 d. any distinguishing marks,
- 22 e. a statement of the applicant's source of title,
- 23 f. any security interest upon the vehicle, and

24

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

3 2. The application for a certificate of title for a vehicle
4 which is within the last seven (7) model years shall require a
5 declaration as to whether the vehicle has been damaged by collision
6 or other occurrence and whether the vehicle has been recovered from
7 theft and the extent of the damage to the vehicle. The declaration
8 shall be made by the owner of a vehicle if:

9 a. the vehicle has been damaged or stolen,

10 b. the owner did or did not receive any payment for the
11 loss from an insurer, or

12 c. the vehicle is titled or registered in a state that
13 does not classify the vehicle or brand the title
14 because of damage to or loss of the vehicle similar to
15 the classifications or brands utilized by this state.

16 The declaration shall be based upon the best information and
17 knowledge of the owner and shall be in addition to the requirements
18 specified in paragraph 1 of this subsection. The Tax Commission
19 shall not issue a certificate of title for a vehicle which is
20 subject to the provisions of this paragraph without the required
21 declaration, completed and signed physically or digitally by the
22 owner of the vehicle. Upon receipt of an application without the
23 properly completed declaration, the Tax Commission shall return the
24 application to the applicant with notice that the title may not be

1 issued without the required declaration. Nothing in this paragraph
2 shall prohibit the Tax Commission from recognizing the type of or
3 brand on a title or other ownership document issued by another state
4 or the inspection conducted in another state and issuing the
5 appropriate certificate of title for the vehicle.

6 3. The physical certificate of title shall have the following
7 security features:

- 8 a. intaglio printing or security thread, with or without
9 watermark,
- 10 b. latent images,
- 11 c. fluorescent inks,
- 12 d. micro print,
- 13 e. void background, and
- 14 f. color coding.

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

18 5. The physical certificate of title shall be of such size and
19 design and color as the Tax Commission may direct pursuant to the
20 provisions of this section. The title shall be on colored paper or
21 other material as designated by the Tax Commission and be of such
22 intensity or hue as will allow easy identification as to whether the
23 title is an original title, a salvage title, a rebuilt title,
24 remanufactured title, rebodied title or a junked title. The type of

1 title shall be identified on the front of the certificate of title.
2 The original title, rebuilt title, remanufactured title, an
3 unrecovered-theft title, rebodied title or classic title shall be
4 identified by the word "Original", "Rebuilt", "Remanufactured",
5 "Unrecovered Theft", "Rebodied" or "Classic" printed in the upper
6 right quadrant of the certificate of title, in the space which is
7 currently captioned "type of title". A rebodied title shall also
8 identify on the front of the title, if a physical copy, the year,
9 make and model of the originally manufactured vehicle which has been
10 rebodied and display a notation that reads as follows: "This vehicle
11 has been assembled with new major components licensed by the
12 original manufacturer".

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

22 a. the manufacturer's serial or other identification
23 number,
24

- b. date on which first sold by the manufacturer to the dealer,
- c. any distinguishing marks including model and the year same was made,
- d. a statement of any security interests upon the vehicle, and
- e. such other information as the Tax Commission may require.

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

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

E. In the absence of a dealer's or manufacturer's number, the Tax Commission may assign such identifying number to the vehicle, which shall be permanently stamped, burned or pressed or attached into the vehicle, and a certificate of title shall be delivered to the applicant upon payment of all fees and taxes, and the remaining copies shall be permanently filed and indexed by the Tax Commission. The Tax Commission shall assign an identifying number to any rebuilt vehicle if the vehicle identification number displayed on the

1 rebuilt vehicle does not accurately describe the vehicle as rebuilt.
2 The motor license agent, at the time of inspection of the rebuilt
3 vehicle pursuant to Section 1111 of this title, shall identify the
4 make, model, and year for the body to accurately describe the
5 rebuilt vehicle. At the time of the inspection, an appropriate
6 identifying number shall be permanently stamped, burned, pressed, or
7 attached on the rebuilt vehicle. The assigned identifying number
8 shall be recorded on the certificate of title for the rebuilt
9 vehicle. The dealer's or manufacturer's vehicle identification
10 number on the rebuilt vehicle shall be preserved in the computer
11 files of the Tax Commission for at least five (5) years.

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

16 1. As evidence of ownership, if the vehicle has not previously
17 been titled in the United States, the documents constituting valid
18 proof of ownership in the country in which the vehicle was
19 originally purchased, together with a notarized translation of any
20 such documents; and

21 2. As evidence of compliance with federal law, copies of the
22 bond release letters for the vehicle issued by the United States
23 Environmental Protection Agency and the United States Department of
24 Transportation, together with a receipt issued by the Internal

1 Revenue Service indicating that the applicable federal gas guzzler
2 tax has been paid.

3 The Tax Commission shall not issue a certificate of title for a
4 vehicle which is subject to the provisions of this paragraph without
5 the required documentation from agencies of the United States and
6 evidence of ownership. Upon receipt of an application without the
7 required documentation, the Tax Commission shall return the
8 application to the applicant with notice that the certificate of
9 title may not be issued without the required documentation. Nothing
10 in this paragraph shall prohibit the Tax Commission from issuing
11 certificates of title for antique or classic vehicles not driven
12 upon the public streets, roads, or highways, for mini-trucks
13 registered pursuant to Section 1151.3 of this title, or for medium-
14 speed electric vehicles.

15 G. When registering in this state a vehicle which was titled in
16 another state and which title contains the name of a secured party
17 on the face of the other state certificate of title, or such state
18 certificate is being held by the secured party in that state or any
19 other state, the Tax Commission or the motor license agent shall
20 complete a lien entry form as prescribed by the Tax Commission. The
21 owner of such vehicle shall file an affidavit with the Tax
22 Commission or the motor license agent stating that title to the
23 vehicle is being held by a secured party, has not been issued
24 pursuant to the laws of the state where titled, and that there is an

1 existing lien or encumbrance on the vehicle. The current name and
2 address of the secured party or lienholder shall also be stated in
3 the affidavit. The form of the affidavit shall be prescribed by the
4 Tax Commission and contain any other information deemed necessary by
5 the Tax Commission. A statement of the lien or encumbrance shall be
6 included on the Oklahoma certificate of title and the lien or
7 encumbrance shall be deemed continuously perfected as though it had
8 been perfected pursuant to Section 1110 of this title. For
9 completing the lien entry form and recording the security interest
10 on the certificate of title, the Tax Commission or the motor license
11 agent shall collect a fee of Three Dollars (\$3.00) which shall be in
12 addition to other fees provided by the Oklahoma Vehicle License and
13 Registration Act. The fee, if collected by the motor license agent
14 pursuant to this subsection, shall be retained by the motor license
15 agent.

16 H. The charge for each certificate of title issued, except for
17 junked titles as defined in paragraph 4 of subsection B of this
18 section, shall be Eleven Dollars (\$11.00), which charge shall be in
19 addition to any other fees or taxes imposed by law for such vehicle.
20 If a certificate of title is issued in both physical and automated
21 formats, a charge shall be made for each. One Dollar (\$1.00) of
22 each such charge shall be deposited in the Oklahoma Tax Commission
23 Reimbursement Fund. However, the charge shall not apply to any
24 vehicle which is to be registered in this state pursuant to the

1 provisions of Section 1120 or 1133 of this title and which was
2 registered in another state at least sixty (60) days prior to the
3 time it is required to be registered in this state. When an insurer
4 requests a salvage or junk title in the name of the insurer
5 resulting from the settlement of a total loss claim and upon
6 presentation of appropriate proof of loss documentation as required
7 by the Commission, such transfer may be processed as one title
8 transaction, without first requiring issuance of a replacement
9 certificate of title in the name of the vehicle owner. The fee
10 shall be Twenty-two Dollars (\$22.00). Two Dollars (\$2.00) of this
11 fee shall be deposited in the Oklahoma Tax Commission Reimbursement
12 Fund.

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

19 J. If a vehicle is sold to a resident of another state
20 destroyed, dismantled, or ceases to be used as a vehicle, the owner
21 shall immediately notify the Tax Commission. Absent evidence to the
22 contrary, failure to notify the Tax Commission shall be prima facie
23 evidence that the vehicle has been in continuous operation in this
24 state.

1 K. If a vehicle is stolen, the owner shall immediately notify
2 the appropriate law enforcement agency. Immediately after receiving
3 such notification, the law enforcement agency shall notify the Tax
4 Commission.

5 L. Except for all-terrain vehicles, utility vehicles and
6 motorcycles used exclusively for off-road use, no title for an out-
7 of-state vehicle, except any commercial truck or truck-tractor
8 registered pursuant to Section 1120 of this title which is engaged
9 in interstate commerce or any trailer or semitrailer registered
10 pursuant to Section 1133 of this title which is engaged in
11 interstate commerce, shall be issued without an inspection of such
12 vehicle and payment of a fee of Four Dollars (\$4.00) for such
13 inspection; provided, the Tax Commission may enter into reciprocal
14 agreements with other states for such inspections to be performed at
15 locations outside the boundaries of this state for vehicles which:

16 1. Are offered for sale at auction;

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

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

22 The inspection shall include a comparison of the vehicle
23 identification number on the vehicle with the number recorded on the
24 ownership records and the recording of the actual odometer reading

1 on the vehicle. The four-dollar fee shall be collected by the motor
2 license agent or Tax Commission when the title is issued. The motor
3 license agent shall retain Two Dollars (\$2.00). The remaining Two
4 Dollars (\$2.00) shall be deposited in the Oklahoma Tax Commission
5 Reimbursement Fund.

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

9 M. No title for any out-of-state vehicle offered for sale at
10 salvage pools, salvage disposal sales, or an auction, or by a dealer
11 or a licensed automotive dismantler and parts recycler, shall be
12 issued without an inspection to compare the vehicle identification
13 number on the vehicle with the number recorded on the ownership
14 record and to record the actual odometer reading on the vehicle.
15 Upon request of the seller, person or entity conducting an auction,
16 dealer or licensed dismantler, the inspection shall be conducted at
17 the location or place of business of the sale, auction, dealer, or
18 the dismantler. The inspection shall be conducted by any motor
19 license agent or a duly authorized employee thereof; provided, if
20 the vehicle identification number on the vehicle offered for sale at
21 salvage pools, salvage disposal sales or a classic or antique
22 auction does not match the number recorded on the ownership record,
23 the inspection may be conducted at the location of or place of
24 business of such sale or auction by any state, county or city law

1 enforcement officer. The Tax Commission may enter into reciprocal
2 agreements with other states for such inspections to be performed at
3 locations outside the boundaries of this state for vehicles which:

- 4 1. Are offered for sale at auction;
- 5 2. Have been solely used as vehicles for rent under the
6 ownership of a licensed motor vehicle dealer or a person engaged in
7 the business of renting motor vehicles; or
- 8 3. Have not been registered in this or any other state for more
9 than one (1) year.

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

1 motor license agent or an authorized employee thereof shall be
2 handled and accounted for in the manner as prescribed by law for any
3 other fees paid to or received by a motor license agent. Out-of-
4 state vehicles brought into this state by a person licensed in
5 another state to sell new or used vehicles to be sold within this
6 state at a motor vehicle auction which is limited to dealer-to-
7 dealer transactions shall not be required to be inspected, unless
8 the vehicle is purchased by an Oklahoma dealer. Any person licensed
9 in another state to sell new or used motor vehicles, who offers a
10 motor vehicle for sale within this state at a motor vehicle auction
11 which is limited to dealer-to-dealer transactions, shall not be
12 within the definition of "owner" in Section 1102 of this title, for
13 purposes of Section 1101 et seq. of this title.

14 N. A licensed motor vehicle dealer, upon payment of a fee of
15 Fifteen Dollars (\$15.00), may reassign an out-of-state certificate
16 of title to a used motor vehicle provided such dealer obtains the
17 appropriate inspection form required by either subsection L or M of
18 this section and attaches the form to the out-of-state certificate
19 of title. Motor license agents shall be allowed to retain Two
20 Dollars and twenty-five cents (\$2.25) of the fee plus an additional
21 Two Dollars (\$2.00) or Three Dollars (\$3.00) as provided in
22 subsections L and M of this section for performance of the
23 inspection. Two Dollars (\$2.00) of the fee shall be deposited in
24 the Tax Commission Reimbursement Fund. An out-of-state vehicle

1 which has been rebuilt shall be inspected pursuant to the provisions
2 of Section 1111 of this title. The Tax Commission shall train motor
3 license agents in interpreting vehicle identification numbers to
4 assure that it accurately describes the vehicle and to detect
5 rollback or alteration of the odometer. Failure of a motor license
6 agent to inspect the vehicle and make the required notations shall
7 be a misdemeanor punishable by a fine of not more than One Thousand
8 Dollars (\$1,000.00) for the first offense and Five Thousand Dollars
9 (\$5,000.00) for the second offense or subsequent offense, or by
10 imprisonment in the county jail for not more than six (6) months, or
11 by both such fine and imprisonment.

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

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

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

1 of any vehicle for which the certificate of title is canceled. No
2 title or registration shall subsequently be issued for a vehicle for
3 which the certificate of title has been surrendered pursuant to this
4 subsection. The Tax Commission shall prescribe a form for the
5 transfer of ownership of a vehicle for which the certificate of
6 title has been canceled.

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

23 The certificate of ownership shall be completed in triplicate.
24 The buyer and seller shall each retain a copy. Within thirty (30)

1 days of the transaction, the seller shall submit one copy to the Tax
2 Commission or a motor license agent accompanied with a fee of Four
3 Dollars (\$4.00). One Dollar (\$1.00) shall be retained by the motor
4 license agent and Three Dollars (\$3.00) shall be deposited in the
5 Oklahoma Tax Commission Reimbursement Fund in the State Treasury.

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

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

21 T. When registering for the first time in this state a
22 remanufactured vehicle which has not been registered in any other
23 state since its remanufacture, before issuing a certificate of
24

1 title, the Tax Commission shall require the applicant to deliver a
2 statement of origin from the remanufacturer.

3 U. If a vehicle is sold to a foreign buyer pursuant to the
4 provisions of the Automotive Dismantlers and Parts Recycler Act, the
5 licensed seller shall stamp the title with: "EXPORT ONLY.
6 NONTRANSFERABLE IN THE UNITED STATES." The licensed seller shall
7 supply the Tax Commission the title number, the vehicle
8 identification number and the foreign buyer's bid identification
9 number on a form prescribed by the Tax Commission. The Tax
10 Commission shall cancel the title, and the vehicle identification
11 number shall be preserved in the computer files of the Tax
12 Commission for a period of not less than five (5) years.

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

21 SECTION 5. AMENDATORY 47 O.S. 2011, Section 1107, as
22 last amended by Section 21, Chapter 210, O.S.L. 2016 (47 O.S. Supp.
23 2019, Section 1107), is amended to read as follows:

24

1 Section 1107. A. In the event of the sale or transfer of the
2 ownership of a vehicle for which a certificate of title has been
3 issued as provided by Section 1105 of this title, the holder of such
4 certificate shall ~~endorse on the back of same~~ provide proof in
5 whatever form required by the Oklahoma Tax Commission of a complete
6 assignment thereof with warranty of title in form printed thereon
7 with a statement of all liens or encumbrances on the vehicle, sworn
8 to before a notary public or some other person authorized by law to
9 take acknowledgments, and deliver same to the purchaser or
10 transferee at the time of delivery to the purchaser or transferee of
11 the vehicle; provided, a transfer of the ownership of a vehicle to
12 an insurer resulting from the settlement of a total loss claim shall
13 not require a notarized signature on the certificate of title. The
14 purchaser or transferee, unless such person is a bona fide used
15 motor vehicle dealer licensed by this state, a retail implement
16 dealer in connection with the purchase or transfer of off-road
17 vehicles or a charitable organization shall, within thirty (30) days
18 from the time of delivery to the purchaser or transferee of the
19 vehicle, present the assigned certificate of title and the insurance
20 security verification to the vehicle to the Oklahoma Tax Commission,
21 or one of its motor license agents, accompanied by a fee of Eleven
22 Dollars (\$11.00), together with any motor vehicle excise tax or
23 license fee that may be due, whereupon a new certificate of title,
24 shall be issued to the assignee. Provided, if there is a perfected

1 security interest in a vehicle, the Oklahoma Tax Commission or a
2 motor license agent shall issue the new certificate of title to the
3 party having the perfected security interest in the collateral. One
4 Dollar (\$1.00) of each fee shall be deposited in the Oklahoma Tax
5 Commission Reimbursement Fund. Any charitable organization
6 utilizing the exemption authorized by this subsection shall receive
7 training as prescribed by the Oklahoma Used Motor Vehicle and Parts
8 Commission.

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

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

1 implements of husbandry as defined in Section 1-125 of this title or
2 a combination thereof.

3 C. Any person violating the provisions of this section shall be
4 guilty of a misdemeanor and upon the first conviction thereof shall
5 be punished by a fine not to exceed Five Hundred Dollars (\$500.00),
6 with impoundment of the vehicle until all taxes and fees are paid.
7 A second or subsequent conviction shall be punished by a fine not to
8 exceed One Thousand Dollars (\$1,000.00), with impoundment of the
9 vehicle until all taxes and fees are paid. If a vehicle is
10 impounded pursuant to the provisions of this section, the vehicle
11 shall not be released to the owner until the owner provides proof of
12 security or an affidavit that the vehicle will not be used on public
13 highways or public streets, as required pursuant to Section 7-600 et
14 seq. of this title. Each vehicle involved in a violation of this
15 section shall be considered a separate offense.

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

19 Section 1110. A. 1. Except for a security interest in
20 vehicles held by a dealer for sale or lease, a vehicle registered by
21 a federally recognized Indian tribe as provided in subsection G of
22 this section, and a vehicle being registered in this state which was
23 previously registered in another state and which title contains the
24 name of a secured party on the face of the other state certificate

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

1 which a certificate of title may be properly issued by the Tax
2 Commission, except as to vehicles held by a dealer for sale or lease
3 and except as provided in subsection D of this section. In all
4 other respects Title 12A of the Oklahoma Statutes shall be
5 applicable to such security interests in vehicles as to which a
6 certificate of title may be properly issued by the Tax Commission.

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

24

1 date of the delivery to the Tax Commission or to a motor license
2 agent.

3 3. a. For each security interest recorded on a certificate
4 of title, or manufacturer's certificate of origin,
5 such person shall pay a fee of Ten Dollars (\$10.00),
6 which shall be in addition to other fees provided for
7 in the Oklahoma Vehicle License and Registration Act.
8 Upon the receipt of the lien entry form and the
9 required fees with either the certificate of title or
10 an application for certificate of title and
11 manufacturer's certificate of origin, a motor license
12 agent shall, by placement of a clearly distinguishing
13 mark, record the date and number shown in a
14 conspicuous place, on each of these instruments. Of
15 the ten-dollar fee, the motor license agent shall
16 retain Two Dollars (\$2.00) for recording the security
17 interest lien.

18 b. It shall be unlawful for any person to solicit, accept
19 or receive any gratuity or compensation for acting as
20 a messenger and for acting as the agent or
21 representative of another person in applying for the
22 recording of a security interest or for the
23 registration of a motor vehicle and obtaining the
24 license plates or for the issuance of a certificate of

1 title therefor unless the Tax Commission has appointed
2 and approved the person to perform such acts; and
3 before acting as a messenger, any such person shall
4 furnish to the Tax Commission a surety bond in such
5 amount as the Tax Commission shall determine
6 appropriate.

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

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

1 6. The lien entry form with the date and assigned number
2 thereof clearly marked thereon shall be returned, either physically
3 or electronically, to the secured party. If the lien entry form is
4 received and authenticated, as herein provided, by a motor license
5 agent, the agent shall make a report thereof to the Tax Commission
6 upon the forms and in the manner as may be prescribed by the Tax
7 Commission.

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

14 B. 1. A secured party shall, within seven (7) business days
15 after the satisfaction of the security interest, furnish directly or
16 by mail a release of a security interest to the Tax Commission and
17 mail a copy thereof to the last-known address of the debtor;
18 provided, on or after July 1, 2021, such release shall be created,
19 stored and delivered electronically. If the security interest has
20 been satisfied by payment from a licensed used motor vehicle dealer
21 to whom the motor vehicle has been transferred, the secured party
22 shall also, within seven (7) business days after such satisfaction,
23 mail an additional copy of the release to the dealer. If the
24 secured party fails to furnish the release as required, the secured

1 party shall be liable to the debtor for a penalty of One Hundred
2 Dollars (\$100.00). Following the seven (7) business days after
3 satisfaction of the lien and upon receipt by the lienholder of
4 written communication demanding the release of the lien, thereafter
5 the penalty shall increase to One Hundred Dollars (\$100.00) per day
6 for each additional day beyond seven (7) business days until
7 accumulating to One Thousand Five Hundred Dollars (\$1,500.00) or the
8 value of the vehicle, whichever is less, and, in addition, any loss
9 caused to the debtor by such failure.

10 2. Upon release of a security interest the owner may obtain a
11 new certificate of title omitting reference to the security
12 interest, by submitting to the Tax Commission or to a motor license
13 agent:

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

24

1 Upon receiving such affidavit that the security interest has been
2 satisfied, the Tax Commission shall issue a new certificate of title
3 eliminating the satisfied security interest and the name and address
4 of the secured parties who have been paid and satisfied. The Tax
5 Commission shall accept a release of a security interest in any form
6 that identifies the debtor, the secured party, and the vehicle, and
7 contains the signature of the secured party. The Tax Commission
8 shall not require any particular form for the release of a security
9 interest.

10 The words "security interest" when used in the Oklahoma Vehicle
11 License and Registration Act do not include liens dependent upon
12 possession.

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

21 D. 1. Any security interest in a vehicle properly perfected
22 prior to July 1, 1979, may be continued as to its effectiveness or
23 duration as provided by Sections 1-9-501 and 1-9-515 of Title 12A of
24 the Oklahoma Statutes, or may be terminated, assigned or released as

1 provided by Sections 1-9-512, 1-9-513 and 1-9-514 of Title 12A of
2 the Oklahoma Statutes, as fully as if this section had not been
3 enacted, or, at the option of the secured party, may also be
4 perfected under this section, and, if so perfected, the time of
5 perfection under this section shall be the date the security
6 interest was originally perfected under the prior law.

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

12 E. If a manufactured home is permanently affixed to real
13 estate, the original document of title may be surrendered to the Tax
14 Commission or a motor license agent for cancellation. When the
15 document of title is surrendered, the owner shall provide the legal
16 description or the appropriate tract or parcel number of the real
17 estate and other information as may be required on a form provided
18 by the Tax Commission. The Tax Commission may not cancel a document
19 of title if a lien has been registered or recorded. The Tax
20 Commission or motor license agent shall notify the owner and any
21 lienholder that the title has been surrendered to the Tax Commission
22 and that the Tax Commission may not cancel the title until the lien
23 is released. Such notification shall include a description of the
24 lien and such notification to the owner shall be accompanied by the

1 return of title surrendered. Permanent attachment to real estate
2 does not affect the validity of a lien recorded or registered with
3 the Tax Commission before the document of title is cancelled
4 pursuant to this section. The rights of a prior lienholder pursuant
5 to a security agreement or the provisions of a credit transaction
6 and the rights of the state pursuant to a tax lien are preserved.
7 The Tax Commission or motor license agent shall forward the
8 information to the county assessor of the county where the real
9 estate is located and indicate whether the original document of
10 title has been canceled. A fee of Five Dollars (\$5.00) shall
11 accompany the application for cancellation of title. When the fee
12 is paid by a person making an application directly with the Tax
13 Commission, the fee shall be deposited in the Oklahoma Tax
14 Commission Revolving Fund. A fee paid to a motor license agent
15 shall be retained by the agent. The owner of a manufactured home
16 upon which the document of title has been properly surrendered, may
17 apply to the Tax Commission for issuance of a new original
18 certificate of title upon submission of: (1) an attestation from the
19 homeowner indicating ownership of the manufactured home and the
20 nonexistence of any security interest or lien of record in the
21 manufactured home, and (2) a title opinion by a licensed attorney,
22 determining that the owner of the manufactured home has marketable
23 title to the real property upon which the manufactured home is
24 located and that no documents filed of record in the county clerk's

1 office concerning the real property contain a mortgage, recorded
2 financial statement, judgment, or lien of record. Persons or
3 entities to whom the title opinion is addressed may rely on the
4 title opinion. A security interest in a manufactured home perfected
5 pursuant to this section shall have priority over a conflicting
6 interest of a mortgagee or other lien encumbrancer, or the owner of
7 the real property upon which the manufactured home became affixed or
8 otherwise permanently attached. The holder of the security interest
9 in the manufactured home, upon default, may remove the manufactured
10 home from such real property. The holder of the security interest
11 in the manufactured home shall reimburse the owner of the real
12 property who is not the debtor and who has not otherwise agreed to
13 access the real property for the cost of repair of any physical
14 injury to the real property, but shall not be liable for any
15 diminution in value to the real property caused by the removal of
16 the manufactured home, trespass, or any other damages caused by the
17 removal. The debtor shall notify the holder of the security
18 interest in the manufactured home of the street address, if any, and
19 the legal description of the real property upon which the
20 manufactured home is affixed or otherwise permanently attached and
21 shall sign such other documents, including any appropriate mortgage,
22 as may reasonably be requested by the holder of such security
23 interest.

24

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

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

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

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