

1 **SENATE FLOOR VERSION**

2 February 25, 2020

3 **AS AMENDED**

4 SENATE BILL NO. 1460

5 By: Standridge of the Senate

6 and

7 Osburn of the House

8 **[Oklahoma Vehicle License and Registration Act -**
9 **certificates of title - secured party lienholder -**
10 **effective date]**

11
12 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

13 SECTION 1. AMENDATORY 47 O.S. 2011, Section 1103, is
14 amended to read as follows:

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

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

8 SECTION 2. AMENDATORY 47 O.S. 2011, Section 1105, as
9 last amended by Section 2, Chapter 133, O.S.L. 2016 (47 O.S. Supp.
10 2019, Section 1105), is amended to read as follows:

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

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

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

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

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

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

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

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

23 Except for owners that possess an agricultural exemption permit
24 pursuant to Section 1358.1 of Title 68 of the Oklahoma Statutes, the

1 owner of an all-terrain vehicle or a motorcycle used exclusively off
2 roads or highways in this state which is purchased or the ownership
3 of which is transferred on or after July 1, 2005, and the owner of a
4 utility vehicle used exclusively off roads and highways in this
5 state which is purchased or the ownership of which is transferred on
6 or after July 1, 2008, shall possess a certificate of title as proof
7 of ownership. Any person possessing an agricultural exemption
8 permit and owning an all-terrain vehicle or a motorcycle used
9 exclusively off roads or highways in this state which is purchased
10 or the ownership of which is transferred on or after July 1, 2008,
11 shall possess a certificate of title as proof of ownership. Upon
12 receipt of proper application information by such owner, the
13 Oklahoma Tax Commission shall issue an original or transfer
14 certificate of title. Until July 1, 2008, any security interest in
15 an all-terrain vehicle that attached and was perfected before July
16 1, 2005, and that has not otherwise terminated shall remain
17 perfected, and shall take priority over any subsequently perfected
18 security interest in the same all-terrain vehicle, notwithstanding
19 that a certificate of title may have been issued with respect to the
20 same all-terrain vehicle on or after July 1, 2005, and that a lien
21 may have been recorded on ~~said~~ the certificate of title. There
22 shall be eight types of certificates of title:
23
24

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

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

7 3. Rebuilt title for any motor vehicle which is a rebuilt
8 vehicle;

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

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

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

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

18 8. Rebodied title for any motor vehicle which is a rebodied
19 vehicle.

20 Application for a certificate of title, whether the initial
21 certificate of title or a duplicate, may be made to the Tax
22 Commission or any motor license agent. When application is made
23 with a motor license agent, the application information shall be
24 transmitted either electronically or by mail to the Tax Commission

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

14 C. 1. The application for certificate of title shall be upon a
15 blank form furnished by the Tax Commission, 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

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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 by the owner of the vehicle. Upon
22 receipt of an application without the properly completed
23 declaration, the Tax Commission shall return the application to the
24 applicant with notice that the title may not be issued without the

1 required declaration. Nothing in this paragraph shall prohibit the
2 Tax Commission from recognizing the type of or brand on a title or
3 other ownership document issued by another state or the inspection
4 conducted in another state and issuing the appropriate certificate
5 of title for the vehicle.

6 3. The certificate of title shall have the following security
7 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 certificate of title shall be of such size and design
19 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 the year, make and model of the
9 originally manufactured vehicle which has been rebodied and display
10 a notation that reads as follows: "This vehicle has been assembled
11 with new major components licensed by the original manufacturer".

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

- 21 a. the manufacturer's serial or other identification
22 number,
23 b. date on which first sold by the manufacturer to the
24 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 rebuilt vehicle does not accurately describe the vehicle as rebuilt. The motor license agent, at the time of inspection of the rebuilt

1 vehicle pursuant to Section 1111 of this title, shall identify the
2 make, model, and year for the body to accurately describe the
3 rebuilt vehicle. At the time of the inspection, an appropriate
4 identifying number shall be permanently stamped, burned, pressed, or
5 attached on the rebuilt vehicle. The assigned identifying number
6 shall be recorded on the certificate of title for the rebuilt
7 vehicle. The dealer's or manufacturer's vehicle identification
8 number on the rebuilt vehicle shall be preserved in the computer
9 files of the Tax Commission for at least five (5) years.

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

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

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

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

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

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

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

1 of the insurer resulting from the settlement of a total loss claim
2 and upon presentation of appropriate proof of loss documentation as
3 required by the Commission, such transfer may be processed as one
4 title transaction, without first requiring issuance of a replacement
5 certificate of title in the name of the vehicle owner. The fee
6 shall be Twenty-two Dollars (\$22.00). Two Dollars (\$2.00) of this
7 fee shall be deposited in the Oklahoma Tax Commission Reimbursement
8 Fund.

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

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

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

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

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

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

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

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

1 1. Are offered for sale at auction;

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

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

7 The inspection shall be certified upon forms prescribed by the Tax

8 Commission. The name and other identification of the authorized

9 person conducting the inspection shall be legibly printed or typed

10 on the form. Prior to any inspection by any employee of a motor

11 license agent, the motor license agent shall notify the Tax

12 Commission of the name and any other identification information

13 requested by the Tax Commission of the authorized person. A

14 signature specimen of the authorized person shall be submitted to

15 the Tax Commission by the employing motor license agent. If the

16 authorization to inspect vehicles is withdrawn or the employer-

17 employee relationship is terminated, the motor license agent,

18 immediately, shall notify the Tax Commission and return any

19 remaining inspection forms to the Tax Commission. The fee for the

20 inspection shall be Four Dollars (\$4.00). The motor license agent

21 shall retain Three Dollars (\$3.00) of the fee. Fees received by a

22 motor license agent or an authorized employee thereof shall be

23 handled and accounted for in the manner as prescribed by law for any

24 other fees paid to or received by a motor license agent. Out-of-

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

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

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

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

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

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

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

1 subsection. The Tax Commission shall prescribe a form for the
2 transfer of ownership of a vehicle for which the certificate of
3 title has been canceled.

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

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

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 3. 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 a complete assignment
24 thereof with warranty of title in form printed thereon with a

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

1 training as prescribed by the Oklahoma Used Motor Vehicle and Parts
2 Commission.

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

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

21 C. Any person violating the provisions of this section shall be
22 guilty of a misdemeanor and upon the first conviction thereof shall
23 be punished by a fine not to exceed Five Hundred Dollars (\$500.00),
24 with impoundment of the vehicle until all taxes and fees are paid.

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

10 SECTION 4. AMENDATORY 47 O.S. 2011, Section 1110, as
11 amended by Section 1, Chapter 224, O.S.L. 2015 (47 O.S. Supp. 2019,
12 Section 1110), is amended to read as follows:

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

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

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

19 3. a. For each security interest recorded on a certificate
20 of title, or manufacturer's certificate of origin,
21 such person shall pay a fee of Ten Dollars (\$10.00),
22 which shall be in addition to other fees provided for
23 in the Oklahoma Vehicle License and Registration Act.
24 Upon the receipt of the lien entry form and the

1 required fees with either the certificate of title or
2 an application for certificate of title and
3 manufacturer's certificate of origin, a motor license
4 agent shall, by placement of a clearly distinguishing
5 mark, record the date and number shown in a
6 conspicuous place, on each of these instruments. Of
7 the ten-dollar fee, the motor license agent shall
8 retain Two Dollars (\$2.00) for recording the security
9 interest lien.

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

23 4. The certificate of title or the application for certificate
24 of title and manufacturer's certificate of origin with the record of

1 the date of receipt clearly marked thereon shall be returned to the
2 debtor together with a notice that the debtor is required to
3 register and pay all additional fees and taxes due within thirty
4 (30) days from the date of purchase of the vehicle; provided, after
5 the effective date of this act, the certificate of title shall be
6 returned to the secured party.

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

15 6. The lien entry form with the date and assigned number
16 thereof clearly marked thereon shall be returned to the secured
17 party. If the lien entry form is received and authenticated, as
18 herein provided, by a motor license agent, the agent shall make a
19 report thereof to the Tax Commission upon the forms and in the
20 manner as may be prescribed by the Tax Commission.

21 7. The Tax Commission shall have the duty to record the lien
22 upon the face of the certificate of title issued at the time of
23 registering and paying all fees and taxes due on the vehicle. On
24

1 and after the effective date of this act, any certificate of title
2 issued which reflects a lien shall be held by the secured party.

3 B. 1. A secured party shall, within seven (7) business days
4 after the satisfaction of the security interest, furnish directly or
5 by mail a release of a security interest to the Tax Commission and
6 mail a copy thereof to the last-known address of the debtor. If the
7 security interest has been satisfied by payment from a licensed used
8 motor vehicle dealer to whom the motor vehicle has been transferred,
9 the secured party shall also, within seven (7) business days after
10 such satisfaction, mail an additional copy of the release to the
11 dealer. If the secured party fails to furnish the release as
12 required, the secured party shall be liable to the debtor for a
13 penalty of One Hundred Dollars (\$100.00). Following the seven (7)
14 business days after satisfaction of the lien and upon receipt by the
15 lienholder of written communication demanding the release of the
16 lien, thereafter the penalty shall increase to One Hundred Dollars
17 (\$100.00) per day for each additional day beyond seven (7) business
18 days until accumulating to One Thousand Five Hundred Dollars
19 (\$1,500.00) or the value of the vehicle, whichever is less, and, in
20 addition, any loss caused to the debtor by such failure.

21 2. Upon release of a security interest the owner may obtain a
22 new certificate of title omitting reference to the security
23 interest, by submitting to the Tax Commission or to a motor license
24 agent:

- 1 a. a release signed by the secured party, an application
2 for new certificate of title and the proper fees, or
3 b. by submitting to the Tax Commission or the motor
4 license agent an affidavit, supported by such
5 documentation as the Tax Commission may require, by
6 the owner on a form prescribed by the Tax Commission
7 stating that the security interest has been satisfied
8 and stating the reasons why a release cannot be
9 obtained, an application for a new certificate of
10 title and the proper fees.

11 Upon receiving such affidavit that the security interest has been
12 satisfied, the Tax Commission shall issue a new certificate of title
13 eliminating the satisfied security interest and the name and address
14 of the secured parties who have been paid and satisfied. The Tax
15 Commission shall accept a release of a security interest in any form
16 that identifies the debtor, the secured party, and the vehicle, and
17 contains the signature of the secured party. The Tax Commission
18 shall not require any particular form for the release of a security
19 interest.

20 The words "security interest" when used in the Oklahoma Vehicle
21 License and Registration Act do not include liens dependent upon
22 possession.

23 C. The Tax Commission shall file and index certificates of
24 title so that at all times it will be possible to trace a

1 certificate of title to the vehicle designated therein, identify the
2 lien entry form, and the names and addresses of secured parties, or
3 their assignees, so that all or any part of such information may be
4 made readily available to those who make legitimate inquiry of the
5 Tax Commission as to the existence or nonexistence of security
6 interest in the vehicle.

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

17 2. Upon request of the secured party, the debtor or any other
18 holder of the certificate of title shall surrender the certificate
19 of title to the secured party and shall do such other acts as may be
20 required to perfect the security interest under this section.

21 E. If a manufactured home is permanently affixed to real
22 estate, the original document of title may be surrendered to the Tax
23 Commission or a motor license agent for cancellation. When the
24 document of title is surrendered, the owner shall provide the legal

1 description or the appropriate tract or parcel number of the real
2 estate and other information as may be required on a form provided
3 by the Tax Commission. The Tax Commission may not cancel a document
4 of title if a lien has been registered or recorded. The Tax
5 Commission or motor license agent shall notify the owner and any
6 lienholder that the title has been surrendered to the Tax Commission
7 and that the Tax Commission may not cancel the title until the lien
8 is released. Such notification shall include a description of the
9 lien and such notification to the owner shall be accompanied by the
10 return of title surrendered. Permanent attachment to real estate
11 does not affect the validity of a lien recorded or registered with
12 the Tax Commission before the document of title is cancelled
13 pursuant to this section. The rights of a prior lienholder pursuant
14 to a security agreement or the provisions of a credit transaction
15 and the rights of the state pursuant to a tax lien are preserved.
16 The Tax Commission or motor license agent shall forward the
17 information to the county assessor of the county where the real
18 estate is located and indicate whether the original document of
19 title has been canceled. A fee of Five Dollars (\$5.00) shall
20 accompany the application for cancellation of title. When the fee
21 is paid by a person making an application directly with the Tax
22 Commission, the fee shall be deposited in the Oklahoma Tax
23 Commission Revolving Fund. A fee paid to a motor license agent
24 shall be retained by the agent. The owner of a manufactured home

1 upon which the document of title has been properly surrendered, may
2 apply to the Tax Commission for issuance of a new original
3 certificate of title upon submission of: (1) an attestation from the
4 homeowner indicating ownership of the manufactured home and the
5 nonexistence of any security interest or lien of record in the
6 manufactured home, and (2) a title opinion by a licensed attorney,
7 determining that the owner of the manufactured home has marketable
8 title to the real property upon which the manufactured home is
9 located and that no documents filed of record in the county clerk's
10 office concerning the real property contain a mortgage, recorded
11 financial statement, judgment, or lien of record. Persons or
12 entities to whom the title opinion is addressed may rely on the
13 title opinion. A security interest in a manufactured home perfected
14 pursuant to this section shall have priority over a conflicting
15 interest of a mortgagee or other lien encumbrancer, or the owner of
16 the real property upon which the manufactured home became affixed or
17 otherwise permanently attached. The holder of the security interest
18 in the manufactured home, upon default, may remove the manufactured
19 home from such real property. The holder of the security interest
20 in the manufactured home shall reimburse the owner of the real
21 property who is not the debtor and who has not otherwise agreed to
22 access the real property for the cost of repair of any physical
23 injury to the real property, but shall not be liable for any
24 diminution in value to the real property caused by the removal of

1 the manufactured home, trespass, or any other damages caused by the
2 removal. The debtor shall notify the holder of the security
3 interest in the manufactured home of the street address, if any, and
4 the legal description of the real property upon which the
5 manufactured home is affixed or otherwise permanently attached and
6 shall sign such other documents, including any appropriate mortgage,
7 as may reasonably be requested by the holder of such security
8 interest.

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

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

19 SECTION 5. This act shall become effective January 1, 2021.

20 COMMITTEE REPORT BY: COMMITTEE ON FINANCE
21 February 25, 2020 - DO PASS AS AMENDED
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