

STATE OF OKLAHOMA

1st Session of the 57th Legislature (2019)

HOUSE BILL 2402

By: Kannady

AS INTRODUCED

An Act relating to motor license agents; amending 47 O.S. 2011, Section 1140, as last amended by Section 1, Chapter 289, O.S.L. 2018 (47 O.S. Supp. 2018, Section 1140), which relates to qualifications and requirements for motor license agents; modifying consanguinity- or affinity-based restrictions on ownership of motor license agent locations; modifying restrictions on eligibility for appointment as a motor license agent; amending 47 O.S. 2011, Section 1141.1, as amended by Section 4, Chapter 158, O.S.L. 2012 (47 O.S. Supp. 2018, Section 1141.1), which relates to retention of fees by motor license agents; allowing retention of a portion of certain tax; providing an effective date; and declaring an emergency.

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

SECTION 1. AMENDATORY 47 O.S. 2011, Section 1140, as last amended by Section 1, Chapter 289, O.S.L. 2018 (47 O.S. Supp. 2018, Section 1140), is amended to read as follows:

Section 1140. A. The Oklahoma Tax Commission shall adopt rules prescribing minimum qualifications and requirements for locating motor license agencies and for persons applying for appointment as a

1 motor license agent. Such qualifications and requirements shall  
2 include, but not be limited to, the following:

3 1. Necessary job skills and experience;

4 2. Minimum office hours;

5 3. Provision for sufficient staffing, equipment, office space  
6 and parking to provide maximum efficiency and maximum convenience to  
7 the public;

8 4. Obtainment of a faithful performance surety bond as provided  
9 for by law;

10 5. In counties with a population in excess of thirty thousand  
11 (30,000) persons according to the latest Federal Decennial Census, a  
12 requirement that operation of a motor license agency be the primary  
13 source of income for the agent;

14 6. That the applicant has not been convicted of a felony and  
15 that no felony charges are pending against the applicant;

16 7. That a complete financial statement be submitted by the  
17 applicant on forms provided by the Tax Commission;

18 8. That a report of the applicant's credit history be obtained  
19 through the appropriate credit bureau; and

20 9. That the location specified in the application for  
21 appointment as a motor license agent not be owned by ~~a member of the~~  
22 ~~Oklahoma Legislature~~ an employee of the Oklahoma Tax Commission or a  
23 Tax Commissioner or any person related to a ~~member of the Oklahoma~~  
24 ~~Legislature~~ Commissioner or employee of the Tax Commission within

1 the third degree by consanguinity or affinity and that the location  
2 not be within a three-mile radius of an existing motor license  
3 agency unless the applicant is assuming the location of an operating  
4 agency. If the applicant is assuming the location of an existing or  
5 operating agency, the current agent may submit a letter of  
6 resignation contingent upon the appointment of the applicant  
7 regardless of the population of the municipality in which the agency  
8 is located. The Tax Commission may, at its discretion, approve the  
9 relocation of an existing agency within a three-mile radius of  
10 another existing agency only if a naturally intervening geographic  
11 barrier within that radius causes the locations to be separated by  
12 not less than three (3) miles of roadway by the most direct route.

13 B. After the necessary information has been forwarded to the  
14 Tax Commission, the Tax Commission or its designees may select  
15 applicants to be interviewed and each item of information shall be  
16 reviewed.

17 Any person making application to the Tax Commission for the  
18 purpose of becoming a motor license agent shall pay when submitting  
19 the application, a nonrefundable application fee of One Hundred  
20 Dollars (\$100.00). All such application fees shall be deposited in  
21 the Oklahoma Tax Commission Revolving Fund.

22 C. Upon application by a person to serve as a motor license  
23 agent, in such counties, the Tax Commission is authorized to make a  
24 determination whether such person and such location ~~meets~~ meet the

1 qualifications and requirements prescribed herein and, if such be  
2 the case, may appoint such person to serve as a motor license agent.

3 D. A motor license agent, appointed pursuant to this  
4 subsection, shall be permitted to operate a motor license agency at  
5 a single location and shall be prohibited from operating subagencies  
6 or branch agencies.

7 Motor license agents appointed pursuant to this section shall be  
8 subject to all laws relating to motor license agents and shall be  
9 subject to removal at the will of the Tax Commission.

10 The Tax Commission shall appoint as many motor license agents as  
11 it deems necessary to carry out the provisions of the Motor Vehicle  
12 License and Registration Act. Provided, that in counties with a  
13 population in excess of twenty-five thousand (25,000) persons,  
14 according to the latest Federal Decennial Census, having only one  
15 motor license agent serving the county, the Tax Commission shall  
16 establish at least one additional agency to serve the county.

17 E. All motor license agents shall be self-employed independent  
18 contractors and shall be under the supervision of the Tax  
19 Commission; provided, any agent authorized to issue registrations  
20 pursuant to the International Registration Plan shall also be under  
21 the supervision of the Corporation Commission, subject to rules  
22 promulgated by the Corporation Commission pursuant to the provisions  
23 of subsection E of Section 1166 of this title. Any such agent, upon  
24 being appointed, shall furnish and file with the Tax Commission a

1 bond in such amount as may be fixed by the Tax Commission. Such  
2 agent shall be removable at the will of the Tax Commission. Such  
3 agent shall perform all duties and do such things in the  
4 administration of the laws of this state as shall be enjoined upon  
5 and required by the Tax Commission or the Corporation Commission.  
6 Provided, the Tax Commission may operate a motor license agency in  
7 any county where a vacancy occurs.

8 F. In the event of a vacancy existing by reason of resignation,  
9 removal, death or otherwise, in the position of any motor license  
10 agent, the Tax Commission is hereby empowered and authorized to take  
11 any and all actions it deems appropriate in order to provide for the  
12 orderly transition and for the maintenance of operations of the  
13 motor license agency including but not limited to the designation of  
14 one of its regular employees to serve as "acting agent" without  
15 bond, and to receive and expend all fees or charges authorized or  
16 provided by law and exercise the same powers and authority as a  
17 regularly appointed motor license agent. An acting agent may be  
18 authorized by the Tax Commission equally as the preceding agent to  
19 make disbursements from any balances in the preceding motor license  
20 agent's operating account and the agent's operating funds for the  
21 payment of expenses of operations and salaries and other overhead.  
22 If such funds are insufficient, the Tax Commission is authorized to  
23 expend from funds appropriated for the operation of the Tax  
24 Commission such amounts as are necessary to maintain and continue

1 the operation of any such motor license agency until a successor  
2 agent is appointed and qualified. The Tax Commission may require a  
3 blanket fiduciary bond of the agency employees.

4 G. Any motor license agency operated by a motor license agent  
5 who has been charged with a felony shall be closed immediately. The  
6 Tax Commission shall determine whether the motor license agency  
7 shall be reopened and operated by the motor license agent. The  
8 determination shall be effected as soon as possible to prevent  
9 additional inconvenience to the public.

10 H. When an application for registration is made with the Tax  
11 Commission, Corporation Commission or a motor license agent, a  
12 registration fee of One Dollar and seventy-five cents (\$1.75) shall  
13 be collected for each license plate or decal issued. Such fees  
14 shall be in addition to the registration fees on motor vehicles and  
15 when an application for registration is made to the motor license  
16 agent such motor license agent shall retain a fee as provided in  
17 Section 1141.1 of this title. When the fee is paid by a person  
18 making application directly with the Tax Commission or Corporation  
19 Commission, as applicable, the registration fees shall be in the  
20 same amount as provided for motor license agents and the fee  
21 provided by Section 1141.1 of this title shall be deposited in the  
22 Oklahoma Tax Commission Revolving Fund or as provided in Section  
23 1167 of this title, as applicable. The Tax Commission shall prepare  
24 schedules of registration fees and charges for titles which shall

1 include the fees for such agents and all fees and charges paid by a  
2 person shall be listed separately on the application and  
3 registration and totaled on the application and registration. The  
4 motor license agents shall charge only such fees as are specifically  
5 provided for by law, and all such authorized fees shall be posted in  
6 such a manner that any person shall have notice of all fees that are  
7 imposed by law.

8 I. No person shall be appointed as a motor license agent unless  
9 the person has attested under oath that the person is not related by  
10 affinity or consanguinity within the third degree to:

11 1. Any member of the Oklahoma ~~Legislature~~ Tax Commission;

12 2. ~~Any person who has served as a member of the Oklahoma~~  
13 ~~Legislature within the two year period preceding the date of~~  
14 ~~appointment as motor license agent;~~ or

15 ~~3.~~ Any employee of the Tax Commission.

16 J. Any motor license agent appointed under the provisions of  
17 this title shall be responsible for all costs incurred by the Tax  
18 Commission when relocating an existing motor license agency. The  
19 Tax Commission may waive payment of such costs in case of unforeseen  
20 business or emergency conditions beyond the control of the agent.

21 SECTION 2. AMENDATORY 47 O.S. 2011, Section 1141.1, as  
22 amended by Section 4, Chapter 158, O.S.L. 2012 (47 O.S. Supp. 2018,  
23 Section 1141.1), is amended to read as follows:

1       Section 1141.1 A. Each motor license agent shall be entitled  
2 to retain the following amounts from the taxes and fees collected by  
3 such agent to be used to fund the operation of the office of such  
4 motor license agent subject to the provisions of Sections 1140  
5 through 1147 of this title:

6       1. Beginning July 1, 2005, Two Dollars and eighty-one cents  
7 (\$2.81) for each vehicle registered and for each special license  
8 plate issued pursuant to the Oklahoma Vehicle License and  
9 Registration Act. Beginning July 1, 2006, and thereafter, Three  
10 Dollars and fifty-six cents (\$3.56) for each vehicle registered and  
11 for each special license plate issued pursuant to the Oklahoma  
12 Vehicle License and Registration Act;

13       2. One Dollar and twenty-five cents (\$1.25) for each  
14 certificate of title issued for boats and motors pursuant to the  
15 Oklahoma Statutes;

16       3. For each certificate of registration issued for boats and  
17 motors pursuant to the Oklahoma Statutes, an amount determined  
18 pursuant to the provisions of subsection B of this section;

19       4. Two Dollars and twenty-five cents (\$2.25) for each  
20 certificate of title issued pursuant to the Oklahoma Vehicle License  
21 and Registration Act. Provided, the fee retention amount for  
22 certificates of title issued pursuant to the provisions of  
23 subsection H of Section 1105 of this title, in which an insurer pays  
24



1 the optional twenty-two-dollar-fee amount, is Four Dollars and fifty  
2 cents (\$4.50);

3 5. Beginning October 1, 2000, three percent (3%) of the vehicle  
4 excise tax collected pursuant to Section 2103 of Title 68 of the  
5 Oklahoma Statutes. Beginning July 1, 2001, each motor license agent  
6 shall be entitled to retain three and one hundred twenty-five one-  
7 thousandths percent (3.125%) of the vehicle excise tax collected  
8 pursuant to Section 2103 of Title 68 of the Oklahoma Statutes.

9 Beginning July 1, 2002, and for all subsequent years, each motor  
10 license agent shall be entitled to retain three and twenty-five one-  
11 hundredths percent (3.25%) of the vehicle excise tax collected  
12 pursuant to Section 2103 of Title 68 of the Oklahoma Statutes.  
13 However, beginning July 1, 2003, the Legislature shall annually  
14 review the percentage to be retained by the motor license agents  
15 pursuant to this paragraph to determine whether such percentage  
16 should be adjusted;

17 6. Beginning July 1, 2019, and for all subsequent years, each  
18 motor license agent shall be entitled to retain three and twenty-  
19 five one-hundredths percent (3.25%) of the tax levied in Section  
20 1354 of Title 68 of the Oklahoma Statutes and collected pursuant to  
21 Section 1355 of Title 68 of the Oklahoma Statutes. However,  
22 beginning July 1, 2020, the Legislature shall annually review the  
23 percentage to be retained by the motor license agents pursuant to  
24

1 this paragraph to determine whether such percentage should be  
2 adjusted;

3 7. Four percent (4%) of the excise tax collected on the  
4 transfer of boats and motors pursuant to the Oklahoma Statutes;

5 8. Two Dollars (\$2.00) for each driver license, endorsement,  
6 identification license, or renewal or duplicate issued pursuant to  
7 Section 6-101 et seq. of this title;

8 ~~8.~~ 9. Two Dollars (\$2.00) for the recording of security  
9 interests as provided in Section 1110 of this title;

10 ~~9.~~ 10. Two Dollars (\$2.00) for each inspection conducted  
11 pursuant to subsection L of Section 1105 of this title;

12 ~~10.~~ 11. Three Dollars (\$3.00) for each inspection conducted  
13 pursuant to subsection M of Section 1105 of this title;

14 ~~11.~~ 12. One Dollar (\$1.00) for each certificate of ownership  
15 filed pursuant to subsection R of Section 1105 of this title;

16 ~~12.~~ 13. One Dollar (\$1.00) for each temporary permit issued  
17 pursuant to Section 1124 of this title;

18 ~~13.~~ 14. One Dollar and fifty cents (\$1.50) for processing each  
19 proof of financial responsibility, driver license information,  
20 insurance verification information, and other additional information  
21 as provided in Section 7-602 of this title;

22 ~~14.~~ 15. The mailing fees and registration fees provided in  
23 Sections 1131 and 1140 of this title;

24 ~~15.~~ 16. The notary fee provided in Section 1143 of this title;

1       ~~16.~~ 17. Three Dollars (\$3.00) for each lien entry form  
2 completed and recorded on a certificate of title pursuant to  
3 subsection G of Section 1105 of this title;

4       ~~17.~~ 18. Seven Dollars (\$7.00) for each notice of transfer as  
5 provided by subsection B of Section 1107.4 of this title;

6       ~~18.~~ 19. Seven Dollars (\$7.00) for each certificate of title or  
7 each certificate of registration issued for repossessed vehicles  
8 pursuant to Section 1126 of this title;

9       ~~19.~~ 20. Any amount specifically authorized by law to be  
10 retained by the motor license agent for the furnishing of a summary  
11 of a traffic record; and

12       ~~20.~~ 21. Beginning July 1, 2009, each motor license agent shall  
13 also be entitled to a portion of the penalties for delinquent  
14 registration or payment of excise tax as provided for in subsection  
15 C of Section 1115, subsection F of Section 1132 and subsection C of  
16 Section 1151 of this title and of subsection A of Section 2103 of  
17 Title 68 of the Oklahoma Statutes.

18       The balance of the funds collected shall be remitted to the  
19 Oklahoma Tax Commission as provided in Section 1142 of this title to  
20 be apportioned pursuant to Section 1104 of this title.

21       B. For each certificate of registration issued for boats and  
22 motors, each motor license agent shall be entitled to retain the  
23 greater of One Dollar and twenty-five cents (\$1.25) or an amount to  
24 be determined by the Tax Commission according to the provisions of

1 this subsection. At the end of fiscal year 1997 and each fiscal  
2 year thereafter, the Tax Commission shall compute the average amount  
3 of registration fees for all boats and motors registered in this  
4 state during the fiscal year and shall multiply the result by six  
5 and twenty-two one-hundredths percent (6.22%). The resulting  
6 product shall be the amount which may be retained by each motor  
7 license agent for each certificate of registration for boats and  
8 motors issued during the following calendar year.

9 SECTION 3. This act shall become effective July 1, 2019.

10 SECTION 4. It being immediately necessary for the preservation  
11 of the public peace, health or safety, an emergency is hereby  
12 declared to exist, by reason whereof this act shall take effect and  
13 be in full force from and after its passage and approval.

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