

1 STATE OF OKLAHOMA

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

3 SENATE BILL 1460

By: Standridge

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5
6 AS INTRODUCED

7 An Act relating to the Oklahoma Vehicle License and
8 Registration Act; amending 47 O.S. 2011, Sections
9 1103, 1105, as last amended by Section 2, Chapter
10 133, O.S.L. 2016, 1107, as last amended by Section
11 21, Chapter 210, O.S.L. 2016 and 1110, as amended by
12 Section 1, Chapter 224, O.S.L. 2015 (47 O.S. Supp.
13 2019, Sections 1105, 1107 and 1110), which relate to
14 certificates of title; expressing intent that
15 certificates of title be held by secured party under
16 specified circumstance; modifying provisions related
17 to holder of certificate of title after certain date;
18 requiring new certificate of title to be issued by
19 Oklahoma Tax Commission or motor license agent to
20 secured party under specified circumstance; requiring
21 licensed dealer to deliver a reassigned certificate
22 of title to a secured party under specified
23 circumstance; requiring a certificate of title to be
24 returned to secured party rather than debtor;
25 requiring certificates of title to reflect secured
26 party lienholder; updating statutory reference; and
27 providing an effective date.

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

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

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

16 SECTION 2. AMENDATORY 47 O.S. 2011, Section 1105, as
17 last amended by Section 2, Chapter 133, O.S.L. 2016 (47 O.S. Supp.
18 2019, Section 1105), is amended to read as follows:

19 Section 1105. A. As used in the Oklahoma Vehicle License and
20 Registration Act:

21 1. "Salvage vehicle" means any vehicle which is within the last
22 ten (10) model years and which has been damaged by collision or
23 other occurrence to the extent that the cost of repairing the
24 vehicle for safe operation on the highway exceeds sixty percent

1 (60%) of its fair market value, as defined by Section 1111 of this
2 title, immediately prior to the damage. For purposes of this
3 section, actual repair costs shall only include labor and parts for
4 actual damage to the suspension, motor, transmission, frame or
5 unibody and designated structural components;

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

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

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

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

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

20 B. ~~The~~ Prior to the effective date of this act, the owner of
21 every vehicle in this state shall possess a certificate of title as
22 proof of ownership of such vehicle, except those vehicles registered
23 pursuant to Section 1120 of this title and trailers registered
24 pursuant to Section 1133 of this title, previously titled by anyone

1 in another state and engaged in interstate commerce, and except as
2 provided in subsection M of this section. On and after the
3 effective date of this act, if there is a perfected security
4 interest in a vehicle, the certificate of title shall be held by the
5 party having the perfected security interest in the collateral.

6 Except for owners that possess an agricultural exemption permit
7 pursuant to Section 1358.1 of Title 68 of the Oklahoma Statutes, the
8 owner of an all-terrain vehicle or a motorcycle used exclusively off
9 roads or highways in this state which is purchased or the ownership
10 of which is transferred on or after July 1, 2005, and the owner of a
11 utility vehicle used exclusively off roads and highways in this
12 state which is purchased or the ownership of which is transferred on
13 or after July 1, 2008, shall possess a certificate of title as proof
14 of ownership. Any person possessing an agricultural exemption
15 permit and owning an all-terrain vehicle or a motorcycle used
16 exclusively off roads or highways in this state which is purchased
17 or the ownership of which is transferred on or after July 1, 2008,
18 shall possess a certificate of title as proof of ownership. Upon
19 receipt of proper application information by such owner, the
20 Oklahoma Tax Commission shall issue an original or transfer
21 certificate of title. Until July 1, 2008, any security interest in
22 an all-terrain vehicle that attached and was perfected before July
23 1, 2005, and that has not otherwise terminated shall remain
24 perfected, and shall take priority over any subsequently perfected

1 security interest in the same all-terrain vehicle, notwithstanding
2 that a certificate of title may have been issued with respect to the
3 same all-terrain vehicle on or after July 1, 2005, and that a lien
4 may have been recorded on ~~said~~ the certificate of title. There
5 shall be eight types of certificates of title:

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

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

12 3. Rebuilt title for any motor vehicle which is a rebuilt
13 vehicle;

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

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

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

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

23 8. Rebodied title for any motor vehicle which is a rebodied
24 vehicle.

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

19 C. 1. The application for certificate of title shall be upon a
20 blank form furnished by the Tax Commission, containing:

- 21 a. a full description of the vehicle,
- 22 b. the manufacturer's serial or other identification
23 number,

- c. the motor number and the date on which first sold by the manufacturer or dealer to the owner,
- d. any distinguishing marks,
- e. a statement of the applicant's source of title,
- f. any security interest upon the vehicle, and
- g. such other information as the Tax Commission may require.

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

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

The declaration shall be based upon the best information and knowledge of the owner and shall be in addition to the requirements specified in paragraph 1 of this subsection. The Tax Commission shall not issue a certificate of title for a vehicle which is

1 subject to the provisions of this paragraph without the required
2 declaration, completed and signed by the owner of the vehicle. Upon
3 receipt of an application without the properly completed
4 declaration, the Tax Commission shall return the application to the
5 applicant with notice that the title may not be issued without the
6 required declaration. Nothing in this paragraph shall prohibit the
7 Tax Commission from recognizing the type of or brand on a title or
8 other ownership document issued by another state or the inspection
9 conducted in another state and issuing the appropriate certificate
10 of title for the vehicle.

11 3. The certificate of title shall have the following security
12 features:

- 13 a. intaglio printing or security thread, with or without
- 14 watermark,
- 15 b. latent images,
- 16 c. fluorescent inks,
- 17 d. micro print,
- 18 e. void background, and
- 19 f. color coding.

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

23 5. The certificate of title shall be of such size and design
24 and color as the Tax Commission may direct pursuant to the

1 provisions of this section. The title shall be on colored paper or
2 other material as designated by the Tax Commission and be of such
3 intensity or hue as will allow easy identification as to whether the
4 title is an original title, a salvage title, a rebuilt title,
5 remanufactured title, rebodied title or a junked title. The type of
6 title shall be identified on the front of the certificate of title.
7 The original title, rebuilt title, remanufactured title, an
8 unrecovered-theft title, rebodied title or classic title shall be
9 identified by the word "Original", "Rebuilt", "Remanufactured",
10 "Unrecovered Theft", "Rebodied" or "Classic" printed in the upper
11 right quadrant of the certificate of title, in the space which is
12 currently captioned "type of title". A rebodied title shall also
13 identify on the front of the title the year, make and model of the
14 originally manufactured vehicle which has been rebodied and display
15 a notation that reads as follows: "This vehicle has been assembled
16 with new major components licensed by the original manufacturer".

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

- 3 a. the manufacturer's serial or other identification
4 number,
- 5 b. date on which first sold by the manufacturer to the
6 dealer,
- 7 c. any distinguishing marks including model and the year
8 same was made,
- 9 d. a statement of any security interests upon the
10 vehicle, and
- 11 e. such other information as the Tax Commission may
12 require.

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

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

21 E. In the absence of a dealer's or manufacturer's number, the
22 Tax Commission may assign such identifying number to the vehicle,
23 which shall be permanently stamped, burned or pressed or attached
24 into the vehicle, and a certificate of title shall be delivered to

1 the applicant upon payment of all fees and taxes, and the remaining
2 copies shall be permanently filed and indexed by the Tax Commission.
3 The Tax Commission shall assign an identifying number to any rebuilt
4 vehicle if the vehicle identification number displayed on the
5 rebuilt vehicle does not accurately describe the vehicle as rebuilt.
6 The motor license agent, at the time of inspection of the rebuilt
7 vehicle pursuant to Section 1111 of this title, shall identify the
8 make, model, and year for the body to accurately describe the
9 rebuilt vehicle. At the time of the inspection, an appropriate
10 identifying number shall be permanently stamped, burned, pressed, or
11 attached on the rebuilt vehicle. The assigned identifying number
12 shall be recorded on the certificate of title for the rebuilt
13 vehicle. The dealer's or manufacturer's vehicle identification
14 number on the rebuilt vehicle shall be preserved in the computer
15 files of the Tax Commission for at least five (5) years.

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

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

1 2. As evidence of compliance with federal law, copies of the
2 bond release letters for the vehicle issued by the United States
3 Environmental Protection Agency and the United States Department of
4 Transportation, together with a receipt issued by the Internal
5 Revenue Service indicating that the applicable federal gas guzzler
6 tax has been paid.

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

19 G. When registering in this state a vehicle which was titled in
20 another state and which title contains the name of a secured party
21 on the face of the other state certificate of title, or such state
22 certificate is being held by the secured party in that state or any
23 other state, the Tax Commission or the motor license agent shall
24 complete a lien entry form as prescribed by the Tax Commission. The

1 owner of such vehicle shall file an affidavit with the Tax
2 Commission or the motor license agent stating that title to the
3 vehicle is being held by a secured party, has not been issued
4 pursuant to the laws of the state where titled, and that there is an
5 existing lien or encumbrance on the vehicle. The current name and
6 address of the secured party or lienholder shall also be stated in
7 the affidavit. The form of the affidavit shall be prescribed by the
8 Tax Commission and contain any other information deemed necessary by
9 the Tax Commission. A statement of the lien or encumbrance shall be
10 included on the Oklahoma certificate of title and the lien or
11 encumbrance shall be deemed continuously perfected as though it had
12 been perfected pursuant to Section 1110 of this title. For
13 completing the lien entry form and recording the security interest
14 on the certificate of title, the Tax Commission or the motor license
15 agent shall collect a fee of Three Dollars (\$3.00) which shall be in
16 addition to other fees provided by the Oklahoma Vehicle License and
17 Registration Act. The fee, if collected by the motor license agent
18 pursuant to this subsection, shall be retained by the motor license
19 agent.

20 H. The charge for each certificate of title issued, except for
21 junked titles as defined in paragraph 4 of subsection B of this
22 section, shall be Eleven Dollars (\$11.00), which charge shall be in
23 addition to any other fees or taxes imposed by law for such vehicle.
24 One Dollar (\$1.00) of each such charge shall be deposited in the

1 Oklahoma Tax Commission Reimbursement Fund. However, the charge
2 shall not apply to any vehicle which is to be registered in this
3 state pursuant to the provisions of Section 1120 or 1133 of this
4 title and which was registered in another state at least sixty (60)
5 days prior to the time it is required to be registered in this
6 state. When an insurer requests a salvage or junk title in the name
7 of the insurer resulting from the settlement of a total loss claim
8 and upon presentation of appropriate proof of loss documentation as
9 required by the Commission, such transfer may be processed as one
10 title transaction, without first requiring issuance of a replacement
11 certificate of title in the name of the vehicle owner. The fee
12 shall be Twenty-two Dollars (\$22.00). Two Dollars (\$2.00) of this
13 fee shall be deposited in the Oklahoma Tax Commission Reimbursement
14 Fund.

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

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

1 evidence that the vehicle has been in continuous operation in this
2 state.

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

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

- 18 1. Are offered for sale at auction;
- 19 2. Have been solely used as vehicles for rent under the
20 ownership of a licensed motor vehicle dealer or a person engaged in
21 the business of renting motor vehicles; or
- 22 3. Have not been registered in this or any other state for more
23 than one (1) year.

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

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

12 M. No title for any out-of-state vehicle offered for sale at
13 salvage pools, salvage disposal sales, or an auction, or by a dealer
14 or a licensed automotive dismantler and parts recycler, shall be
15 issued without an inspection to compare the vehicle identification
16 number on the vehicle with the number recorded on the ownership
17 record and to record the actual odometer reading on the vehicle.
18 Upon request of the seller, person or entity conducting an auction,
19 dealer or licensed dismantler, the inspection shall be conducted at
20 the location or place of business of the sale, auction, dealer, or
21 the dismantler. The inspection shall be conducted by any motor
22 license agent or a duly authorized employee thereof; provided, if
23 the vehicle identification number on the vehicle offered for sale at
24 salvage pools, salvage disposal sales or a classic or antique

1 auction does not match the number recorded on the ownership record,
2 the inspection may be conducted at the location of or place of
3 business of such sale or auction by any state, county or city law
4 enforcement officer. The Tax Commission may enter into reciprocal
5 agreements with other states for such inspections to be performed at
6 locations outside the boundaries of this state for vehicles which:

7 1. Are offered for sale at auction;

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

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

13 The inspection shall be certified upon forms prescribed by the Tax
14 Commission. The name and other identification of the authorized
15 person conducting the inspection shall be legibly printed or typed
16 on the form. Prior to any inspection by any employee of a motor
17 license agent, the motor license agent shall notify the Tax
18 Commission of the name and any other identification information
19 requested by the Tax Commission of the authorized person. A
20 signature specimen of the authorized person shall be submitted to
21 the Tax Commission by the employing motor license agent. If the
22 authorization to inspect vehicles is withdrawn or the employer-
23 employee relationship is terminated, the motor license agent,
24 immediately, shall notify the Tax Commission and return any

1 remaining inspection forms to the Tax Commission. The fee for the
2 inspection shall be Four Dollars (\$4.00). The motor license agent
3 shall retain Three Dollars (\$3.00) of the fee. Fees received by a
4 motor license agent or an authorized employee thereof shall be
5 handled and accounted for in the manner as prescribed by law for any
6 other fees paid to or received by a motor license agent. Out-of-
7 state vehicles brought into this state by a person licensed in
8 another state to sell new or used vehicles to be sold within this
9 state at a motor vehicle auction which is limited to dealer-to-
10 dealer transactions shall not be required to be inspected, unless
11 the vehicle is purchased by an Oklahoma dealer. Any person licensed
12 in another state to sell new or used motor vehicles, who offers a
13 motor vehicle for sale within this state at a motor vehicle auction
14 which is limited to dealer-to-dealer transactions, shall not be
15 within the definition of "owner" in Section 1102 of this title, for
16 purposes of Section 1101 et seq. of this title.

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

1 subsections L and M of this section for performance of the
2 inspection. Two Dollars (\$2.00) of the fee shall be deposited in
3 the Tax Commission Reimbursement Fund. An out-of-state vehicle
4 which has been rebuilt shall be inspected pursuant to the provisions
5 of Section 1111 of this title. The Tax Commission shall train motor
6 license agents in interpreting vehicle identification numbers to
7 assure that it accurately describes the vehicle and to detect
8 rollback or alteration of the odometer. Failure of a motor license
9 agent to inspect the vehicle and make the required notations shall
10 be a misdemeanor punishable by a fine of not more than One Thousand
11 Dollars (\$1,000.00) for the first offense and Five Thousand Dollars
12 (\$5,000.00) for the second offense or subsequent offense, or by
13 imprisonment in the county jail for not more than six (6) months, or
14 by both such fine and imprisonment.

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

1 shall be transferred by an original title, salvage title, or junked
2 title, as may be appropriate based upon an estimate of the amount of
3 loss submitted by the insurer.

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

17 Q. The owner of any vehicle which is incapable of operation or
18 use on the public roads and has no resale value, except as parts,
19 scrap or junk, may deliver the certificate of title to the vehicle
20 to the Tax Commission for cancellation. Upon verification that any
21 perfected lien against the vehicle has been released, the
22 certificate of title shall be canceled without any fee, charge, or
23 cost required from the owner. The vehicle identification numbers on
24 the certificates of title shall be preserved in the computer files

1 of the Tax Commission for at least five (5) years from the date of
2 cancellation of the certificate of title. The Tax Commission shall
3 prescribe and provide an affidavit form to be completed by the owner
4 of any vehicle for which the certificate of title is canceled. No
5 title or registration shall subsequently be issued for a vehicle for
6 which the certificate of title has been surrendered pursuant to this
7 subsection. The Tax Commission shall prescribe a form for the
8 transfer of ownership of a vehicle for which the certificate of
9 title has been canceled.

10 R. The owner of a vehicle which is not within the last ten (10)
11 model years, not roadworthy and not capable of repair for operation
12 or use on the roads and highways, or a vehicle which is being sold
13 to a scrap metal dealer pursuant to Section 11-92 of Title 2 of the
14 Oklahoma Statutes, shall transfer the vehicle only upon a
15 certificate of ownership prescribed by the Tax Commission, if the
16 certificate of title to the vehicle is lost, has been canceled, or
17 otherwise not available. The prescribed ownership form shall
18 include the names and addresses of the buyer and seller, the driver
19 license number or social security number of the seller, the make and
20 model of the vehicle, and the public vehicle identification number.
21 If there is no public vehicle identification number, the vehicle
22 shall be inspected by a law enforcement officer to verify the
23 absence of the number on the vehicle and the prescribed ownership
24

1 form shall include a signed statement, by such officer, verifying
2 the absence of the number.

3 The certificate of ownership shall be completed in triplicate.
4 The buyer and seller shall each retain a copy. Within thirty (30)
5 days of the transaction, the seller shall submit one copy to the Tax
6 Commission or a motor license agent accompanied with a fee of Four
7 Dollars (\$4.00). One Dollar (\$1.00) shall be retained by the motor
8 license agent and Three Dollars (\$3.00) shall be deposited in the
9 Oklahoma Tax Commission Reimbursement Fund in the State Treasury.

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

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

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

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

16 V. The Tax Commission shall not be considered a necessary party
17 to any lawsuit which is instigated for the purpose of determining
18 ownership of a vehicle, wherein the Tax Commission's only
19 involvement would be to issue title, and the court shall issue an
20 order dismissing the Tax Commission from the pending action. In the
21 event no other party or lienholder can be identified as to ownership
22 or claim, the Tax Commission shall accept an affidavit of ownership
23 from the party claiming ownership and issue proper title thereon.
24

1 SECTION 3. AMENDATORY 47 O.S. 2011, Section 1107, as
2 last amended by Section 21, Chapter 210, O.S.L. 2016 (47 O.S. Supp.
3 2019, Section 1107), is amended to read as follows:

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

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

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

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

1 implement dealer" means a business engaged primarily in the sale of
2 farm tractors as defined in Section 1-118 of this title or
3 implements of husbandry as defined in Section 1-125 of this title or
4 a combination thereof.

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

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

21 Section 1110. A. 1. Except for a security interest in
22 vehicles held by a dealer for sale or lease, a vehicle registered by
23 a federally recognized Indian tribe as provided in subsection G of
24 this section, and a vehicle being registered in this state which was
25

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

1 Section 1-9-311 of Title 12A of the Oklahoma Statutes, shall not be
2 applicable to perfection of security interests in vehicles as to
3 which a certificate of title may be properly issued by the Tax
4 Commission, except as to vehicles held by a dealer for sale or lease
5 and except as provided in subsection D of this section. In all
6 other respects Title 12A of the Oklahoma Statutes shall be
7 applicable to such security interests in vehicles as to which a
8 certificate of title may be properly issued by the Tax Commission.

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

1 begin from the date of the delivery to the Tax Commission or to a
2 motor license 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 to the
10 debtor together with a notice that the debtor is required to
11 register and pay all additional fees and taxes due within thirty
12 (30) days from the date of purchase of the vehicle; provided, after
13 the effective date of this act, the certificate of title shall be
14 returned to the secured party.

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

23 6. The lien entry form with the date and assigned number
24 thereof clearly marked thereon shall be returned to the secured
25

1 party. If the lien entry form is received and authenticated, as
2 herein provided, by a motor license agent, the agent shall make a
3 report thereof to the Tax Commission upon the forms and in the
4 manner as may be prescribed by the Tax Commission.

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

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

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

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

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

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

1 shall not require any particular form for the release of a security
2 interest.

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

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

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

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

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

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

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

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

23 G. A security interest in vehicles registered by a federally
24 recognized Indian tribe shall be deemed valid under Oklahoma law if

1 validly perfected under the applicable tribal law and the lien is
2 noted on the face of the tribal certificate of title.

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