

ENGROSSED HOUSE
BILL NO. 2111

BY: GRIESER and VAUGHN
(George) of the HOUSE

and

WILLIAMS (Don) of the
SENATE

AN ACT RELATING TO MOTOR VEHICLES; AMENDING 47 O.S.

1991, SECTION 1137.1, WHICH RELATES TO THE OKLAHOMA
VEHICLE LICENSE AND REGISTRATION ACT; MODIFYING
PROVISIONS RELATING TO THE LICENSING AND
REGISTRATION OF CERTAIN MOTOR VEHICLES; PROVIDING
FOR LICENSING AND REGISTRATION OF NEWLY PURCHASED
MOTOR VEHICLES; AMENDING 47 O.S. 1991, SECTION 581,
WHICH RELATES TO THE USED MOTOR VEHICLE AND PARTS
COMMISSION; MODIFYING DEFINITION; PROVIDING FOR
CODIFICATION; 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. 1991, Section 1137.1, is
amended to read as follows:

Section 1137.1 A. Except for vehicles which display a current
Oklahoma license tag, upon the purchase or transfer of ownership of
a used motor vehicle, including an out-of-state vehicle, to a
licensed used motor vehicle dealer or wholesale used motor vehicle
dealer, subsequently referred to in this section as "dealer", the
dealer shall affix a used dealer's plate visible from the rear of

the vehicle. Such license plate shall expire on December 31 of each year. When the vehicle is parked on the dealer's licensed place of business, such vehicle shall not be required to have a license plate of any kind affixed. A licensed used motor vehicle dealer shall obtain from the Oklahoma Tax Commission at a cost of Ten Dollars (\$10.00) a used motor vehicle dealer license plate for demonstrating, transporting or any other normal business of a used motor vehicle dealer. A used motor vehicle dealer may obtain as many additional license plates as may be desired upon the payment of Ten Dollars (\$10.00) for each additional license plate. Use of the used dealer license plate by a licensed used motor vehicle dealer for other than the purposes as set forth herein shall constitute grounds for revocation of the dealer's license. The Oklahoma Tax Commission shall design the official used motor vehicle dealer license plate to include the used dealer's license number issued to him each year by the Used Motor Vehicle and Parts Commission.

B. Upon the purchase or transfer of ownership of an out-of-state used motor vehicle to a licensed dealer, the dealer shall make application for an Oklahoma certificate of title pursuant to the Oklahoma Vehicle License and Registration Act, Section 1101 et seq. of Title 47 of the Oklahoma Statutes. Upon receipt of the Oklahoma certificate of title, the dealer shall follow the procedure as set forth in subsection A of this section. Provided, nothing in this title shall be construed as requiring a dealer to register a used motor vehicle purchased in another state which will not be operated or sold in this state.

C. Upon sale or transfer of ownership of the used motor vehicle, the dealer shall place upon the reassignment portion of the certificate of title a tax stamp issued by the county treasurer of the county in which the dealer has his primary place of business. The tax stamp shall be issued upon payment of a fee of Three Dollars and fifty cents (\$3.50) and shall be in lieu of the dealer's ad

valorem tax on the inventories of used motor vehicles but shall not relieve any other property of the dealer from ad valorem taxation.

D. Upon sale of a used motor vehicle to another licensed dealer, the selling dealer shall place the tax stamp required in subsection C of this section upon the certificate of title. The used dealer license plate or wholesale dealer license plate shall be removed by the selling dealer. The purchasing dealer shall, at time of purchase, place his dealer license plate on the used motor vehicle as provided in subsection A of this section; provided, for vehicles purchased by a licensed used motor vehicle dealer at a motor vehicle auction, in lieu of such placement of the dealer license plate, the auction may provide temporary documentation as approved by the Director of the Motor Vehicle Division of the Oklahoma Tax Commission for the purpose of transporting such vehicle to the purchaser's point of destination. Such temporary documentation shall be valid for two (2) days following the date of sale.

E. The purchaser of every ~~new or~~ used motor vehicle, except as otherwise provided by law, shall obtain registration and title for the vehicle within thirty (30) days from the date of purchase of same, provided, that the purchaser obtains from the selling ~~new or~~ used motor vehicle dealer a temporary license which shall be valid for a period of thirty (30) days from the date of the purchase of such ~~new or~~ used motor vehicle. The temporary license shall be issued at no cost to a licensed ~~new or~~ used motor vehicle dealer upon application to a motor license agent, the Oklahoma Tax Commission, ~~the Motor Vehicle Commission~~ or the Used Motor Vehicle and Parts Commission. Use of the temporary license by a dealer for other than the purposes set forth herein shall constitute grounds for revocation of the dealer's license to conduct business. The temporary license shall be a three-part sequentially numbered form and shall provide space for the name of the purchaser, the year,

make and vehicle identification number, the effective date and expiration date of the temporary license. One copy of the temporary license shall be retained in the files of the selling ~~new or~~ used motor vehicle dealer for a period of three (3) years from the date of sale of a motor vehicle, one copy shall be surrendered to the Oklahoma Tax Commission or motor license agent as provided in this section and one copy shall be affixed to the rear window of the vehicle sold. The purchaser shall display the temporary license in the rear window of the vehicle purchased for a period not to exceed thirty (30) days or until registration and title are obtained as provided in this section. The used motor vehicle dealer shall complete the temporary license upon delivery of the vehicle to the purchaser and shall within seventy-two (72) hours of the time of sale surrender one (1) copy of the temporary license to the Oklahoma Tax Commission or a motor license agent. A used motor vehicle dealer shall be accountable to the Used Motor Vehicle and Parts Commission, ~~and a new motor vehicle dealer shall be accountable to the Motor Vehicle Commission,~~ for all temporary licenses issued to the dealer. A penalty in the amount of Fifty Dollars (\$50.00) shall be imposed upon any ~~new or~~ used motor vehicle dealer for any temporary license for which such dealer is unable to account. This penalty shall be collected by and deposited with the Used Motor Vehicle and Parts Commission ~~for a used motor vehicle dealer or the Motor Vehicle Commission for a new motor vehicle dealer.~~

The provisions of this subsection on temporary licenses shall apply to nonresidents who purchase a ~~new or~~ used motor vehicle within this state that is to be licensed in another state. The nonresident purchaser shall be allowed to operate the ~~new or~~ used motor vehicle within the state with a temporary license for a period not to exceed thirty (30) days from date of purchase. Any nonresident purchaser found to be operating a ~~new or~~ used motor vehicle within this state after thirty (30) days shall be subject to

the registration fees of this state upon the same terms and conditions applying to residents of this state.

F. It shall be unlawful for any dealer to procure the registration and licensing of any ~~new or~~ used motor vehicle sold by the dealer or to act as the agent for the purchaser in the procurement of the registration and licensing of the purchaser's ~~new or~~ used vehicle. A license of any dealer violating the provision of this section may be revoked.

G. Dealers following the procedure set forth herein shall not be required to register vehicles to which this section applies, nor will the registration fee otherwise required be assessed. Provided, dealers shall not purchase or trade for a used motor vehicle on which the registration therefor has been expired for a period exceeding thirty (30) days without obtaining current registration therefor.

SECTION 2. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1137.3 of Title 47, unless there is created a duplication in numbering, reads as follows:

The purchaser of every new motor vehicle shall register or license said vehicle within thirty (30) days from the date of purchase of same. It shall be the responsibility of the selling dealer to place a temporary license plate, in size similar to the permanent Oklahoma license plate but of a fibrous substance, upon a new motor vehicle when a transaction is completed for the sale of said vehicle. Said temporary license plate shall show the dealer's license number which is issued to him each year by the Oklahoma Tax Commission, the date the new motor vehicle was purchased and the company name of the selling dealer. On or before thirty (30) days from the date of purchase of a new motor vehicle, said temporary license plate shall be removed and replaced with a permanent, current Oklahoma license plate. Use of said temporary license plate by a licensed dealer for other than the purpose of normally doing

business shall constitute grounds for revocation of the dealer's license.

It shall be unlawful for any licensed dealer of new motor vehicles to procure the registration and licensing of any new motor vehicle sold by such licensed dealer or to act as the agent for such purchaser in the procurement of the registration and licensing of such purchaser's new vehicle. The license of any licensed dealer of new motor vehicles violating the provisions of this section shall be revoked.

SECTION 3. AMENDATORY 47 O.S. 1991, Section 581, is amended to read as follows:

Section 581. As used in Sections 581 through 587 of this title:

1. "Commission" means the Oklahoma Used Motor Vehicle and Parts Commission.

2. "Compensation" means anything of value including money, merchandise, rebates on purchases, trading stamps, or any other thing of value.

3. "Used motor vehicle" means any motor vehicle, as that term is defined in the Motor Vehicle License and Registration Act, which has been sold, bargained, exchanged, given away, or the title thereto transferred from the person who first took title from the manufacturer, importer, or dealer or agent of the manufacturer or importer, or so used as to have become what is commonly known as a "secondhand motor vehicle". In the event of transfer, on the statement of origin, from the original franchised dealer to any other dealer or individual other than a franchised dealer of the same make of vehicle, the vehicle shall be considered a used motor vehicle and must be titled in the new owner's name.

4. "Used motor vehicle dealer" means any person who, for a commission or with intent to make a profit or gain of money or other thing of value, sells, brokers, exchanges, rents with option to purchase, or offers or attempts to negotiate a sale or exchange of

an interest in used motor vehicles, or who is engaged wholly or in part in the business of selling used motor vehicles, whether or not such motor vehicles are owned by such person.

"Used motor vehicle dealer" shall not include:

- a. receivers, trustees, administrators, executors, guardians, or other persons appointed by or acting pursuant to the judgment or order of any court,
 - b. public officers while performing their official duties,
 - c. employees of persons enumerated in the definition of "used motor vehicle dealer" when engaged in the specific performance of their duties as such employees,
 - d. mortgagees or secured parties as to sales of motor vehicles constituting collateral on a mortgage or security agreement, if such mortgagees or secured parties shall not realize for their own account from such sales any monies in excess of the outstanding balance secured by such mortgage or security agreement, plus costs of collection,
 - e. any person acting as an auctioneer who has been engaged by a seller to direct, conduct, control or be responsible for the sale of used motor vehicles as part of an auction or liquidation of an estate, or
 - f. any person, firm or corporation who sells, or contracts for the sale of, his own vehicles when such vehicles are sold in liquidation, and any person, firm or corporation who serves as an agent in such sale.
- The exclusion provided in this paragraph shall not extend to any person, firm or corporation whose business is the purchase, sale or rental with option

to purchase motor vehicles, or to a location used for such purposes.

5. "Used motor vehicle salesman" shall include anyone who, for compensation of any kind, operates as a broker or is compensated for any referral of a prospective buyer to a dealer.

6. "Wholesale used motor vehicle dealer" means any person who, for a commission or with intent to make a profit or gain of money or other thing of value, sells, brokers, exchanges, rents with option to purchase or offers or attempts to negotiate a sale or exchange of interest in used motor vehicles exclusively to used motor vehicle dealers, or who is engaged in the business of selling used motor vehicles exclusively to used motor vehicle dealers, whether or not such motor vehicles are owned by such person.

SECTION 4. This act shall become effective July 1, 1992.

SECTION 5. It being immediately necessary for the preservation of the public peace, health and safety, an emergency is hereby declared to exist, by reason whereof this act shall take effect and be in full force from and after its passage and approval.

Passed the House of Representatives the 2nd day of March, 1992.

Speaker of the House of Representatives

Passed the Senate the ____ day of _____, 1992.

President of the Senate