ENGROSSED HOUSE
BILL NO. 1397

By: Lindley of the House

and

Leftwich of the Senate

(motor vehicles - amending 47 O.S., Sections 1107 and 1115 - ownership of vehicles - title transfer - effective date)

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

SECTION 1. AMENDATORY 47 O.S. 1991, Section 1107, as last amended by Section 1, Chapter 128, O.S.L. 1996 (47 O.S. Supp. 1998, Section 1107), is amended to read as follows:

Section 1107. A. In the event of the sale or transfer of the ownership of a vehicle for which a certificate of title has been issued as provided by Section 1105 of this title, the holder of such certificate shall endorse on the back of same a complete assignment thereof with warranty of title in form printed thereon with a statement of all liens or encumbrances on the vehicle, sworn to before a notary public or some other person authorized by law to take acknowledgments, and deliver same to the purchaser or transferee at the time of delivery to the purchaser or transferee of the vehicle. The seller may notify the Oklahoma Tax Commission of the sale, transfer or assignment of the owner's title or interest in the vehicle giving the date thereof, the name and address of the owner and of the transferee, and the description of the vehicle on forms provided by the Commission and signed by both parties. Upon receipt of such notification, the Commission shall appropriately file and index the sale, transfer or assignment. The purchaser or transferee, unless such person is a bona fide used motor vehicle

dealer licensed by this state, or a charitable organization shall, within thirty (30) days from the time of delivery to the purchaser or transferee of the vehicle, present the assigned certificate of title and the insurance security verification to the vehicle to the Oklahoma Tax Commission, or one of its motor license agents, accompanied by a fee of Eleven Dollars ($11.00), together with any motor vehicle excise tax or license fee that may be due, whereupon a new certificate of title, shall be issued to the assignee. One Dollar ($1.00) of each fee shall be deposited in the Oklahoma Tax Commission Reimbursement Fund. Any charitable oganization utilizing the exemption authorized by this subsection shall receive training as prescribed by the Oklahoma Used Motor Vehicle and Parts Commission.

B. A licensed dealer or charitable organization shall, on selling or otherwise disposing of a vehicle, execute and deliver to the purchaser thereof the certificate of title properly and completely reassigned. Thereupon, the purchaser of the vehicle shall present the reassigned certificate to the Commission, or a motor license agent, accompanied by a fee of Eleven Dollars ($11.00), and any motor vehicle excise tax or license fee that may be due, whereupon a new certificate of title will be issued to the purchaser. One Dollar ($1.00) of each fee shall be deposited in the Oklahoma Tax Commission Reimbursement Fund. The certificate, when so assigned and returned to the Commission, together with any subsequent assignment or reissue thereof, shall be appropriately filed and indexed so that at all times it will be possible to trace title to the vehicle designated therein. Provided, when the ownership of any motor vehicle shall pass by operation of law, the person owning the vehicle may, upon furnishing satisfactory proof to the Commission of ownership, procure a title to the motor vehicle, regardless of whether a certificate of title has ever been issued. The dealer shall execute and deliver to the purchaser bills of sale

on forms prescribed by the Commission for all new vehicles sold by the dealer. On presentation of a bill of sale executed on forms prescribed by the Commission, by a manufacturer or dealer for a new vehicle sold in this state, accompanied by remittance in the sum of Eleven Dollars ($11.00), together with any motor vehicle excise tax or license fee that may be due, a certificate of title shall be issued in accordance with the provisions of the Oklahoma Vehicle License and Registration Act. One Dollar ($1.00) of each fee shall be deposited in the Oklahoma Tax Commission Reimbursement Fund. For purposes of this subsection, "charitable organization" shall mean any organization which is exempt from taxation pursuant to the provisions of the Internal Revenue Code, 26 U.S.C., Section 501(c)(3) and which is registered as a charitable organization with the Oklahoma Secretary of State and the Oklahoma Attorney General's office.

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

SECTION 2. AMENDATORY 47 O.S. 1991, Section 1115, as amended by Section 1, Chapter 13, O.S.L. 1997 (47 O.S. Supp. 1998, Section 1115), is amended to read as follows:

Section 1115. A. Unless provided otherwise by statute, the following vehicles shall be registered annually: manufactured homes, mopeds, motorcycles, vehicles registered with a permanent nonexpiring license plate pursuant to Section 1113 of this title, commercial vehicles registered pursuant to the provisions of the International Registration Plan and commercial vehicles registered pursuant to the installment plan provided in subsection I of Section 1133 of this title. The following schedule shall apply for such vehicle purchased in this state or brought into this state by residents of this state:

1. Between January 1 and March 31, the payment of the full annual fee shall be required;

2. Between April 1 and June 30, the payment of three-fourths (3/4) the annual fee shall be required;

3. Between July 1 and September 30, the payment of one-half (1/2) the annual fee shall be required; and

4. Between October 1 and November 30, one-fourth (1/4) the annual fee shall be required.

License plates or decals for each year shall be made available on December 1 of each preceding year for such vehicles; and any person who purchases such vehicle, manufactured home or motorcycle between December 1 and December 31 of any year shall register it within thirty (30) days from date of purchase and obtain a license plate or Manufactured Home License Registration Decal, as appropriate, for the following calendar year upon payment of the full annual fee. Unless provided otherwise by statute, all annual license, registration and other fees for such vehicles shall be due and payable on January 1 of each year and if not paid by February 1 shall be deemed delinquent.

B. All vehicles, other than those required to be registered according to the provisions of subsection A of this section, shall be registered on a staggered system of registration and licensing on

a monthly series basis to distribute the work of registering such vehicles as uniformly and expeditiously as practicable throughout the calendar year. After the end of the month following the expiration date, the license and registration fees for the new registration period shall become delinquent.

C. The following penalties shall apply for delinquent registration fees:

1. For commercial vehicles registered under the provisions of subsection A of this section, a penalty of twenty-five cents ($0.25) per day shall be added to the license fee of such vehicle for each day the fee is delinquent after January 31. The penalty shall accrue for thirty (30) days. Thereafter, the penalty shall be thirty percent (30%) of the annual registration fee, or Two Hundred Dollars ($200.00), whichever is greater;

2. For commercial vehicles registered under the provisions of subsection B of this section, except those vehicles registered pursuant to Section 1133.1 of this title, a penalty shall be assessed after the last day of the month following the registration expiration date. A penalty of twenty-five cents ($0.25) per day shall be added to the license fee of such vehicle and shall accrue for one (1) month. Thereafter, the penalty shall be thirty percent (30%) of the annual registration fee, or Two Hundred Dollars ($200.00), whichever is greater;

3. For new or used manufactured homes, not registered within thirty (30) days from date of purchase or date such manufactured home was brought into this state, a penalty equal to the registration fee shall be assessed; or

4. For all other vehicles a penalty shall be assessed after the last day of the month following the expiration date. A penalty of twenty-five cents ($0.25) per day shall be added to the license fee of such vehicle and shall accrue for three (3) months. Thereafter, the penalty shall be Twenty-five Dollars ($25.00), provided that the

penalty shall not exceed the amount equal to the license fee of such vehicle.

D. In addition to all other penalties provided in the Oklahoma Vehicle License and Registration Act, Section 1101 et seq. of this title, the following penalties shall be imposed and collected by any Revenue Enforcement Officer of the Oklahoma Tax Commission upon finding any commercial vehicle being operated in violation of the provisions of the Oklahoma Vehicle License and Registration Act.

The penalties shall apply to any commercial vehicle found to be operating in violation of the following provisions:

1. A penalty in the amount of Fifty Dollars ($50.00) shall be imposed upon any person found to be operating a commercial vehicle sixty (60) days after the end of the month in which the license plate or registration credentials expire without the current year license plate or registration credential displayed;

2. A penalty in the amount of Fifty Dollars ($50.00) shall be imposed for any person operating a commercial vehicle subject to the provision of subsection K of Section 1120 of this title without the proper display of, or, carrying in such commercial vehicle, the identification credentials issued by the Oklahoma Tax Commission as evidence of payment of the fee or tax as provided in subsection K of Section 1120 of this title; and

3. A penalty in the amount of One Hundred Dollars ($100.00) shall be imposed for any person that fails to register any commercial vehicle subject to the Oklahoma Vehicle License and Registration Act.

E. The Tax Commission shall assess the registration fees and penalties for the year or years a vehicle was not registered. For vehicles not registered for two or more years, the registration fees and penalties shall be due only for the current year and one (1) previous year. The Oklahoma Tax Commission shall waive road user fees and penalties for failure to register a vehicle, provided road

user fees shall not be waived for the current registration year in cases where said vehicle is proven to have been inoperable during the registration period. Proof of inoperability may be by, but is not limited to, submission of parts or repair receipts or such other evidence deemed appropriate by the Oklahoma Tax Commission.

F. In addition to any other penalty prescribed by law, there shall be a penalty in the amount of Twenty Dollars ($20.00) upon a finding by a revenue enforcement officer that:

1. The registration of a vehicle registered pursuant to Section 1132 of this title is expired and it is sixty (60) or more days after the end of the month of expiration; or

2. The registration fees for a vehicle that is subject to the registration fees pursuant to Section 1132 of this title have not been paid.

G. If a vehicle is donated to a nonprofit charitable organization which organization will transfer such donated vehicle to a current or potential recipient of Temporary Assistance to Needy Families as determined by the Department of Human Services and which vehicle will be used primarily for transportation for job-related or work-related activities by such recipient, the nonprofit charitable organization shall be exempt from paying any current or past due registration fees, excise tax, title or transfer fees, and penalties and interest.

SECTION 3. This act shall become effective November 1, 1999.

Passed the House of Representatives the 4th day of March, 1999.

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Speaker of the House of Representatives

Passed the Senate the ____ day of _____, 1999.

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President of the Senate