

ENGROSSED HOUSE  
BILL NO. 1958

By: Kirby, Hiett, Liotta and  
Lindley of the House

and

Maddox of the Senate

( motor vehicle fees and taxes - amending 47 O.S.,  
Sections 1132 and 1143 - motor vehicle  
registration fees - compensation of motor license  
agents - amending 68 O.S., Sections 2103 and 2104 -  
excise tax - effective date -  
emergency )

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

SECTION 1. AMENDATORY 47 O.S. 1991, Section 1132, as  
last amended by Section 5, Chapter 250, O.S.L. 2000 (47 O.S. Supp.  
2000, Section 1132), is amended to read as follows:

Section 1132. A. For all vehicles, unless otherwise  
specifically provided by the Oklahoma Vehicle License and  
Registration Act, a registration fee shall be assessed at the time  
of initial registration by the owner and annually thereafter, for  
the use of the avenues of public access within this state in the  
following amounts:

1. For the first through the fourth year of registration in  
this state or any other state, Eighty-five Dollars (\$85.00);

2. For the fifth through the eighth year of registration in  
this state or any other state, Seventy-five Dollars (\$75.00);

3. For the ninth through the twelfth year of registration in  
this state or any other state, Fifty-five Dollars (\$55.00);

4. For the thirteenth through the sixteenth year of registration in this state or any other state, Thirty-five Dollars (\$35.00); and

5. For the seventeenth and any following year of registration in this state or any other state, Fifteen Dollars (\$15.00).

For purposes of this subsection, the registration fee for any moped, regardless of the number of years registered, shall be Fifteen Dollars (\$15.00).

The registration fee provided for in this subsection shall be in lieu of all other taxes, general or local, unless otherwise specifically provided.

B. There shall be a credit allowed with respect to the fee for registration of a new vehicle which is a replacement for:

1. A new original vehicle which is stolen from the purchaser/registrant within ninety (90) days of the date of purchase of the original vehicle as certified by a police report or other documentation as required by the Oklahoma Tax Commission; or

2. A defective new original vehicle returned by the purchaser/registrant to the seller within six (6) months of the date of purchase of the defective new original vehicle as certified by the manufacturer.

The credit shall be in the amount of the fee for registration which was paid for the new original vehicle and shall be applied to the registration fee for the replacement vehicle. In no event will the credit be refunded.

C. Upon every transfer or change of ownership of a vehicle, the new owner shall obtain title for and, except in the case of salvage vehicles and manufactured homes, register the vehicle within thirty (30) days of change of ownership and pay a transfer fee of Fifteen Dollars (\$15.00) in addition to any other fees provided for in this act. No new decal shall be issued to the registrant. Thereafter, the owner shall register the vehicle annually on the anniversary

date of its initial registration in this state and shall pay the fees provided in subsection A of this section and receive a decal evidencing such payment. Provided, used motor vehicle dealers shall be exempt from the provisions of this section.

D. In the event the vehicle is not registered, titled and tagged within thirty (30) days from the date of transfer of ownership, the penalty for the failure of the owner of the vehicle to register the vehicle within thirty (30) days shall be twenty-five cents (\$0.25) per day, provided that in no event shall the penalty exceed Twenty-five Dollars (\$25.00).

SECTION 2. AMENDATORY 47 O.S. 1991, Section 1143, as last amended by Section 4, Chapter 208, O.S.L. 1995 (47 O.S. Supp. 2000, Section 1143), is amended to read as follows:

Section 1143. A. A motor license agent appointed under the provisions of this title shall retain as base compensation those taxes and fees collected and retained pursuant to Section 1141.1 of this title, and after payment of allowable expenses of the motor license agency as defined in subsection C of Section 1146 of this title, shall retain:

1. All amounts remaining from notary and mailing fees received by such agent, after payment of all costs of handling and mailing;

2. All profits from any concessions operated in the agent's office;

3. All amounts collected pursuant to subsection H of Section 1111 of this title and paragraph 14 of subsection A of Section 1141.1 of this title; and

4. An amount not to exceed Forty Thousand Dollars (\$40,000.00) for each calendar year.

B. A motor license agent shall receive a fee of not more than One Dollar (\$1.00) for each document notarized and a fee of fifty cents (\$0.50) for any documents mailed.

C. The Oklahoma Tax Commission shall initiate a mail order vehicle registration notification program, which shall consist of notification annually to all vehicle owners in this state of such time an owner shall register and license his vehicle as provided for in Section 1101 et seq. of this title. The notification issued by the Commission shall include a breakdown of all charges to be paid by the owner, other items deemed necessary by the Commission and shall notify the owner that he has the option of paying his registration and receiving his license plate or decal through the mail directly from the Commission or of registering and receiving his license plate or decal from a motor license agent. On the back of such registration notification forms ordered after the effective date of this act there shall be the address of the Oklahoma Tax Commission in large black type and an explanation of the apportionment of all license fees and penalties collected and their disposition. Such explanation shall include information as to all charges included in the total license fee and any fees or charges incident to the registration of a motor vehicle, to include all fees that a motor license agent is authorized to collect. If the owner chooses the option of receiving these services through the mail, either from the Commission or the motor license agent, he shall then be instructed to pay the final total listed. The costs of mailing shall be One Dollar (\$1.00) for license plates, fifty cents (\$0.50) for decals and fifty cents (\$0.50) for the mailing of any other form, title, decal or device provided for in the Oklahoma Vehicle License and Registration Act. Provided however, the Commission may adjust any mailing costs from time to time as they deem appropriate and as will allow for additional fees the U.S. Postal Service may charge.

D. Money received by the Commission for the issuance of any registrations, license plates or otherwise shall be apportioned to

the schools in accordance with other laws controlling such distributions.

E. Failure by an owner of a vehicle to receive registration notification as provided for in the Motor Vehicle License and Registration Act shall not in any manner relieve such person from the obligation of proper and timely registration and licensing of such vehicle, and such person shall be subject to any penalties prescribed by the Oklahoma Vehicle License and Registration Act.

F. A motor license agent, out of the taxes and fees collected and retained pursuant to Section 1141.1 of this title, shall obtain a faithful performance surety bond or cash bond in the amount of Thirty Thousand Dollars (\$30,000.00) or in such additional amount and form required by the Commission or by this act, a blanket surety bond or cash bond covering adequately all office personnel, necessary insurance, necessary office equipment and furniture, and other goods and services essential to the proper operation of the motor license agency. Provided that the Commission shall have the authority to lower such required surety bond to an amount that is commensurate with the amount of business conducted by the motor license agent, but in no event shall that amount be less than Five Thousand Dollars (\$5,000.00). Motor license agents shall obtain the surety bond or cash bond required by this section only during their first year of operation. Thereafter, the motor license agents shall be subject to the provisions of Section 1143.1 of this title.

SECTION 3. AMENDATORY 68 O.S. 1991, Section 2103, as last amended by Section 8, Chapter 250, O.S.L. 2000 (68 O.S. Supp. 2000, Section 2103), is amended to read as follows:

Section 2103. A. 1. Except as otherwise provided in Sections 2101 through 2108 of this title, there shall be levied an excise tax upon the transfer of legal ownership of any vehicle registered in this state and upon the use of any vehicle registered in this state and upon the use of any vehicle registered for the first time in

this state. The excise tax for new vehicles shall be levied at three and one-fourth percent (3 1/4%) of the value of each new vehicle. The excise tax for used vehicles shall be as follows:

- a. from October 1, 2000, until June 30, 2001, Twenty Dollars (\$20.00) on the first One Thousand Dollars (\$1,000.00) or less of value of such vehicle, and three and one-fourth percent (3 1/4%) of the remaining value of such vehicle,
- b. for the year beginning July 1, 2001, and ending June 30, 2002, Twenty Dollars (\$20.00) on the first One Thousand Two Hundred Fifty Dollars (\$1,250.00) or less of value of such vehicle, and ~~three and one-fourth percent (3 1/4%)~~ three and one-eighth percent (3 1/8%) of the remaining value of such vehicle, ~~and~~
- c. for the year beginning July 1, 2002, and ~~all subsequent years~~ ending June 30, 2003, Twenty Dollars (\$20.00) on the first One Thousand Five Hundred Dollars (\$1,500.00) or less of value of such vehicle, and ~~three and one-fourth percent (3 1/4%)~~ three percent (3%) of the remaining value of such vehicle,
- d. for the year beginning July 1, 2003, and ending June 30, 2004, Twenty Dollars (\$20.00) on the first One Thousand Five Hundred Dollars (\$1,500.00) or less of value of such vehicle, and two and seven-eighths percent (2 7/8%) of the remaining value of such vehicle, and
- e. for the year beginning July 1, 2004, and all subsequent years, Twenty Dollars (\$20.00) on the first One Thousand Five Hundred Dollars (\$1,500.00) or less of value of such vehicle, and two and three-fourths percent (2 3/4%) of the remaining value of such vehicle.

The excise tax for any antique or classic vehicle or special mobilized machinery as defined in Section 1129 of Title 47 of the Oklahoma Statutes shall be calculated at one-fourth percent (1/4%) of the value of such vehicle. However, in no event shall the excise tax be less than Ten Dollars (\$10.00). For purposes of this paragraph, an "antique or classic vehicle" is a motor vehicle which is twenty-five (25) years of age or older, based on the date of manufacture thereof, and which travels on the highways of this state primarily incidental to historical or exhibition purposes only and which the value of such antique or classic vehicle does not necessarily reflect the age of such vehicle. Such antique or classic vehicle shall be registered pursuant to Section 1136.1 of Title 47 of the Oklahoma Statutes.

2. There shall be levied an excise tax of Ten Dollars (\$10.00) for any truck or truck-tractor registered under the provisions of subsection A of Section 1133 of Title 47 of the Oklahoma Statutes, for a laden weight or combined laden weight of 54,001 pounds or more, and for any trailer or semitrailer registered under subsection C of Section 1133 of Title 47 of the Oklahoma Statutes, which is primarily designed to transport cargo over the highways of this state and generally recognized as such. The excise tax levied pursuant to this paragraph shall not apply to special mobilized machinery, trailers, or semitrailers manufactured, modified or remanufactured for the purpose of providing services other than transporting cargo over the highways of this state. The excise tax levied pursuant to this paragraph shall also not apply to pickup trucks, vans, or sport utility vehicles.

3. The tax levied pursuant to this section shall be due at the time of the transfer of legal ownership or first registration in this state of such vehicle, and shall be collected by the Oklahoma Tax Commission, or an appointed motor license agent, at the time of the issuance of a certificate of title for any such vehicle. In the

event an excise tax is collected on the transfer of legal ownership or use of the vehicle during any calendar year, then an additional excise tax must be collected upon all subsequent transfers of legal ownership. In computing the motor vehicle excise tax, the amount collected shall be rounded to the nearest dollar. The excise tax levied by this section shall be delinquent from and after the thirtieth day after the legal ownership or possession of any vehicle is obtained. Any person failing or refusing to pay the tax as herein provided on or before date of delinquency shall pay in addition to the tax a penalty of twenty-five cents (\$0.25) per day for each day of delinquency, but such penalty shall in no event exceed the amount of the tax.

B. The excise tax levied in subsection A of this section assessed on all commercial vehicles registered pursuant to Section 1120 of Title 47 of the Oklahoma Statutes, shall be in lieu of all sales and use taxes levied pursuant to the Sales Tax Code or the Use Tax Code. The transfer of legal ownership of any motor vehicle as used in this section and the Sales Tax Code and the Use Tax Code shall include the lease, lease purchase or lease finance agreement involving any truck in excess of eight thousand (8,000) pounds combined laden weight or any truck-tractor provided the vehicle is registered in Oklahoma pursuant to Section 1120 of Title 47 of the Oklahoma Statutes or any trailer, semitrailer or open commercial vehicle registered pursuant to Section 1133 of Title 47 of the Oklahoma Statutes. The excise tax levied pursuant to this section shall not be subsequently collected at the end of the lease period if the lessee acquires complete legal title of the vehicle.

C. The provisions of this section shall not apply to transfers made without consideration between:

1. Husband and wife;
2. Parent and child; or

3. An individual and an express trust which that individual or the spouse, child or parent of that individual has a right to revoke.

D. 1. There shall be a credit allowed with respect to the excise tax paid for a new vehicle which is a replacement for:

- a. a new original vehicle which is stolen from the purchaser/registrant within ninety (90) days of the date of purchase of the original vehicle as certified by a police report or other documentation as required by the Commission, or
- b. a defective new original vehicle returned by the purchaser/registrant to the seller within six (6) months of the date of purchase of the defective new original vehicle as certified by the manufacturer.

2. The credit allowed pursuant to paragraph 1 of this subsection shall be in the amount of the excise tax which was paid for the new original vehicle and shall be applied to the excise tax due on the replacement vehicle. In no event shall the credit be refunded.

E. Despite any other definitions of the terms "new vehicle" and "used vehicle", to the contrary, contained in any other law, the term "new vehicle" as used in this section shall also include any vehicle of the latest manufactured model which is owned or acquired by a licensed used motor vehicle dealer which has not previously been registered in this state and upon which the motor vehicle excise tax as set forth in this section has not been paid. However, upon the sale or transfer by a licensed used motor vehicle dealer located in this state of any such vehicle which is the latest manufactured model, the vehicle shall be considered a used vehicle for purposes of determining excise tax.

SECTION 4. AMENDATORY 68 O.S. 1991, Section 2104, as last amended by Section 9, Chapter 250, O.S.L. 2000 (68 O.S. Supp. 2000, Section 2104), is amended to read as follows:

Section 2104. A. The value of any motor vehicle, except a manufactured home, for the purposes of the excise tax levied by Section 2103 of this title, shall be determined as of the time the person applying for a certificate of title thereto obtained either ownership or possession of the vehicle, which shall be presumed to be the actual date of the sale or other transfer of ownership, and assignment of the certificate of title.

B. The Except as provided in this subsection, the value of any vehicle, for purposes of the excise tax levied by Section 2103 of this title, shall be the actual sales price of such a vehicle before any discounts or credits are given for a trade-in. The value of a vehicle shall not include the unpaid balance on a previously owned vehicle which balance is transferred to the purchase of another vehicle. However, the value of the vehicle prior to the subtraction of such discounts or credits for a trade-in shall be required to be within twenty percent (20%) of the average retail price value of such vehicle as listed in the automotive reference material prescribed by the Oklahoma Tax Commission. The actual sales price of the vehicle, which total shall be the basis of the motor vehicle excise tax, shall be entered on the bill of sale furnished by the seller to the purchaser, or on such other form as may be prescribed by the Tax Commission.

Upon receipt of the properly completed bill of sale or other form as prescribed by the Tax Commission, and the payment of all applicable taxes and fees, the Tax Commission or an appointed motor license agent shall issue a vehicle certificate of title in accordance with the provisions of the Oklahoma Vehicle License and Registration Act.

SECTION 5. This act shall become effective July 1, 2001.

SECTION 6. 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 13th day of March, 2001.

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Presiding Officer of the House of  
Representatives

Passed the Senate the \_\_\_\_ day of \_\_\_\_\_, 2001.

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Presiding Officer of the Senate