

STATE OF OKLAHOMA

2nd Session of the 49th Legislature (2004)

CONFERENCE COMMITTEE SUBSTITUTE  
FOR ENGROSSED  
SENATE BILL 1461

By: Williamson of the Senate

and

Peters of the House

CONFERENCE COMMITTEE SUBSTITUTE

An Act relating to motor vehicles; amending 47 O.S. 2001, Sections 582, as last amended by Section 1, Chapter 229, O.S.L. 2003, 591.4, 591.9, 591.10, 591.11, and 1105, as last amended by Section 4, Chapter 431, O.S.L. 2003 (47 O.S. Supp. 2003, Sections 582 and 1105), which relate to the Automotive Dismantlers and Parts Recycler Act and the Oklahoma Vehicle License and Registration Act; modifying membership requirements of the Used Motor Vehicle and Parts Commission; clarifying statutory references; adding revocation of certain licenses or buyer's identification card for certain notice, hearing and appeal; authorizing certain administrative fines for certain violations; modifying requirements for persons to attend certain sales; modifying requirement for certain form; adding fee for buyer's identification card for certain buyers; stating when certain fee is returnable; providing for refusal, cancellation, or revocation of buyer's identification card; providing for sale of certain vehicles to a foreign buyer; specifying certain information be stamped on certain titles; requiring certain information to be supplied to the Tax Commission; requiring Tax Commission to preserve certain information for a certain period of time; and providing an effective date.

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

SECTION 1. AMENDATORY 47 O.S. 2001, Section 582, as last amended by Section 1, Chapter 229, O.S.L. 2003 (47 O.S. Supp. 2003, Section 582), is amended to read as follows:

Section 582. A. There is hereby created the Oklahoma Used Motor Vehicle and Parts Commission, to be composed of ten (10) members who shall be selected as follows:

1. One member shall be appointed from each congressional district and any remaining members, including the chair, shall be appointed from the state at large. However, when congressional districts are redrawn, each member appointed prior to July 1 of the year in which such modification becomes effective shall complete the current term of office and appointments made after July 1 of the year in which such modification becomes effective shall be based on the redrawn districts. Appointments made after July 1 of the year in which such modification becomes effective shall be from any redrawn districts which are not represented by a board member until such time as each of the modified congressional districts are represented by a board member; provided, the chair shall be appointed at large without regard to congressional district representation on the board;

2. All members shall be appointed by the Governor, by and with the advice and consent of the Senate;

3. a. each of the members appointed from a congressional district shall, at the time of appointment, be a resident in good faith of the congressional district from which appointed, and
- b. each of the members appointed from the state at large shall, at the time of appointment and during the period of service, be residents in good faith of the state;

4. Each member shall be of good moral character and, for the ten-year period immediately preceding appointment, each of the used motor vehicle dealer representatives shall have been licensed for and actually engaged in the distribution or sale of used motor vehicles; each of the dismantler representatives shall have actually been licensed for and engaged in the principal business of dismantling or disassembling motor vehicles for the purpose of selling the parts thereof; and the manufactured housing

representative shall have been licensed for and actually engaged in the principal business of selling manufactured homes; and

5. Eight members plus the chair shall be engaged in the used motor vehicle industry or the automotive dismantler industry. There shall not be fewer than five members engaged in the principal business of the sale of used motor vehicles and there shall not be fewer than ~~two~~ three members engaged in the principal business of dismantling or disassembling motor vehicles for the purpose of selling the parts thereof. One of the at-large members shall be engaged in the principal business of selling manufactured homes as a licensed manufactured home dealer. Being engaged in one or more of such pursuits shall not disqualify a person otherwise qualified from serving on the Commission.

B. 1. The term of the chair shall be coterminous with that of the Governor making the appointment, and until a successor is appointed and is qualified.

2. The terms of office of each member of the Commission shall be subject to the following:

- a. the Commission shall determine and certify the trade associations of manufactured home dealers that represent ten percent (10%) or more of the number of licensed manufactured home dealers in the state and shall certify each such association to the Governor. The Governor shall request a minimum of ten names from each such association and shall select one member from the manufactured home industry from the names provided,
- b. each member actively serving July 1, 2000, who was appointed on or before June 30, 2000, shall remain and fulfill the term of his or her membership as set forth at the appointment,

- c. except for the chair, the term of office of each member of the Commission shall be for six (6) years,
- d. except for the chair and the at-large members, the term of office of any member will automatically expire if the member moves out of the congressional district from which appointed; however, if the congressional districts are modified each member shall complete the current term of office as provided in this section,
- e. in event of death, resignation, or removal of any person serving on the Commission, the vacancy shall be filled by appointment as aforesaid for the unexpired portion of the term,
- f. except for the chair, when the term of a member automatically expires, the vacancy shall be filled by appointment of a qualified successor for a term of six (6) years as aforesaid, except that the member shall serve until a successor is appointed and qualified.

3. The chair and each member of the Commission shall take and subscribe to the oath of office required of public officers.

C. The chair and members of the Commission shall receive Thirty Dollars (\$30.00) for each and every day actually and necessarily spent in attending the meetings of the Commission, and shall be reimbursed for subsistence and traveling expenses incurred in the performance of their duties hereunder as provided by the State Travel Reimbursement Act; provided that such meeting payments shall not exceed the sum of Six Hundred Dollars (\$600.00) per annum to any one person.

D. 1. a. The Commission shall appoint a qualified person to serve as Executive Director who shall have had sufficient management and organizational experience in the automotive industry to direct the functions of the Commission.

- b. The Executive Director shall be appointed for a term of six (6) years, and shall not be subject to dismissal or removal without cause.
- c. The Commission shall fix the salary and define and prescribe the duties of the Executive Director.
- d. The Executive Director shall be in charge of the Commission's office, shall devote such time as necessary to fulfill the duties thereof, and, before entering upon these duties, shall take and subscribe to the oath of office.

2. The Commission may employ such clerical, technical, legal and other help and incur such expenses as may be necessary for the proper discharge of its duties under Section 581 et seq. of this title.

3. The Commission shall maintain its office and transact its business in Oklahoma City, and is authorized to adopt and use a seal.

- E. 1. a. The Commission is hereby vested with the powers and duties necessary and proper to enable it to fully and effectively carry out the provisions and objectives of Section 581 et seq. of this title, and is hereby authorized and empowered, pursuant to the Administrative Procedures Act, to make and enforce all reasonable rules and to adopt and prescribe all forms necessary to accomplish said purpose.
- b. The Commission shall promulgate rules for the licensing of manufactured home installers.
- c. The Commission shall promulgate rules to prescribe the contents of manufactured home sales agreements and to require that each manufactured home manufacturer issue with each new manufactured home a warranty comparable to warranties generally in use in the industry

warranting the manufactured home to be free from material defects.

- d. The enumeration of any power or authority herein shall not be construed to deny, impair, disparage or limit any others necessary to the attainment thereof.
- e. A copy of all rules adopted by the Commission shall be filed and recorded in the office of the Secretary of State and the State Librarian and Archivist, and same may be amended, modified or repealed from time to time.

2. The Commission's powers and duties shall include, but not be limited to, the following:

- a. to license used motor vehicle dealers, used motor vehicle salespersons, wholesale used motor vehicle dealers, dismantlers, manufactured home dealers, manufactured home manufacturers, and manufactured home installers,
- b. to inspect used motor vehicle dealer, dismantler and manufactured home dealer locations, and manufactured home manufacturers' factories or assembly sites to ensure that they are in an approved location, meet local zoning or other municipal requirements, and have sufficient facilities which shall include, but not be limited to, for retail businesses, a business sign, a listed and usable telephone number, a restroom, and a sales office,
- c. to inspect wholesale used motor vehicle dealer locations to ensure that they are in an approved location, meet local zoning or other municipal requirements, and have sufficient facilities which shall include, but not be limited to, a listed and usable telephone number in the dealer's name and a

business office where records of the business are kept,

- d. to require all dealer sales to have a condition of sale such as a warranty disclaimer, implied or written warranty or a service contract approved by the Commission,
- e. to work with consumers and dealers to hear complaints on used vehicles and parts and establish a Used Car Consumer Action Panel to hear complaints on a condition of sale, implied and written warranties, and service complaints, and
- f. to serve as a dispute resolution panel for binding arbitration in accordance with Section 801 et seq. of Title 15 of the Oklahoma Statutes in contract controversies between licensed used motor vehicle dealers, dismantlers and manufactured housing dealers and their consumers when, by mutual written agreement executed after the dispute between the parties has arisen, both parties have agreed to use the Commission as their arbitration panel for contract disputes.

F. 1. All fees and charges collected under the provisions of Section 581 et seq. of this title shall be deposited by the Executive Director in the State Treasury in accordance with the depository laws of this state in a special fund to be known as the "Oklahoma Used Motor Vehicle and Parts Commission Fund", which fund is hereby created. Except as hereinafter provided, the monies in the fund shall be used by the Commission for the purpose of carrying out and enforcing the provisions of Section 581 et seq. of this title. Expenditures from the fund shall be warrants issued by the State Treasurer against claims submitted by the Commission to the Director of State Finance for approval.

2. At the close of each fiscal year, the Commission shall file with the Governor and the State Auditor and Inspector a true and correct report of all fees and charges collected and received by it during the preceding fiscal year and shall at the same time pay into the General Revenue Fund of the state a sum equal to ten percent (10%) of the gross fees and charges so collected and received.

3. All expenses incurred by the Commission in carrying out the provisions of Section 581 et seq. of this title including, but not limited to, per diem, wages, salaries, rent, postage, advertising, supplies, bond premiums, travel and subsistence for the Commissioners, the Executive Director, employees, and legal counsel, and printing and utilities, shall be a proper charge against the fund, exclusive of the portion thereof to be paid into the General Revenue Fund as above set out; provided, that in no event shall liability ever accrue hereunder against the state in any sum whatsoever, or against the Oklahoma Used Motor Vehicle and Parts Commission Fund, in excess of the ninety percent (90%) of the fees and charges deposited therein.

SECTION 2. AMENDATORY 47 O.S. 2001, Section 591.4, is amended to read as follows:

Section 591.4 A. Every person, firm or corporation desiring to engage in the business of an automotive dismantler and parts recycler shall apply in writing, on a form to be prescribed by the Oklahoma Used Motor Vehicle and Parts Commission, which form shall contain:

1. The name of the applicant;
2. The street address of the applicant's principal place of business;
3. The type of business organization of the applicant;
4. The applicant's financial statement;
5. The legal description of the proposed place of business, together with written verification from the appropriate local

authorities that the place of business meets the licensing and zoning requirements of the municipality or county where located; and

6. Such additional information as may be required by the Commission.

B. Notwithstanding subsection A of this section, the Commission may decline to issue an original license or buyer's identification card (B.I.D.) to any person, firm or corporation that does not, in good faith, meet the requirements of ~~Section 591.1 et seq. of this title~~ the Automotive Dismantlers and Parts Recycler Act; or whose proposed place of business does not meet the applicable zoning requirements; or whose proposed use is deemed inappropriate by the Commission due to surrounding property uses or objections from the immediate surrounding neighbors, such that the place of business would be deemed to be a private or public nuisance; or whose place of business is not properly screened by natural objects, plantings, opaque fences of a height not less than six (6) nor more than eight (8) feet or other appropriate sightproofing, so as to screen where possible vehicles and parts stored outside of buildings from view from immediately adjacent property.

SECTION 3. AMENDATORY 47 O.S. 2001, Section 591.9, is amended to read as follows:

Section 591.9 The Oklahoma Used Motor Vehicle and Parts Commission is authorized to refuse a license or buyer's identification card (B.I.D.) to any person, firm or corporation for the following reasons:

1. Failure to meet the requirements of ~~this act~~ the Automotive Dismantlers and Parts Recycler Act;

2. Failure to continue to meet the requirements of this act or of the rules promulgated by the Commission pursuant to the provisions of the Automotive Dismantlers and Parts Recycler Act, ~~Section 591.1 et seq. of this title~~;

3. Upon satisfactory proof of unfitness of the applicant or the licensee, as the case may be, under the standards established by ~~Section 591.1 et seq. of this title~~ the Automotive Dismantlers and Parts Recycler Act;

4. For the felony conviction of a state or federal law by an applicant, licensee, partner of an applicant or licensee, director, officer, or stockholder in the case of a corporate applicant or licensee, or an employee, manager, or any person having a pecuniary interest in the business involving:

- a. theft,
- b. violation of the Oklahoma certificate of title law or similar laws of other states,
- c. alteration, obliteration, or removal of a vehicle identification number, or
- d. any other act directly relating to the ability of the applicant or licensee to conduct an automotive dismantler and parts recycling business;

5. Commission of any unlawful act which resulted in the revocation of any similar license in another state; or

6. Engaging in business under a past or present license issued pursuant to ~~this act~~ the Automotive Dismantlers and Parts Recycler Act in such a manner as to cause injury to the public or to those with whom the licensee has dealt.

SECTION 4. AMENDATORY 47 O.S. 2001, Section 591.10, is amended to read as follows:

Section 591.10 A. Any person, firm or corporation who is refused a license or whose license or B.I.D. card is canceled or revoked shall be notified in person or by mail with return receipt requested to the address given on the application of the applicant or licensee and, upon written request within fifteen (15) days of receipt of such notice, shall be given a hearing upon the proposed action. The hearing may be conducted by the Commission and shall be

held no more than thirty (30) days from receipt of the written request for a hearing. The hearing may be informal and the rules of evidence of the courts of Oklahoma shall not be required. Appeals from the decision of the Commission shall be governed by the ~~Oklahoma~~ Administrative Procedures Act.

B. In addition to the cancellation, revocation or refusal to issue or renew a license or buyer's identification or the imposition of any other penalty by the Commission, the Commission is hereby authorized to impose administrative fines for violations of the Oklahoma Dismantlers and Parts Recycler Act in the amounts not to exceed Five Hundred Dollars (\$500.00) for a first violation, One Thousand Dollars (\$1,000.00) for a second violation and Five Thousand Dollars (\$5,000.00) for a third violation.

SECTION 5. AMENDATORY 47 O.S. 2001, Section 591.11, is amended to read as follows:

Section 591.11 A. Sales at a salvage pool or salvage disposal sale shall be opened only to ~~persons~~:

1. A person possessing a license or a buyer's identification number to buy at a salvage pool or salvage disposal sale an automobile dismantler's license or rebuilder certificate issued by the Oklahoma Used Motor Vehicle and Parts Commission and who has a buyer's identification card;

2. A person from another state authorized by that state to purchase salvage, wrecked, nonrepairable or repairable vehicles as determined by the Commission who has a buyer's identification card;  
or

3. A foreign buyer who has a buyer's identification card.

~~1. License and~~ B. A buyer's identification numbers card to bid or buy at salvage pools or salvage disposal sales shall be issued by the Commission on a form prescribed by it and shall include, but not be limited to, the name, address, ~~driver's license number~~, physical description and signature of the applicant; and the name and address

of the employer of the applicant. The Commission may exact a fee not to exceed Ten Dollars (\$10.00) for the issuance or renewal of a buyer's identification card for a resident of this state and a fee not to exceed Two Hundred Ten Dollars (\$210.00) for the issuance or renewal of a buyer's identification card ~~for a resident of another state~~ for an out-of-state buyer and a fee not to exceed Four Hundred Dollars (\$400.00) for the issuance or renewal of a buyer's identification card for foreign buyers. There shall be no more than three (3) B.I.D. cards per business, as defined in ~~this act~~ the Automotive Dismantlers and Parts Recycler Act. A buyer's identification card fee shall be returnable only in the event that the permit application is denied by the Commission as allowed pursuant to the Automotive Dismantlers and Parts Recycler Act.

~~2.~~ C. It shall be the duty of the owner, manager or person in charge of any salvage pool or salvage disposal sale to prohibit the bidding by any person who does not display the buyer's identification card number for such person and, further, to refuse to sell to any person any wrecked or repairable motor vehicle if such person does not display a valid buyer's identification card.

~~3.~~ The D. A buyer's identification card ~~may be refused, canceled or revoked for the same reasons a license under this act may be refused, canceled or revoked~~ issued to a person, firm or corporation may be refused, canceled or revoked due to the refusal, cancellation or revocation of their used motor vehicle dealer's license, automotive dismantler's license or rebuilder certificate issued by the Oklahoma Used Motor Vehicle and Parts Commission. Any person whose buyer's identification card is refused, canceled or revoked shall enjoy the same review and appeal procedures ~~as a person whose license is refused, canceled or revoked~~ provided in Section 591.10 of this title.

SECTION 6. AMENDATORY 47 O.S. 2001, Section 1105, as last amended by Section 4, Chapter 431, O.S.L. 2003 (47 O.S. Supp. 2003, Section 1105), is amended to read as follows:

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

1. "Salvage vehicle" means any vehicle which is within the last ten (10) model years and which has been damaged by collision or other occurrence to the extent that the cost of repairing the vehicle for safe operation on the highway exceeds sixty percent (60%) of its fair market value, as defined by Section 1111 of this title, immediately prior to the damage. For purposes of this section, actual repair costs shall only include labor and parts for actual damage to the suspension, motor, transmission, frame or unibody and designated structural components;

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

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

4. "Recovered-theft vehicle" means a salvage or rebuilt vehicle which was recovered from a theft; and

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

B. The owner of every vehicle in this state shall possess a certificate of title as proof of ownership of such vehicle, except those vehicles registered pursuant to Section 1120 of this title and trailers registered pursuant to Section 1133 of this title, previously titled in another state and engaged in interstate

commerce, and except as provided in subsection M of this section.

There shall be six types of certificates of title:

1. Original title for any motor vehicle which is not a remanufactured, salvage, rebuilt or junked vehicle;
2. Salvage title for any motor vehicle which is a salvage vehicle or is specified as a salvage vehicle or the equivalent thereof on a certificate of title from another state;
3. Rebuilt title for any motor vehicle which is a rebuilt vehicle;
4. Junked title for any motor vehicle which is a junked vehicle or is specified as a junked vehicle or the equivalent thereof on a certificate of title from another state;
5. Classic title for any motor vehicle, except a junked vehicle, which is twenty-five (25) model years or older; and
6. Remanufactured title for any vehicle which is a remanufactured vehicle.

Application for a certificate of title, whether the initial certificate of title or a duplicate, may be made to the Oklahoma Tax Commission or any motor license agent. When application is made with a motor license agent, the application information shall be transmitted either electronically or by mail to the Tax Commission by the motor license agent. If the application information is transmitted electronically, the motor license agent shall forward the required application along with evidence of ownership, where required, by mail. Where the transmission of application information cannot be performed electronically, the Tax Commission is authorized to provide postage paid envelopes to motor license agents for the purpose of mailing the application along with evidence of ownership, where required. The Tax Commission shall upon receipt of proper application information issue an Oklahoma certificate of title. The certificates may be mailed to the applicant. Upon issuance of a certificate of title, the Tax

Commission shall provide the appropriate motor license agent with confirmation of such issuance.

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

- a. a full description of the vehicle,
- b. the manufacturer's serial or other identification 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 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 subject to the provisions of this paragraph without the required declaration, completed and signed by the owner of the vehicle. Upon

receipt of an application without the properly completed declaration, the Tax Commission shall return the application to the applicant with notice that the title may not be issued without the required declaration. Nothing in this paragraph shall prohibit the Tax Commission from recognizing the type of or brand on a title or other ownership document issued by another state or the inspection conducted in another state and issuing the appropriate certificate of title for the vehicle.

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

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

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

5. The certificate of title shall be of such size and design and color as the Tax Commission may direct pursuant to the provisions of this section. The title shall be on colored paper or other material as designated by the Tax Commission and be of such intensity or hue as will allow easy identification as to whether the title is an original title, a salvage title, a rebuilt title, remanufactured title, or a junked title. The type of title shall be identified on the front of the certificate of title. The original title, rebuilt title, remanufactured title, or classic title shall be identified by the word "Original", "Rebuilt", "Remanufactured" or "Classic" printed in the upper right quadrant of the certificate of title, in the space which is currently captioned "type of title".

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

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

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

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

E. In the absence of a dealer's or manufacturer's number, the Tax Commission may assign such identifying number to the vehicle, which shall be permanently stamped, burned or pressed or attached into the vehicle, and a certificate of title shall be delivered to the applicant upon payment of all fees and taxes, and the remaining

copies shall be permanently filed and indexed by the Tax Commission. The Tax Commission shall assign an identifying number to any rebuilt vehicle if the vehicle identification number displayed on the rebuilt vehicle does not accurately describe the vehicle as rebuilt. The motor license agent, at the time of inspection of the rebuilt vehicle pursuant to Section 1111 of this title, shall identify the make, model, and year for the body to accurately describe the rebuilt vehicle. At the time of the inspection, an appropriate identifying number shall be permanently stamped, burned, pressed, or attached on the rebuilt vehicle. The assigned identifying number shall be recorded on the certificate of title for the rebuilt vehicle. The dealer's or manufacturer's vehicle identification number on the rebuilt vehicle shall be preserved in the computer files of the Tax Commission for at least five (5) years.

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

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

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

The Tax Commission shall not issue a certificate of title for a vehicle which is subject to the provisions of this paragraph without the required documentation from agencies of the United States and

evidence of ownership. Upon receipt of an application without the required documentation, the Tax Commission shall return the application to the applicant with notice that the certificate of title may not be issued without the required documentation. Nothing in this paragraph shall prohibit the Tax Commission from issuing certificates of title for antique or classic vehicles not driven upon the public streets, roads, or highways.

G. When registering in this state a vehicle which was titled in another state and which title contains the name of a secured party on the face of the other state certificate of title, or such state certificate is being held by the secured party in that state or any other state, the Tax Commission or the motor license agent shall complete a lien entry form as prescribed by the Tax Commission. The owner of such vehicle shall file an affidavit with the Tax Commission or the motor license agent stating that title to the vehicle is being held by a secured party has not been issued pursuant to the laws of the state where titled, and that there is an existing lien or encumbrance on the vehicle. The current name and address of the secured party or lienholder shall also be stated in the affidavit. The form of the affidavit shall be prescribed by the Tax Commission and contain any other information deemed necessary by the Tax Commission. A statement of the lien or encumbrance shall be included on the Oklahoma certificate of title and the lien or encumbrance shall be deemed continuously perfected as though it had been perfected pursuant to Section 1110 of this title. For completing the lien entry form and recording the security interest on the certificate of title, the Tax Commission or the motor license agent shall collect a fee of Three Dollars (\$3.00) which shall be in addition to other fees provided by the Oklahoma Vehicle License and Registration Act. The fee, if collected by the motor license agent pursuant to this subsection, shall be retained by the motor license agent.

H. The charge for each certificate of title issued, except for junked titles as defined in paragraph 4 of subsection B of this section, shall be Eleven Dollars (\$11.00), which charge shall be in addition to any other fees or taxes imposed by law for such vehicle. One Dollar (\$1.00) of each such charge shall be deposited in the Oklahoma Tax Commission Reimbursement Fund. However, the charge shall not apply to any vehicle which is to be registered in this state pursuant to the provisions of Section 1120 or 1133 of this title and which was registered in another state at least sixty (60) days prior to the time it is required to be registered in this state.

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

J. If a vehicle is sold to a resident of another state destroyed, dismantled, or ceases to be used as a vehicle, the owner shall immediately notify the Tax Commission. Absent evidence to the contrary, failure to notify the Tax Commission shall be prima facie evidence that the vehicle has been in continuous operation in this state.

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

L. No title for an out-of-state vehicle, except any commercial truck or truck-tractor registered pursuant to Section 1120 of this title which is engaged in interstate commerce or any trailer or semitrailer registered pursuant to Section 1133 of this title which is engaged in interstate commerce, shall be issued without an

inspection of such vehicle and payment of a fee of Four Dollars (\$4.00) for such inspection; provided, the Tax Commission may enter into reciprocal agreements with other states for such inspections to be performed at locations outside the boundaries of this state for vehicles which:

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

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

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

M. No title for any out-of-state vehicle offered for sale at salvage pools, salvage disposal sales, or an auction, or by a dealer or a licensed automotive dismantler and parts recycler, shall be issued without an inspection to compare the vehicle identification number on the vehicle with the number recorded on the ownership record and to record the actual odometer reading on the vehicle. Upon request of the seller, person or entity conducting an auction, dealer or licensed dismantler, the inspection shall be conducted at the location or place of business of the sale, auction, dealer, or the dismantler. The inspection shall be conducted by any motor

license agent or a duly authorized employee thereof; provided, if the vehicle identification number on the vehicle offered for sale at salvage pools, salvage disposal sales or a classic or antique auction does not match the number recorded on the ownership record, the inspection may be conducted at the location of or place of business of such sale or auction by any state, county or city law enforcement officer. The Tax Commission may enter into reciprocal agreements with other states for such inspections to be performed at locations outside the boundaries of this state for vehicles which:

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

The inspection shall be certified upon forms prescribed by the Tax Commission. The name and other identification of the authorized person conducting the inspection shall be legibly printed or typed on the form. Prior to any inspection by any employee of a motor license agent, the motor license agent shall notify the Tax Commission of the name and any other identification information requested by the Tax Commission of the authorized person. A signature specimen of the authorized person shall be submitted to the Tax Commission by the employing motor license agent. If the authorization to inspect vehicles is withdrawn or the employer-employee relationship is terminated, the motor license agent, immediately, shall notify the Tax Commission and return any remaining inspection forms to the Tax Commission. The fee for the inspection shall be Four Dollars (\$4.00). The motor license agent shall retain Three Dollars (\$3.00) of the fee. Fees received by a motor license agent or an authorized employee thereof shall be handled and accounted for in the manner as prescribed by law for any

other fees paid to or received by a motor license agent. Out-of-state vehicles brought into this state by a person licensed in another state to sell new or used vehicles to be sold within this state at a motor vehicle auction which is limited to dealer to dealer transactions shall not be required to be inspected, unless the vehicle is purchased by an Oklahoma dealer. Any person licensed in another state to sell new or used motor vehicles, who offers a motor vehicle for sale within this state at a motor vehicle auction which is limited to dealer to dealer transactions, shall not be within the definition of "owner" in Section 1102 of this title, for purposes of Section 1101 et seq. of this title.

N. An out-of-state vehicle which has been rebuilt shall be inspected pursuant to the provisions of Section 1111 of this title. The Tax Commission shall train motor license agents in interpreting vehicle identification numbers to assure that it accurately describes the vehicle and to detect rollback or alteration of the odometer. Failure of a motor license agent to inspect the vehicle and make the required notations shall be a misdemeanor punishable by a fine of not more than One Thousand Dollars (\$1,000.00) for the first offense and Five Thousand Dollars (\$5,000.00) for the second offense or subsequent offense, or by imprisonment in the county jail for not more than six (6) months, or by both such fine and imprisonment.

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

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

P. The owner of any vehicle which is incapable of operation or use on the public roads and has no resale value, except as parts, scrap or junk, may deliver the certificate of title to the vehicle to the Tax Commission for cancellation. Upon verification that any perfected lien against the vehicle has been released, the certificate of title shall be canceled without any fee, charge, or cost required from the owner. The vehicle identification numbers on the certificates of title shall be preserved in the computer files of the Tax Commission for at least five (5) years from the date of cancellation of the certificate of title. The Tax Commission shall prescribe and provide an affidavit form to be completed by the owner of any vehicle for which the certificate of title is canceled. No title or registration shall subsequently be issued for a vehicle for which the certificate of title has been surrendered pursuant to this subsection. The Tax Commission shall prescribe a form for the transfer of ownership of a vehicle for which the certificate of title has been canceled.

Q. The owner of a vehicle which is not within the last ten (10) model years, not roadworthy and not capable of repair for operation or use on the roads and highways shall transfer the vehicle only upon a certificate of ownership prescribed by the Tax Commission, if the certificate of title to the vehicle is lost, has been canceled, or otherwise not available. The prescribed ownership form shall include the names and addresses of the buyer and seller, the driver license number or social security number of the seller, the make and model of the vehicle, and the public vehicle identification number. If there is no public vehicle identification number, the vehicle shall be inspected by a law enforcement officer to verify the absence of the number on the vehicle and the prescribed ownership

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

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

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

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

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

T. If a vehicle is sold to a foreign buyer pursuant to the provisions of the Automotive Dismantlers and Parts Recycler Act, the licensed seller shall stamp the title with: "EXPORT ONLY."

NONTRANSFERABLE IN THE UNITED STATES." The licensed seller shall supply the Tax Commission the title number, the vehicle identification number and the foreign buyer's bid identification number on a form prescribed by the Commission. The Commission shall cancel the title, and the vehicle identification number shall be preserved in the computer files of the Tax Commission for a period of not less than five (5) years.

SECTION 7. This act shall become effective November 1, 2004.

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