

STATE OF OKLAHOMA

1st Session of the 49th Legislature (2003)

HOUSE BILL HB1142:

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AS INTRODUCED

An Act relating to motor vehicles; authorizing Oklahoma Tax Commission to accept applications for motor vehicle registration by electronic means; specifying certain powers and duties of Tax Commission; amending 47 O.S. 2001, Sections 7-600, 7-600.1, 7-602, 1134.3 and 1144, which relate to compulsory liability insurance and the Oklahoma Vehicle License and Registration Act; modifying definition; allowing alternate method of certifying existence of security with respect to motor vehicles being registered electronically; requiring verification of certain information by Oklahoma Tax Commission; providing for deposit of certain fees to Tax Commission Reimbursement Fund; allowing Tax Commission to pay certain service charges from Oklahoma Tax Commission Reimbursement Fund; providing for codification; and providing an effective date.

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

SECTION 1. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1113.1 of Title 47, unless there is created a duplication in numbering, reads as follows:

The Oklahoma Tax Commission may accept applications for registration of motor vehicles submitted by electronic means. The Commission shall promulgate rules and procedures to implement the provisions of this section, which shall include, but not be limited to, procedures for provision and verification of information contained on security verification forms. The Commission shall not accept applications for registration of motor vehicles by electronic means if the application is required by law to be accompanied by any affidavit or physical inspection prior to registration. The Commission shall endeavor to make applications by electronic means available to as many people of this state as possible through use of

the Internet, electronic kiosks, telephone or such other methods as it may deem appropriate.

SECTION 2. AMENDATORY 47 O.S. 2001, Section 7-600, is amended to read as follows:

Section 7-600. As used in Section 7-600 et seq. of this title:

1. "Owner's policy". An owner's policy of liability insurance:

- a. shall designate by explicit description or by appropriate reference all vehicles with respect to which coverage is thereby to be granted,
- b. shall insure the person named therein and insure any other person, except as provided in subparagraph c of this paragraph, using an insured vehicle with the express or implied permission of the named insured, against loss from the liability imposed by law for damages arising out of the ownership, maintenance, operation or use of such vehicle,
- c. may provide for exclusions from coverage in accordance with existing laws, and
- d. shall be issued by an authorized carrier providing coverage in accordance with Section 7-204 of this title~~;~~;

2. "Operator's policy". An operator's policy of liability insurance shall insure the named person against loss from the liability imposed upon the named person by law for damages arising out of the operation or use by the named person of any motor vehicle not owned by the named person, subject to the same limits of liability required in an owner's policy~~;~~;

3. "Security". Security means:

- a. a policy or bond meeting the requirements of Section 7-204 of this title,

- b. a deposit of cash or securities having the equivalency of limits required under Section 7-204 of this title as acceptable limits for a policy or bond,
- c. self-insurance, pursuant to the provisions of Section 7-503 of this title, having the equivalency of limits required under Section 7-204 of this title as acceptable limits for a policy or bond, or
- d. for vehicles registered pursuant to the provisions of Section 1127 of this title, a policy or bond meeting or exceeding the requirements of Section 7-204 of this title; provided, the policy or bond may be issued by an insurance company or surety company authorized to do business in the state of residence or domicile of the member of the Armed Forces and the motor license agent or other registering agency shall accept the security verification form issued by such insurance company or surety company; and the Oklahoma Tax Commission may accept the information contained thereon provided electronically as provided in Section 7-602 of this title;

4. "Compulsory Insurance Law". Compulsory Insurance Law is the law requiring liability insurance in conjunction with the operation of a motor vehicle in this state as found in Section 7-600 et seq. of this title; and

5. "Security verification form". A security verification form is a form, approved by the Insurance Commissioner, verifying the existence of security required by the Compulsory Insurance Law of the State of Oklahoma.

SECTION 3. AMENDATORY 47 O.S. 2001, Section 7-601.1, is amended to read as follows:

Section 7-601.1 A. Every carrier, upon issuing an owner's policy, a renewal thereof, or a binder, shall supply a security

verification form in duplicate to an owner for each insured vehicle on a form approved by the Insurance Commissioner.

1. The owner's security verification form shall contain the following minimum information:

- a. the name and address of the carrier,
- b. the name and address of the agent or office where the existence of security may be verified, if other than the carrier,
- c. the name of the named insured,
- d. a notice that an owner's liability insurance policy has been issued pursuant to the Compulsory Insurance Law of this state,
- e. the year of manufacture, make and at least the last three (3) digits of the vehicle identification number of each insured motor vehicle,
- f. the inclusive dates the motor vehicle liability insurance is in effect, and
- g. a warning to the owner that state law:
  - (1) requires that a current copy of the owner's security verification form must be surrendered to the motor license agent or other registering agency upon application or renewal for registration of a motor vehicle license plate or that the information contained on the owner's security verification form must be provided electronically to the Oklahoma Tax Commission by the applicant upon application for registration of a motor vehicle,
  - (2) requires ~~the other~~ a copy of the owner's security verification form to be carried in the motor vehicle at all times, and produced by any driver of the vehicle upon request for inspection by any

peace officer or representative of the Department of Public Safety. In case of a collision, the security verification form shall be shown upon request of any person affected by the collision.

The security verification form shall not include the address of the named insured.

2. The owner's security verification form shall contain the following statement: "Examine policy exclusions carefully. This form does not constitute any part of your insurance policy."

3. When a carrier issues an owner's policy providing blanket liability coverage for a fleet of motor vehicles, the year of manufacture, make and at least the last three (3) digits of the vehicle identification number specified in subparagraph e of paragraph 1 of this subsection may be deleted. The security verification form shall bear the term "Fleet Coverage" and otherwise meet the provisions of Section 7-600 et seq. of this title.

4. In the event the effective dates within an owner's policy exceed one (1) year, the carrier shall furnish the owner a copy of the owner's security verification form at least annually in addition to the time of issuance or renewal in order for the owner to submit such copy or provide the information contained thereon electronically according to procedures promulgated by the Oklahoma Tax Commission for motor vehicle registration purposes.

5. In the event an owner's policy also provides liability coverage which meets the requirements of an operator's policy, the carrier may also issue to each person entitled thereto an operator's security verification form as provided in this section.

B. Every carrier, upon issuing an operator's policy, a renewal thereof, or a binder, may issue to the insured person a written operator's security verification form of a size which may conveniently be carried upon the person, containing the following minimum information:

1. The name and address of the carrier;
2. The name and address of the person or office where an inquiry may be made to verify the existence of security;
3. The name of the named insured;
4. A notice that in accordance with the Compulsory Insurance Law of this state, liability coverage has been issued for the named insured;
5. A statement reflecting the form may be carried in lieu of an owner's form pursuant to the Compulsory Insurance Law while operating a motor vehicle. Such form shall be produced upon request of any peace officer or representative of the Department of Public Safety. In case of a collision, the form shall be shown upon request of a person affected by a collision with a vehicle operated by the insured; and
6. The inclusive dates of liability coverage.

C. A carrier may provide any additional information consistent with the Compulsory Insurance Law of this state in an owner's or operator's security verification form, but shall not be required to list the actual amounts of liability coverage thereon. The security verification form shall not constitute nor be construed as any part of an insurance policy, renewal or binder.

SECTION 4. AMENDATORY 47 O.S. 2001, Section 7-602, is amended to read as follows:

Section 7-602. A. 1. The owner of a motor vehicle registered in this state shall carry in such vehicle at all times a current owner's security verification form listing the vehicle or an equivalent form which has been issued by the Department of Public Safety and shall produce such form upon request for inspection by any law enforcement officer or representative of the Department and, in case of a collision, the form shall be shown upon request to any person affected by the collision.

2. Every person registering a motor vehicle in this state, except a motor vehicle which is not being used upon the public highways or public streets, or a manufactured home while on a permanent foundation, at the time of registration of such vehicle, shall certify the existence of security with respect to such vehicle by:

- a. surrendering to a motor license agent or other registering agency a current owner's security verification form or an equivalent form issued by the Department. A motor license agent or other registering agency shall require the surrender of such form prior to processing an application for registration or renewal, or
- b. providing the information contained on the current owner's security verification form or equivalent form to the Oklahoma Tax Commission electronically according to procedures promulgated by the Oklahoma Tax Commission. The Commission shall be required to verify such information before the application for registration is accepted.

3. Fleet vehicles operating under the authority of the Corporation Commission, the Federal Highway Administration, or vehicles registered pursuant to the provisions of Section 1120 of this title, shall certify the existence of security with respect to such vehicle at the time of registration by submitting one of the following:

- a. a current owner's security verification form verifying the existence of security as required by Section 7-600 et seq. of this title, ~~or~~
- b. the information contained on the current owner's security verification form, provided electronically according to procedures promulgated by the Oklahoma

Tax Commission, subject to verification by the  
Commission, or

- c. a permit number verified by the Oklahoma Tax Commission indicating the existence of a current liability insurance policy. Provided, in the event the Tax Commission is unable to verify the existence of such insurance as provided herein in a prompt and timely fashion, the Tax Commission may accept a current single state registration form issued by the Corporation Commission or any other regulating entity with which the Corporation Commission has entered into a reciprocal compact or agreement regarding the regulation of motor vehicles engaged in interstate or foreign commerce upon and over the public highways.

4. The following shall not be required to carry an owner's or operator's security verification form or an equivalent form from the Department during operation of the vehicle and shall not be required to surrender such form for vehicle registration purposes:

- a. any vehicle owned or leased by the federal or state government, or any agency or political subdivision thereof,
- b. any vehicle bearing the name, symbol, or logo of a business, corporation or utility on the exterior and which is in compliance with the provisions of Sections 7-600 through 7-610 of this title according to records of the Department of Public Safety which reflect a deposit, bond, self-insurance, or fleet policy,
- c. fleet vehicles maintaining current vehicle liability insurance as required by the Corporation Commission or any other regulating entity,
- d. any licensed taxicab, and

e. any vehicle owned by a licensed used motor vehicle dealer.

5. Any person who knowingly issues or promulgates false or fraudulent information in connection with either an owner's or operator's security verification form or an equivalent form which has been issued by the Department or provides false information electronically to the Tax Commission shall be guilty of a misdemeanor and upon conviction shall be subject to a fine not exceeding Five Hundred Dollars (\$500.00), or imprisonment for not more than six (6) months, or by both such fine and imprisonment.

B. Each motor license agent is authorized to charge a fee of One Dollar and fifty cents (\$1.50) to each person to whom the agent issues a certificate of registration and who is required to surrender proof of financial responsibility pursuant to the provisions of Sections 7-600 through 7-609 of this title. The fee may be retained by the agent as compensation for services in processing the proof of financial responsibility and for processing the driver's license information, insurance verification information, and other additional information furnished to the agent pursuant to Section 1112 of this title, if such agent does not receive the maximum compensation as authorized by law. The Oklahoma Tax Commission may charge such fee for certificates of registration issued pursuant to applications submitted directly to the Commission. Such fee shall be retained by the Oklahoma Tax Commission and deposited to the Oklahoma Tax Commission Reimbursement Fund.

SECTION 5. AMENDATORY 47 O.S. 2001, Section 1134.3, is amended to read as follows:

Section 1134.3 A. Each operator of a wrecker or towing service licensed pursuant to Sections 951 through 957 of this title operating a wrecker, wrecker vehicle, combination wrecker, combination wrecker vehicle, or any other motor vehicle which:

1. Is required to be registered in this state pursuant to the Oklahoma Vehicle License and Registration Act except for any vehicle which is properly registered on a proportional basis pursuant to Section 1120 of this title; and

2. Is used primarily for towing other motor vehicles shall register such vehicle in accordance with this section.

B. The Oklahoma Tax Commission shall design an appropriate license plate for all wrecker vehicles registered pursuant to this section. Such license plates shall be permanent in nature and shall be designed in such manner as to remain with the vehicle for the duration of the vehicle's life span or until the title is transferred or the vehicle is no longer used for the purposes specified in Sections 951 through 957 of this title.

C. When registering the vehicle, a person shall be required to submit to the Oklahoma Tax Commission or a motor license agent a copy of the license issued pursuant to law to operate a wrecker or towing service. In addition, a security verification form as required pursuant to Sections 7-601.1 and 7-602 of this title shall be presented clearly setting forth on the face of such verification the vehicle identification number (VIN) of the vehicle being registered. The information contained on such documents may be provided electronically according to procedures promulgated by the Oklahoma Tax Commission, subject to verification by the Commission, for applications for registration of vehicles submitted electronically.

D. The owner of any wrecker or towing vehicle not properly registered pursuant to this section or the Oklahoma Vehicle License and Registration Act shall be immediately notified in writing by the Tax Commission, and such owner shall be subject to any penalties and fines imposed by law for improper registration of a vehicle, for failure to register a vehicle, or for failure to display a proper commercial license plate and decal. The owner shall also be subject

to revocation of the owner's license to operate a wrecker or towing service.

E. Whenever a term defined in Section 951 of this title is used in this section, it shall have the meaning provided in that section.

SECTION 6. AMENDATORY 47 O.S. 2001, Section 1144, is amended to read as follows:

Section 1144. A. Payments for any required registration fees, license plates or decals or excise taxes except as otherwise provided by law, may be made as follows:

1. By the applicant's personal or company check if presented within the period of time required for purchase or renewal of the registration and license plates or decals. At the time of presentment, the motor license agent may utilize a check verification system provided by the Tax Commission to confirm that there are sufficient funds to pay the check. Upon notification that there are insufficient funds, the agent shall refuse to accept the check or deliver the license plate or decal. If an agent fails to utilize the check verification system and the check is returned for nonpayment, the agent shall not receive any fees for the transaction. No motor license agent shall be required to accept any check from any person during any penalty period relating to that person's registration; or

2. By a nationally recognized credit card issued to the applicant. The Except for payments with respect to vehicles for which applications for registration are submitted electronically, the Oklahoma Tax Commission may add an amount equal to the amount of the service charge incurred, not to exceed four percent (4%) of the amount of such payment as a service charge for the acceptance of such credit card. For payments with respect to vehicles for which applications for registration are submitted electronically, the Oklahoma Tax Commission may pay such service charges from the Oklahoma Tax Commission Reimbursement Fund. For purposes of this

paragraph, "nationally recognized credit card" means any instrument or device, whether known as a credit card, credit plate, charge plate or by any other name, issued with or without fee by an issuer for the use of the cardholder in obtaining goods, services or anything else of value on credit which is accepted by over one thousand merchants in this state. The Oklahoma Tax Commission shall determine which nationally recognized credit cards will be accepted by the Commission or a motor license agent as payment for any required motor vehicle registration fees, license plates or decals or excise taxes. Provided, however, the Oklahoma Tax Commission must ensure that no loss of state revenue will occur by the use of such card.

B. Each motor license agent's office shall be open a minimum of forty (40) hours per week, of which four (4) such hours per week shall be in the evening hours or on Saturday, subject to the approval of the Commission, except during such weeks that contain a legal holiday prescribed by the statutes of this state. Provided that the Commission may authorize a motor license agent to stay open a lesser period of time if the Commission is satisfied that the public is being properly served. Provided further, that there shall be at least one motor license agent in each county open the hours designated in this section. All motor license agents shall post their hours in a conspicuous place for the public's information.

SECTION 7. This act shall become effective November 1, 2003.

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