

SB 1926

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THE STATE SENATE
Monday, February 20, 2006

Senate Bill No. 1926
As Amended

SENATE BILL NO. 1926 - By: CRUTCHFIELD of the Senate and CASE of the House.

[motor vehicles - modifying provisions - salvage and rebuilt vehicles - effective date]

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

SECTION 1. AMENDATORY 47 O.S. 2001, Section 1111, as amended by Section 2, Chapter 355, O.S.L. 2005 (47 O.S. Supp. 2005, Section 1111), is amended to read as follows:

Section 1111. A. As used in this section:

1. "Loss" means the cost, in dollars, to repair or replace a vehicle which has been damaged by collision or other occurrence. The amount paid by an insurer to a holder of the certificate of title for repair of a damaged vehicle shall be prima facie evidence of the amount of the loss. The amount paid by an insurer to a holder of the certificate of title for replacement of a damaged vehicle less the resale value of the damaged vehicle shall be prima facie evidence of the amount of the loss;

2. "Fair market value" means the value of a vehicle as listed in the current National Auto Dealers Association guidebook or other similar guidebook or the actual cash value, whichever is greater;

1 3. "Resale value" means the amount, in dollars, paid to the
2 holder of a certificate of title by a willing buyer for a vehicle
3 damaged by collision or other occurrence or recovered from theft;

4 4. "Total loss" means a loss which is equal to the fair market
5 value of the vehicle immediately prior to the damage to or theft of
6 the vehicle; and

7 5. "Vehicle" means a vehicle, as defined in paragraph 29 of
8 Section 1102 of this title, manufactured within the last seven (7)
9 model years.

10 B. Any insurance company that pays a total loss on a claim for
11 any vehicle including, but not limited to, a flood-damaged vehicle
12 or recovered-theft vehicle, any junk dealer who receives a motor
13 vehicle which is to be used for junk or for parts, or any other
14 person permanently dismantling or junking a vehicle shall receive
15 the certificate of title from the current holder of the certificate
16 of title, shall detach the license plate from the vehicle, and shall
17 return the license plate and the certificate of title to the
18 Oklahoma Tax Commission or a motor license agent within thirty (30)
19 days from receipt of the certificate. The Tax Commission shall
20 cancel the certificate of title to the vehicle used for junk or
21 parts and shall preserve the vehicle identification numbers on the
22 certificate of title in the computer files for at least five (5)
23 years. The Tax Commission shall transfer ownership of a stolen

1 vehicle, not recovered from theft at the time of transfer, by
2 salvage title to the insurer. The Tax Commission shall transfer
3 ownership of a vehicle damaged by flooding or other occurrence to
4 the insurer by an original title, salvage title, or junked title, as
5 may be appropriate, based upon an estimate of the amount of loss
6 submitted by the insurer. All license plates surrendered to the Tax
7 Commission shall be destroyed.

8 C. 1. ~~If an insurance company pays a claim for a loss~~ For any
9 vehicle which sustains a loss which is less than a total loss but
10 where the cost of repairing the vehicle ~~for safe operation on the~~
11 highway to pre-casualty condition exceeds sixty percent (60%) of the
12 fair market value of the vehicle prior to loss, ~~or if any vehicle~~
13 ~~not insured is damaged to the extent that the cost of repair for~~
14 ~~safe operation on the highway exceeds sixty percent (60%) of the~~
15 ~~fair market value of the vehicle,~~ any holder of the certificate of
16 title for the vehicle shall return the certificate of title to the
17 Tax Commission or a motor license agent within thirty (30) days from
18 receipt of payment for the loss.

19 2. Upon receipt of the certificate, the Tax Commission or motor
20 license agent shall issue a salvage title for the vehicle. The
21 title for any vehicle damaged by flooding shall be stamped with the
22 words "Flood Damaged", and for any such vehicle which was recovered
23 from a theft, the salvage title or rebuilt title shall be stamped

1 with the words "Recovered Theft". A licensed dealer subject to the
2 provisions of the Automotive Dismantlers and Parts Recycler Act,
3 Section 591.1 et seq. of this title, shall not be required to pay
4 registration fees, excise taxes, back taxes, or penalties on a
5 vehicle as a prerequisite to obtaining a salvage title.

6 3. If the actual documented cost of repairing the vehicle ~~for~~
7 ~~safe operation on the highway~~ to pre-casualty condition does not
8 exceed sixty percent (60%) of the fair market value of the vehicle
9 as defined in this section, the certificate of title shall be
10 reissued to the holder and the vehicle shall not be subject to
11 inspection as required under this section. The actual documented
12 cost of repairing the vehicle pursuant to this paragraph shall be
13 certified by the insurance company paying the loss.

14 D. If a motor vehicle with a salvage title is ~~placed in~~
15 ~~operative condition~~ repaired to pre-casualty condition, including
16 replacement of any supplemental restraint systems deployed,
17 application shall be made to the Tax Commission or a motor license
18 agent for a rebuilt title. A visual inspection of the vehicle and
19 examination of the vehicle identification numbers shall be conducted
20 prior to the issuance of a rebuilt title. At the time of issuance,
21 the salvage title shall be returned to the Tax Commission by the
22 owner, or by the motor license agent if the motor license agent
23 issues the rebuilt title. A visual inspection shall also be made of

1 any out-of-state vehicle to be registered and titled in this state
2 if the vehicle is within the class of vehicles for which a rebuilt
3 title is required and a similar inspection has not been conducted by
4 another state. The certificate of title for the rebuilt vehicle
5 shall be stamped with the words, "This Rebuilt Vehicle Has Been
6 Inspected By The Appropriate State Official".

7 E. 1. The visual inspections and examination of vehicle
8 identification numbers shall include, but not be limited to:

- 9 a. comparison of the vehicle identification numbers with
10 the number recorded on the ownership records,
- 11 b. inspection of the vehicle identification numbers and
12 the VIN plate to detect possible alteration or other
13 fraud,
- 14 c. interpretation of the vehicle identification number
15 recorded on the ownership documents to assure that it
16 accurately describes the motor vehicle in question,
17 and
- 18 d. inspection of the odometer of the vehicle to detect
19 rollback or alteration.

20 2. All vehicle damage shall be repaired before the examination
21 is conducted. The following paperwork shall be presented to the
22 motor license agent: the salvage title and original receipts for
23 all parts placed on the vehicle. Components such as doors, motor,

1 and transmission shall indicate the serial number or the vehicle
2 identification number (VIN) of the auto the part was purchased from
3 or removed from.

4 3. If the supplemental restraint systems were deployed and
5 replaced, the party rebuilding the vehicle shall sign a form
6 provided by the Tax Commission that the supplemental restraint
7 systems have been replaced and are operable. No subsequent
8 transferor of the vehicle shall be required to sign the form
9 required by this subparagraph.

10 F. The visual inspection and vehicle identification numbers
11 examination shall be performed by a motor license agent at the
12 location designated by the motor license agent. If the location of
13 the inspection is not the place of business of the rebuilder, the
14 motor license agent shall issue a permit authorizing the applicant
15 to operate the vehicle upon the public streets, roads, and highways
16 ~~in route~~ en route to and from the designated location for the
17 inspection. The inspection and examination shall be performed
18 within ten (10) working days after the owner of the vehicle requests
19 the inspection and examination. Requests shall be made by
20 completing the request form prescribed and provided by the Tax
21 Commission.

22 G. Inspection and examination of a rebuilt vehicle shall be
23 performed by a person employed by a motor license agent.

1 H. The fee for the examination by the motor license agent shall
2 be Twenty-five Dollars (\$25.00), which shall be paid at the time of
3 issuance of the certificate of title for the rebuilt vehicle. The
4 motor license agent shall retain Five Dollars (\$5.00) and shall
5 remit Twenty Dollars (\$20.00) to the Tax Commission which shall
6 retain Ten Dollars (\$10.00) and transmit Ten Dollars (\$10.00) to the
7 State Treasurer for deposit in the Department of Public Safety
8 Revolving Fund. The motor license agent and its employees and
9 agents may not be sued for and shall not be liable for any damages
10 allegedly arising out of the inspection of a vehicle or any acts or
11 omissions in the performance of the inspection. The motor license
12 agent may be held liable for any damages to the vehicle caused by
13 the negligent acts or omissions in the performance of the
14 inspection. Any person may be liable for any damages to a vehicle
15 caused by the intentional acts or omissions in the performance of
16 the inspection.

17 I. The rebuilt title and any subsequent transfers of such title
18 shall also reflect that the vehicle was a salvage vehicle, flood-
19 damaged vehicle or recovered-theft vehicle, if applicable, and also
20 shall include the salvage date.

21 J. Any title for a motor vehicle issued pursuant to the laws of
22 any other state which reflects that such vehicle is a salvage
23 vehicle, a rebuilt vehicle or a junked vehicle or has any other

1 brand or classification notation by that state shall be retained on
2 the new title issued by the Tax Commission unless the actual
3 documented cost of repairing the vehicle for safe operation on the
4 highway does not exceed sixty percent (60%) of the fair market value
5 of the vehicle as provided by this section.

6 K. When the insurance company pays a loss on a vehicle which is
7 registered at the time of mishap, accident, burning, or flooding,
8 the appropriate certificate of title shall be issued without the
9 payment of additional registration fees or excise taxes, upon the
10 submission of a police report or insurance adjuster's report and a
11 declaration by the insurer that the vehicle is held for sale to a
12 dealer. If the owner of the vehicle or other insured retains
13 ownership of the damaged vehicle, the Tax Commission shall notify
14 the owner or insured of the requirements of this section.

15 L. Any insurance company that pays a claim for a loss where the
16 cost of repairing the vehicle ~~for safe operation on the highway to~~
17 pre-casualty condition exceeds sixty percent (60%) of the market
18 value of the vehicle or pays a claim for a flood-damaged vehicle as
19 defined in Section 1105 of this title shall notify, in writing, the
20 holder of the certificate of title of the requirements of this
21 section and shall notify the Tax Commission of the payment of such
22 claim. The notice shall include the estimated total damage
23 percentage determination of the actual cash value made by the

1 insurance company to repair the vehicle ~~for safe operation on the~~
2 highway to pre-casualty condition. The insurance company shall also
3 send a copy of the notification to the holder of the title. The Tax
4 Commission shall provide notice to the owner of the vehicle in
5 writing requiring the owner to surrender the title along with the
6 fee to the Tax Commission or one of its motor license agents within
7 thirty (30) days from the receipt of notice for the issuance of the
8 appropriate title based on the amount of loss. The Tax Commission
9 shall reissue the appropriate title with the words "Flood Damaged"
10 on the face of the title in the case of a flood-damaged vehicle;
11 provided, no insurance company shall pay a claim for less than the
12 amount to which the holder of the certificate of title is rightfully
13 entitled in order to avoid compliance with this section.

14 M. Except as provided for in subsection N of this section, any
15 person, firm, corporation, or other legal entity convicted of
16 violating any provision of this section shall be guilty of a
17 misdemeanor and shall be punished by a fine of not less than Three
18 Hundred Dollars (\$300.00) or by incarceration in the county jail for
19 not more than six (6) months, or by both the fine and incarceration.

20 N. Any owner of a titled vehicle who has knowledge that the
21 title is not the proper type for the vehicle and, with intent to
22 misrepresent the vehicle, fails to make the appropriate title
23 changes, shall be guilty of a misdemeanor. Any person who has

1 knowledge that the title is not the proper type for the vehicle, and
2 with intent to misrepresent the vehicle, buys or receives any
3 vehicle for which the appropriate title changes have not been made
4 as required by this act shall be guilty of a misdemeanor. Any
5 person found guilty in accordance with the provisions of this
6 subsection shall be punished by a fine of not more than One Thousand
7 Dollars (\$1,000.00) for the first offense or Five Thousand Dollars
8 (\$5,000.00) for the second or subsequent offense, or by imprisonment
9 in the county jail for a term not exceeding six (6) months, or by
10 both such fine and imprisonment.

11 O. Any owner of a salvage or junked vehicle shall submit the
12 certificate of title to the Tax Commission or motor license agent
13 for issuance of an appropriate title. Any holder of a certificate
14 of title issued by this state, to a vehicle which no longer exists,
15 shall surrender the certificate of title to the Tax Commission for
16 cancellation. The vehicle identification number on the canceled
17 certificate of title shall be preserved in the computer of the Tax
18 Commission for at least five (5) years.

19 Nothing in this section shall be construed to prevent the
20 transfer of ownership of a vehicle by assignment of the title to a
21 used car dealer, wholesale used car dealer, or a licensed automotive
22 dismantler or parts recycler.

23 SECTION 2. This act shall become effective November 1, 2006.

1 COMMITTEE REPORT BY: COMMITTEE ON JUDICIARY, dated 2-14-06 - DO
2 PASS, As Amended and Coauthored.