

SB 461

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24

THE STATE SENATE
Monday, February 21, 2005

Senate Bill No. 461

As Amended

SENATE BILL NO. 461 - By: CRUTCHFIELD of the Senate and TURNER of the House.

[motor vehicles - certificates of title - modifying requirements - effective date]

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

SECTION 1. AMENDATORY 47 O.S. 2001, Section 591.8, is amended to read as follows:

Section 591.8 A. An automotive dismantler and parts recycler, duly licensed by this act, shall have the authority to transfer the certificate of title to a motor vehicle as a dealer. Prior to the sale of any motor vehicles at salvage pools or salvage disposal sales, a salvage title or junked title shall be issued for any salvage or junked vehicle as defined in Section 1105 of this title.

B. Any and all certificates of title, whether original, salvage, rebuilt, or junked titles, salvage certificates, other certificates of ownership, or ownership records, as approved by the Oklahoma Tax Commission, to vehicles owned by a licensed automotive dismantler and parts recycler, which vehicles have been dismantled, destroyed, or otherwise processed so that the vehicles are no longer capable of being used as motor vehicles, shall be inspected by

1 properly identified employees or agents of the Oklahoma Used Motor
2 Vehicle and Parts Commission, at least annually, at the place of
3 business of the licensed automotive dismantler and parts recycler.
4 Upon verification that the vehicle is no longer capable of being
5 used as a motor vehicle, the employee or agent of the Commission
6 shall remove the license plate and the certificate of title, salvage
7 certificate, other certificate of ownership or ownership record from
8 the licensed automotive dismantler and parts recycler. The
9 Commission shall destroy the license plate and deliver the
10 certificates and ownership records to the Oklahoma Tax Commission.

11 C. Each licensed automotive dismantler and parts recycler that
12 dismantles, destroys, or otherwise processes vehicles so that the
13 vehicles are no longer capable of being used as motor vehicles, each
14 month, shall report the vehicle identification numbers of the
15 vehicles to the Oklahoma Tax Commission, upon forms prescribed by
16 the Oklahoma Tax Commission. The report shall include any vehicle
17 which is a hull, junked, abandoned or not a complete,
18 self-propelling vehicle, if there is a vehicle identification number
19 for the incomplete vehicle. The Oklahoma Tax Commission shall
20 cancel said certificates of title. The vehicle identification
21 numbers on the certificates of titles, salvage titles, other
22 certificates of ownership or ownership records to motor vehicles no
23 longer capable of being used as motor vehicles shall be preserved in

1 the computer files of the Oklahoma Tax Commission for at least five
2 (5) years from the date the certificates of title are delivered by
3 the Commission to the Oklahoma Tax Commission.

4 D. Each vehicle or incomplete vehicle required to be reported
5 to the Oklahoma Tax Commission by this section shall be reported on
6 or before the fifteenth day of the next succeeding month after the
7 month in which the vehicle or incomplete vehicle was received by the
8 licensed automotive dismantler and parts recycler. Each vehicle or
9 incomplete vehicle, which is incapable of operation or use on the
10 public roads or has no resale value except as a source of parts,
11 scrap or junk or has ~~an eighty percent (80%)~~ a seventy percent (70%)
12 loss in fair market value, possessed by a licensed automotive
13 dismantler and parts recycler on the effective date of this act
14 shall be reported to the Oklahoma Tax Commission within ninety (90)
15 days. The vehicle identification numbers on all reported vehicles
16 shall be preserved in the computer of the Oklahoma Tax Commission
17 for at least five (5) years, even if the ownership records may have
18 been previously destroyed or surrendered to the Oklahoma Tax
19 Commission.

20 E. If the vehicle identification number for a vehicle, which is
21 incapable of operation or use on the public roads and has no resale
22 value except as a source of parts, scrap or junk or has ~~an eighty~~
23 ~~percent (80%)~~ a seventy percent (70%) loss in fair market value, is

1 not reported to the Oklahoma Tax Commission, the licensed automotive
2 dismantler and parts recycler shall be required to obtain a junked
3 title for said vehicle. An Oklahoma licensed automotive dismantler
4 and parts recycler shall not be required to obtain a junked title
5 for a junked vehicle or any other vehicle which is dismantled,
6 destroyed or otherwise processed so that the vehicle is no longer
7 capable of being operated or used on the public roads, if the
8 vehicle is reported to the Oklahoma Tax Commission.

9 SECTION 2. AMENDATORY 47 O.S. 2001, Section 1105, as
10 last amended by Section 30, Chapter 519, O.S.L. 2004 (47 O.S. Supp.
11 2004, Section 1105), is amended to read as follows:

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

14 1. "Salvage vehicle" means any vehicle which is within the last
15 ten (10) model years and which has been damaged by collision or
16 other occurrence to the extent that the cost of repairing the
17 vehicle for safe operation on the highway exceeds sixty percent
18 (60%) of its fair market value, as defined by Section 1111 of this
19 title, immediately prior to the damage. For purposes of this
20 section, actual repair costs shall only include labor and parts for
21 actual damage to the suspension, motor, transmission, frame or
22 unibody and designated structural components;

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

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

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

9 5. "Junked vehicle" means any vehicle which is incapable of
10 operation or use on the highway, has no resale value except as a
11 source of parts or scrap and has ~~an eighty percent (80%)~~ a seventy
12 percent (70%) loss in fair market value.

13 B. The owner of every vehicle in this state shall possess a
14 certificate of title as proof of ownership of such vehicle, except
15 those vehicles registered pursuant to Section 1120 of this title and
16 trailers registered pursuant to Section 1133 of this title,
17 previously titled in another state and engaged in interstate
18 commerce, and except as provided in subsection M of this section.
19 There shall be six types of certificates of title:

20 1. Original title for any motor vehicle which is not a
21 remanufactured, salvage, rebuilt or junked vehicle;

1 2. Salvage title for any motor vehicle which is a salvage
2 vehicle or is specified as a salvage vehicle or the equivalent
3 thereof on a certificate of title from another state;

4 3. Rebuilt title for any motor vehicle which is a rebuilt
5 vehicle;

6 4. Junked title for any motor vehicle which is a junked vehicle
7 or is specified as a junked vehicle or the equivalent thereof on a
8 certificate of title from another state;

9 5. Classic title for any motor vehicle, except a junked
10 vehicle, which is twenty-five (25) model years or older; and

11 6. Remanufactured title for any vehicle which is a
12 remanufactured vehicle.

13 Application for a certificate of title, whether the initial
14 certificate of title or a duplicate, may be made to the Oklahoma Tax
15 Commission or any motor license agent. When application is made
16 with a motor license agent, the application information shall be
17 transmitted either electronically or by mail to the Tax Commission
18 by the motor license agent. If the application information is
19 transmitted electronically, the motor license agent shall forward
20 the required application along with evidence of ownership, where
21 required, by mail. Where the transmission of application
22 information cannot be performed electronically, the Tax Commission
23 is authorized to provide postage paid envelopes to motor license

1 agents for the purpose of mailing the application along with
2 evidence of ownership, where required. The Tax Commission shall
3 upon receipt of proper application information issue an Oklahoma
4 certificate of title. The certificates may be mailed to the
5 applicant. Upon issuance of a certificate of title, the Tax
6 Commission shall provide the appropriate motor license agent with
7 confirmation of such issuance.

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

- 10 a. a full description of the vehicle,
- 11 b. the manufacturer's serial or other identification
12 number,
- 13 c. the motor number and the date on which first sold by
14 the manufacturer or dealer to the owner,
- 15 d. any distinguishing marks,
- 16 e. a statement of the applicant's source of title,
- 17 f. any security interest upon the vehicle, and
- 18 g. such other information as the Commission may require.

19 2. The application for a certificate of title for a vehicle
20 which is within the last seven (7) model years shall require a
21 declaration as to whether the vehicle has been damaged by collision
22 or other occurrence and whether the vehicle has been recovered from

1 theft and the extent of the damage to the vehicle. The declaration
2 shall be made by the owner of a vehicle if:

- 3 a. the vehicle has been damaged or stolen,
- 4 b. the owner did or did not receive any payment for the
5 loss from an insurer, or
- 6 c. the vehicle is titled or registered in a state that
7 does not classify the vehicle or brand the title
8 because of damage to or loss of the vehicle similar to
9 the classifications or brands utilized by this state.

10 The declaration shall be based upon the best information and
11 knowledge of the owner and shall be in addition to the requirements
12 specified in paragraph 1 of this subsection. The Tax Commission
13 shall not issue a certificate of title for a vehicle which is
14 subject to the provisions of this paragraph without the required
15 declaration, completed and signed by the owner of the vehicle. Upon
16 receipt of an application without the properly completed
17 declaration, the Tax Commission shall return the application to the
18 applicant with notice that the title may not be issued without the
19 required declaration. Nothing in this paragraph shall prohibit the
20 Tax Commission from recognizing the type of or brand on a title or
21 other ownership document issued by another state or the inspection
22 conducted in another state and issuing the appropriate certificate
23 of title for the vehicle.

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

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

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

13 5. The certificate of title shall be of such size and design
14 and color as the Tax Commission may direct pursuant to the
15 provisions of this section. The title shall be on colored paper or
16 other material as designated by the Tax Commission and be of such
17 intensity or hue as will allow easy identification as to whether the
18 title is an original title, a salvage title, a rebuilt title,
19 remanufactured title, or a junked title. The type of title shall be
20 identified on the front of the certificate of title. The original
21 title, rebuilt title, remanufactured title, or classic title shall
22 be identified by the word "Original", "Rebuilt", "Remanufactured" or

1 "Classic" printed in the upper right quadrant of the certificate of
2 title, in the space which is currently captioned "type of title".

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

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

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

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

7 E. In the absence of a dealer's or manufacturer's number, the
8 Tax Commission may assign such identifying number to the vehicle,
9 which shall be permanently stamped, burned or pressed or attached
10 into the vehicle, and a certificate of title shall be delivered to
11 the applicant upon payment of all fees and taxes, and the remaining
12 copies shall be permanently filed and indexed by the Tax Commission.
13 The Tax Commission shall assign an identifying number to any rebuilt
14 vehicle if the vehicle identification number displayed on the
15 rebuilt vehicle does not accurately describe the vehicle as rebuilt.
16 The motor license agent, at the time of inspection of the rebuilt
17 vehicle pursuant to Section 1111 of this title, shall identify the
18 make, model, and year for the body to accurately describe the
19 rebuilt vehicle. At the time of the inspection, an appropriate
20 identifying number shall be permanently stamped, burned, pressed, or
21 attached on the rebuilt vehicle. The assigned identifying number
22 shall be recorded on the certificate of title for the rebuilt
23 vehicle. The dealer's or manufacturer's vehicle identification

1 number on the rebuilt vehicle shall be preserved in the computer
2 files of the Tax Commission for at least five (5) years.

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

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

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

18 The Tax Commission shall not issue a certificate of title for a
19 vehicle which is subject to the provisions of this paragraph without
20 the required documentation from agencies of the United States and
21 evidence of ownership. Upon receipt of an application without the
22 required documentation, the Tax Commission shall return the
23 application to the applicant with notice that the certificate of

1 title may not be issued without the required documentation. Nothing
2 in this paragraph shall prohibit the Tax Commission from issuing
3 certificates of title for antique or classic vehicles not driven
4 upon the public streets, roads, or highways.

5 G. When registering in this state a vehicle which was titled in
6 another state and which title contains the name of a secured party
7 on the face of the other state certificate of title, or such state
8 certificate is being held by the secured party in that state or any
9 other state, the Tax Commission or the motor license agent shall
10 complete a lien entry form as prescribed by the Tax Commission. The
11 owner of such vehicle shall file an affidavit with the Tax
12 Commission or the motor license agent stating that title to the
13 vehicle is being held by a secured party has not been issued
14 pursuant to the laws of the state where titled, and that there is an
15 existing lien or encumbrance on the vehicle. The current name and
16 address of the secured party or lienholder shall also be stated in
17 the affidavit. The form of the affidavit shall be prescribed by the
18 Tax Commission and contain any other information deemed necessary by
19 the Tax Commission. A statement of the lien or encumbrance shall be
20 included on the Oklahoma certificate of title and the lien or
21 encumbrance shall be deemed continuously perfected as though it had
22 been perfected pursuant to Section 1110 of this title. For
23 completing the lien entry form and recording the security interest

1 on the certificate of title, the Tax Commission or the motor license
2 agent shall collect a fee of Three Dollars (\$3.00) which shall be in
3 addition to other fees provided by the Oklahoma Vehicle License and
4 Registration Act. The fee, if collected by the motor license agent
5 pursuant to this subsection, shall be retained by the motor license
6 agent.

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

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

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

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

11 L. No title for an out-of-state vehicle, except any commercial
12 truck or truck-tractor registered pursuant to Section 1120 of this
13 title which is engaged in interstate commerce or any trailer or
14 semitrailer registered pursuant to Section 1133 of this title which
15 is engaged in interstate commerce, shall be issued without an
16 inspection of such vehicle and payment of a fee of Four Dollars
17 (\$4.00) for such inspection; provided, the Tax Commission may enter
18 into reciprocal agreements with other states for such inspections to
19 be performed at locations outside the boundaries of this state for
20 vehicles which:

21 1. Are offered for sale at auction;

1 2. Have been solely used as vehicles for rent under the
2 ownership of a licensed motor vehicle dealer or a person engaged in
3 the business of renting motor vehicles; or

4 3. Have not been registered in this or any other state for more
5 than one (1) year.

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

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

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

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

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

19 The inspection shall be certified upon forms prescribed by the Tax
20 Commission. The name and other identification of the authorized
21 person conducting the inspection shall be legibly printed or typed
22 on the form. Prior to any inspection by any employee of a motor
23 license agent, the motor license agent shall notify the Tax

1 Commission of the name and any other identification information
2 requested by the Tax Commission of the authorized person. A
3 signature specimen of the authorized person shall be submitted to
4 the Tax Commission by the employing motor license agent. If the
5 authorization to inspect vehicles is withdrawn or the employer-
6 employee relationship is terminated, the motor license agent,
7 immediately, shall notify the Tax Commission and return any
8 remaining inspection forms to the Tax Commission. The fee for the
9 inspection shall be Four Dollars (\$4.00). The motor license agent
10 shall retain Three Dollars (\$3.00) of the fee. Fees received by a
11 motor license agent or an authorized employee thereof shall be
12 handled and accounted for in the manner as prescribed by law for any
13 other fees paid to or received by a motor license agent. Out-of-
14 state vehicles brought into this state by a person licensed in
15 another state to sell new or used vehicles to be sold within this
16 state at a motor vehicle auction which is limited to dealer to
17 dealer transactions shall not be required to be inspected, unless
18 the vehicle is purchased by an Oklahoma dealer. Any person licensed
19 in another state to sell new or used motor vehicles, who offers a
20 motor vehicle for sale within this state at a motor vehicle auction
21 which is limited to dealer to dealer transactions, shall not be
22 within the definition of "owner" in Section 1102 of this title, for
23 purposes of Section 1101 et seq. of this title.

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

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

1 title, as may be appropriate based upon an estimate of the amount of
2 loss submitted by the insurer.

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

20 Q. The owner of a vehicle which is not within the last ten (10)
21 model years, not roadworthy and not capable of repair for operation
22 or use on the roads and highways shall transfer the vehicle only
23 upon a certificate of ownership prescribed by the Tax Commission, if

1 the certificate of title to the vehicle is lost, has been canceled,
2 or otherwise not available. The prescribed ownership form shall
3 include the names and addresses of the buyer and seller, the driver
4 license number or social security number of the seller, the make and
5 model of the vehicle, and the public vehicle identification number.
6 If there is no public vehicle identification number, the vehicle
7 shall be inspected by a law enforcement officer to verify the
8 absence of the number on the vehicle and the prescribed ownership
9 form shall include a signed statement, by such officer, verifying
10 the absence of the number.

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

18 Upon receipt of the certificate, the Tax Commission shall verify
19 that any perfected lien upon the vehicle has been released. If the
20 lien is not released, the Tax Commission shall mail notice of the
21 transfer to the lienholder at the lienholder's last-known address.
22 If a certificate of title has been issued, it shall be canceled and
23 the vehicle identification number shall be preserved in the computer

1 of the Tax Commission for at least five (5) years. The buyer of the
2 vehicle may not be sued and shall not be liable for monetary damages
3 to the lienholder, however, the vehicle shall be subject to a valid
4 repossession by a lienholder.

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

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

15 T. If a vehicle is sold to a foreign buyer pursuant to the
16 provisions of the Automotive Dismantlers and Parts Recycler Act, the
17 licensed seller shall stamp the title with: "EXPORT ONLY.
18 NONTRANSFERABLE IN THE UNITED STATES." The licensed seller shall
19 supply the Tax Commission the title number, the vehicle
20 identification number and the foreign buyer's bid identification
21 number on a form prescribed by the Commission. The Commission shall
22 cancel the title, and the vehicle identification number shall be

1 preserved in the computer files of the Tax Commission for a period
2 of not less than five (5) years.

3 SECTION 3. AMENDATORY 47 O.S. 2001, Section 1111, is
4 amended to read as follows:

5 Section 1111. A. As used in this section:

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

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

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

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

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

4 B. Any insurance company that pays a total loss on a claim for
5 any vehicle including, but not limited to, a flood-damaged vehicle
6 or recovered-theft vehicle, any junk dealer who receives a motor
7 vehicle which is to be used for junk or for parts, or any other
8 person permanently dismantling or junking a vehicle shall receive
9 the certificate of title from the current holder of the certificate
10 of title, shall detach the license plate from the vehicle, and shall
11 ~~return~~ provide the license plate ~~and the~~, certificate of title, and
12 if an insurance company has paid a total loss on a claim for such
13 vehicle, a copy of a damage report prepared by an adjuster on the
14 insurance company's behalf which includes the actual cash value of
15 the vehicle, to the Oklahoma Tax Commission or a motor license agent
16 within thirty (30) days from receipt of the certificate. The Tax
17 Commission shall cancel the certificate of title to the vehicle used
18 for junk or parts and shall preserve the vehicle identification
19 numbers on the certificate of title in the computer files for at
20 least five (5) years. The Tax Commission shall transfer ownership
21 of a stolen vehicle, not recovered from theft at the time of
22 transfer, by salvage title to the insurer. The Tax Commission shall
23 transfer ownership of a vehicle damaged by flooding or other

1 occurrence to the insurer by an original title, salvage title, or
2 junked title, as may be appropriate, based upon an estimate of the
3 amount of loss submitted by the insurer. All license plates
4 surrendered to the Tax Commission shall be destroyed.

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

15 2. Upon receipt of the certificate, the Tax Commission or motor
16 license agent shall issue a salvage title for the vehicle. The
17 title for any vehicle damaged by flooding shall be stamped with the
18 words "Flood Damaged", and for any such vehicle which was recovered
19 from a theft, the salvage title or rebuilt title shall be stamped
20 with the words "Recovered Theft". A licensed dealer subject to the
21 provisions of the Automotive Dismantlers and Parts Recycler Act,
22 Section 591.1 et seq. of this title, shall not be required to pay

1 registration fees, excise taxes, back taxes, or penalties on a
2 vehicle as a prerequisite to obtaining a salvage title.

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

11 D. If a motor vehicle with a salvage title is placed in
12 operative condition, application shall be made to the Tax Commission
13 or a motor license agent for a rebuilt title. A visual inspection
14 of the vehicle and examination of the vehicle identification numbers
15 shall be conducted prior to the issuance of a rebuilt title. At the
16 time of issuance, the salvage title shall be returned to the Tax
17 Commission by the owner, or by the motor license agent if the motor
18 license agent issues the rebuilt title. A visual inspection shall
19 also be made of any out-of-state vehicle to be registered and titled
20 in this state if the vehicle is within the class of vehicles for
21 which a rebuilt title is required and a similar inspection has not
22 been conducted by another state. The certificate of title for the

1 rebuilt vehicle shall be stamped with the words, "This Rebuilt
2 Vehicle Has Been Inspected By The Appropriate State Official".

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

5 a. comparison of the vehicle identification numbers with
6 the number recorded on the ownership records,

7 b. inspection of the vehicle identification numbers and
8 the VIN plate to detect possible alteration or other
9 fraud,

10 c. interpretation of the vehicle identification number
11 recorded on the ownership documents to assure that it
12 accurately describes the motor vehicle in question,
13 and

14 d. inspection of the odometer of the vehicle to detect
15 rollback or alteration.

16 2. All vehicle damage shall be repaired before the examination
17 is conducted. The following paperwork shall be presented to the
18 motor license agent: the salvage title and original receipts for
19 all parts placed on the vehicle. Components such as doors, motor,
20 and transmission shall indicate the serial number or the vehicle
21 identification number (VIN) of the auto the part was purchased from
22 or removed from.

1 F. The visual inspection and vehicle identification numbers
2 examination shall be performed by a motor license agent at the
3 location designated by the motor license agent. If the location of
4 the inspection is not the place of business of the rebuilder, the
5 motor license agent shall issue a permit authorizing the applicant
6 to operate the vehicle upon the public streets, roads, and highways
7 in route to and from the designated location for the inspection.
8 The inspection and examination shall be performed within ten (10)
9 working days after the owner of the vehicle requests the inspection
10 and examination. Requests shall be made by completing the request
11 form prescribed and provided by the Oklahoma Tax Commission.

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

14 H. The fee for the examination by the motor license agent shall
15 be Twenty-five Dollars (\$25.00), which shall be paid at the time of
16 issuance of the certificate of title for the rebuilt vehicle. The
17 motor license agent shall retain Five Dollars (\$5.00) and shall
18 remit Twenty Dollars (\$20.00) to the Oklahoma Tax Commission which
19 shall retain Ten Dollars (\$10.00) and transmit Ten Dollars (\$10.00)
20 to the State Treasurer for deposit in the Department of Public
21 Safety Revolving Fund. The motor license agent and its employees
22 and agents may not be sued for and shall not be liable for any
23 damages allegedly arising out of the inspection of a vehicle or any

1 acts or omissions in the performance of the inspection. The motor
2 license agent may be held liable for any damages to the vehicle
3 caused by the negligent acts or omissions in the performance of the
4 inspection. Any person may be liable for any damages to a vehicle
5 caused by the intentional acts or omissions in the performance of
6 the inspection.

7 I. The rebuilt title and any subsequent transfers of such title
8 shall also reflect that the vehicle was a salvage vehicle, flood-
9 damaged vehicle or recovered-theft vehicle, if applicable, and also
10 shall include the salvage date.

11 J. Any title for a motor vehicle issued pursuant to the laws of
12 any other state which reflects that such vehicle is a salvage
13 vehicle, a rebuilt vehicle or a junked vehicle or has any other
14 brand or classification notation by that state shall be retained on
15 the new title issued by the Oklahoma Tax Commission unless the
16 actual documented cost of repairing the vehicle for safe operation
17 on the highway does not exceed sixty percent (60%) of the fair
18 market value of the vehicle as provided by this section.

19 K. When the insurance company pays a loss on a vehicle which is
20 registered at the time of mishap, accident, burning, or flooding,
21 the appropriate certificate of title shall be issued without the
22 payment of additional registration fees or excise taxes, upon the
23 submission of a police report or insurance adjuster's report and a

1 declaration by the insurer that the vehicle is held for sale to a
2 dealer. If the owner of the vehicle or other insured retains
3 ownership of the damaged vehicle, the Oklahoma Tax Commission shall
4 notify the owner or insured of the requirements of this section.

5 L. Any insurance company that pays a claim for a loss where the
6 cost of repairing the vehicle for safe operation on the highway
7 exceeds sixty percent (60%) of the market value of the vehicle or
8 pays a claim for a flood-damaged vehicle as defined in Section 1105
9 of this title shall notify, in writing, the holder of the
10 certificate of title of the requirements of this section and shall
11 notify the Oklahoma Tax Commission of the payment of such claim.
12 The insurance company shall also send a copy of the notification to
13 the holder of the title. The Oklahoma Tax Commission shall provide
14 notice to the owner of the vehicle in writing requiring the owner to
15 surrender the title along with the fee to the Tax Commission or one
16 of its motor license agents within thirty (30) days from the receipt
17 of notice for the issuance of the appropriate title based on the
18 amount of loss. The Tax Commission shall reissue the appropriate
19 title with the words "Flood Damaged" on the face of the title in the
20 case of a flood-damaged vehicle; provided, no insurance company
21 shall pay a claim for less than the amount to which the holder of
22 the certificate of title is rightfully entitled in order to avoid
23 compliance with this section.

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

7 N. Any owner of a titled vehicle who has knowledge that the
8 title is not the proper type for the vehicle and, with intent to
9 misrepresent the vehicle, fails to make the appropriate title
10 changes, shall be guilty of a misdemeanor. Any person who has
11 knowledge that the title is not the proper type for the vehicle, and
12 with intent to misrepresent the vehicle, buys or receives any
13 vehicle for which the appropriate title changes have not been made
14 as required by this act shall be guilty of a misdemeanor. Any
15 person found guilty in accordance with the provisions of this
16 subsection shall be punished by a fine of not more than One Thousand
17 Dollars (\$1,000.00) for the first offense or Five Thousand Dollars
18 (\$5,000.00) for the second or subsequent offense, or by imprisonment
19 in the county jail for a term not exceeding six (6) months, or by
20 both such fine and imprisonment.

21 O. Any owner of a salvage or junked vehicle shall submit the
22 certificate of title to the Oklahoma Tax Commission or motor license
23 agent for issuance of an appropriate title. Any holder of a

1 certificate of title issued by this state, to a vehicle which no
2 longer exists, shall surrender the certificate of title to the
3 Oklahoma Tax Commission for cancellation. The vehicle
4 identification number on the canceled certificate of title shall be
5 preserved in the computer of the Oklahoma Tax Commission for at
6 least five (5) years.

7 P. When any salvage or junked vehicle is purchased and such
8 vehicle was covered under an insurance policy, the insurance company
9 for which an adjuster prepared a damage report on the vehicle shall
10 provide a copy of the damage report to the buyer.

11 Q. The Oklahoma Used Motor Vehicle and Parts Commission is
12 hereby authorized to impose a fine of up to Five Hundred Dollars
13 (\$500.00) against any insurance company failing to provide a damage
14 report pursuant to the requirements of subsections B and P of this
15 section.

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

20 SECTION 4. This act shall become effective November 1, 2005.

21 COMMITTEE REPORT BY: COMMITTEE ON FINANCE, dated 2-15-05 - DO PASS,
22 As Amended and Coauthored.