

THE HOUSE OF REPRESENTATIVES
Monday, March 5, 2007

Committee Substitute for
House Bill No. 2173

COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 2173 - By: DUNCAN of the House and COFFEE of the Senate.

An Act relating to motor vehicles; creating the Uniform Certificate of Title Act; providing short title; defining terms; providing for supplemental principles of law and equity; providing for the law governing a vehicle covered by certificate of title or certificate of origin; requiring certain information to be kept on file; providing for certificate of origin; providing for cancellation and replacement of certificate of origin; providing for application for certificate of title; providing for creation and cancellation of certificate of title; providing required contents of certificate of title; providing effect of possession of certificate of title or certificate of origin; providing for certain information that may be kept on file; providing for a bond in certain circumstances; providing for maintenance of and access to files; providing procedure for delivery of certificate of title; providing for certificate of title upon transfer of ownership of vehicle; providing for notice of transfer without application for certificate of title; providing for rights of certain purchasers and lessees; providing for ownership rights of other transferees; providing effect of omission or incorrect information in certificate of title; providing effect of transfer by secured party's transfer statement; providing for transfer by operation of law; providing procedure for application for transfer of ownership or termination of security interest statement without certificate of title or certificate of origin; providing procedure for replacement of certificate of title; providing effect of security interest statement; providing procedure for perfection of security interest; providing procedure for filing termination statement; providing for duties and operation of filing office; providing for uniformity of application and construction; providing relation to certain federal act; providing savings clause; amending 47 O.S. 2001, Sections 1105, as last amended by Section 3, Chapter 295, O.S.L. 2006 and 1110, as last amended by Section 1, Chapter 85, O.S.L. 2004 (47 O.S. Supp. 2006, Sections 1105 and 1110), which relate to the Oklahoma Vehicle License and Registration Act; modifying procedures to conform with the Uniform Certificate of Title Act; repealing 47 O.S. 2001,

Sections 1106, as last amended by Section 7, Chapter 238, O.S.L. 2006, 1107, as amended by Section 5, Chapter 381, O.S.L. 2005 and Section 6, Chapter 381, O.S.L. 2005 (47 O.S. Supp. 2006, Sections 1106, 1107 and 1107.4), which relate to the Oklahoma Vehicle License and Registration Act; providing for codification; and providing an effective date.

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

1 SECTION 1. NEW LAW A new section of law to be codified in the Oklahoma
2 Statutes as Section 1111.1 of Title 47, unless there is created a duplication in numbering,
3 reads as follows:

4 SHORT TITLE. Sections 1 through 31 of this act shall be known and may be cited
5 as the “Uniform Certificate of Title Act”.

6 SECTION 2. NEW LAW A new section of law to be codified in the Oklahoma
7 Statutes as Section 1111.2 of Title 47, unless there is created a duplication in numbering,
8 reads as follows:

9 DEFINITIONS.

10 (a) In the Uniform Certificate of Title Act:

11 (1) “Buyer” means a person that buys or contracts to buy goods.

12 (2) “Buyer in ordinary course of business” means a person that buys goods in good
13 faith, without knowledge that the sale violates the rights of another person in the goods,
14 and in ordinary course from a person, other than a pawnbroker, in the business of selling
15 goods of that kind. A person buys goods in ordinary course if the sale comports with the

1 usual or customary practices in the kind of business in which the seller is engaged or
2 with the seller's own usual or customary practices. A buyer in ordinary course of
3 business may buy for cash, by exchange of other property, or on secured or unsecured
4 credit, and may acquire goods under a preexisting contract for sale. Only a buyer that
5 takes possession of the goods or has a right to recover the goods from the seller under
6 Article 2 of the Uniform Commercial Code may be a buyer in ordinary course of business.
7 The term does not include a person that acquires goods in a transfer in bulk or as
8 security for or in total or partial satisfaction of a money debt. A buyer in ordinary course
9 of business does not lose that status solely because a certificate of title was not executed
10 to the buyer.

11 (3) "Cancel", with respect to a certificate of title or a certificate of origin, means to
12 make the certificate ineffective.

13 (4) "Certificate of origin" means a record created by a manufacturer or importer as
14 the manufacturer's or importer's proof of identity of a vehicle.

15 (5) "Certificate of title", except in the phrases "certificate of title created by a
16 governmental agency of any state" and "certificate of title created by a governmental
17 agency of any jurisdiction", means a record, created by the office and designated as a
18 certificate of title by it, that is evidence of ownership of a vehicle.

19 (6) "Create" means to bring a record into existence by making or authorizing the
20 record.

21 (7) "Deliver" means voluntarily to give possession of a record or to transmit it, by
22 any reasonable means, properly addressed and with the cost of delivery provided.

1 (8) “Electronic” means relating to technology having electrical, digital, magnetic,
2 wireless, optical, electromagnetic, or similar capabilities.

3 (9) “Electronic certificate of origin” means a certificate of origin consisting of
4 information that is stored solely in an electronic medium and is retrievable in perceivable
5 form.

6 (10) “Electronic certificate of title” means a certificate of title consisting of
7 information that is stored solely in an electronic medium and is retrievable in perceivable
8 form.

9 (11) “Execute” means to sign and deliver a record on, attached to, accompanying, or
10 logically associated with a certificate of title or certificate of origin to transfer ownership
11 of the vehicle covered by the certificate.

12 (12) “Good faith” means honesty in fact and the observance of reasonable
13 commercial standards of fair dealing.

14 (13) “Importer” means a person authorized by a manufacturer to bring into and
15 distribute in the United States new vehicles manufactured outside the United States.

16 (14) “Lessee in ordinary course of business” means a person that leases goods in
17 good faith, without knowledge that the lease violates the rights of another person, and in
18 ordinary course of business from a person, other than a pawnbroker, in the business of
19 selling or leasing goods of that kind. A person leases in ordinary course if the lease to the
20 person comports with the usual or customary practices in the kind of business in which
21 the lessor is engaged or with the lessor’s own usual and customary practices. A lessee in
22 ordinary course of business may lease for cash, by exchange of other property, or on

1 secured or unsecured credit, and may acquire goods or a certificate of title covering goods
2 under a preexisting lease contract. Only a lessee that takes possession of the goods or has
3 a right to recover the goods from the lessor under Article 2A of the Uniform Commercial
4 Code may be a lessee in ordinary course of business. A person that acquires goods in
5 bulk or as security for or in total or partial satisfaction of a money debt is not a lessee in
6 ordinary course of business.

7 (15) “Lien creditor” means:

8 (A) a creditor that has acquired a lien on the property involved by attachment, levy,
9 or the like;

10 (B) an assignee for the benefit of creditors from the time of assignment;

11 (C) a trustee in bankruptcy from the date of the filing of the petition; or

12 (D) a receiver in equity from the time of appointment.

13 (16) “Manufacturer” means a person that manufactures, fabricates, assembles, or
14 completes new vehicles.

15 (17) “Office” means the Oklahoma Tax Commission.

16 (18) “Owner” means a person that has legal title to a vehicle.

17 (19) “Owner of record” means the owner of a vehicle as indicated in the files of the
18 office.

19 (20) “Person” means an individual, corporation, business trust, estate, trust,
20 partnership, limited liability company, association, joint venture, federally recognized
21 Indian Tribe, public corporation, government, or governmental subdivision, agency, or
22 instrumentality, or any other legal or commercial entity.

1 (21) "Purchase" means to take by sale, lease, mortgage, pledge, consensual lien,
2 security interest, gift, or any other voluntary transaction that creates an interest in a
3 vehicle.

4 (22) "Purchaser" means a person that takes by purchase.

5 (23) "Record" means information that is inscribed on a tangible medium or that is
6 stored in an electronic or other medium and is retrievable in perceivable form.

7 (24) "Secured party" means:

8 (A) a person in whose favor a security interest is created or provided for under a
9 security agreement, whether or not any obligation to be secured is outstanding;

10 (B) a person that is a consignor under Article 9 of the Uniform Commercial Code;

11 (C) a person to which accounts, chattel paper, payment intangibles, or promissory
12 notes have been sold;

13 (D) a trustee, indenture trustee, agent, collateral agent, or other representative in
14 whose favor a security interest is created or provided for; or

15 (E) a person that holds a security interest arising under Sections 2-401 or 2-505 of
16 Title 12A of the Oklahoma Statutes or under subsection (3) of Section 2-711 or subsection
17 (6) of Section 2A-508 of Title 12A of the Oklahoma Statutes.

18 (25) "Secured party of record" means the secured party whose name is provided as
19 the name of the secured party or a representative of the secured party in a security-
20 interest statement that has been received by the office or, if more than one are indicated,
21 the first indicated in the files of the office.

1 (26) "Security interest" means an interest in a vehicle which secures payment or
2 performance of an obligation. The term includes any interest of a consignor in a vehicle
3 in a transaction that is subject to Article 9 of the Uniform Commercial Code. The term
4 does not include the special property interest of a buyer of a vehicle on identification of
5 that vehicle to a contract for sale under Section 2-401 of Title 12A of the Oklahoma
6 Statutes, but a buyer may also acquire a security interest by complying with Article 9 of
7 the Uniform Commercial Code. Except as otherwise provided in Section 2-505 of Title
8 12A of the Oklahoma Statutes, the right of a seller or lessor of a vehicle under Article 2
9 or 2A of the Uniform Commercial Code to retain or acquire possession of the vehicle is
10 not a security interest, but a seller or lessor may also acquire a security interest by
11 complying with Article 9 of the Uniform Commercial Code. The retention or reservation
12 of title by a seller of a vehicle notwithstanding shipment or delivery to the buyer under
13 Section 2-401 of Title 12A of the Oklahoma Statutes is limited in effect to a reservation of
14 a security interest. Whether a transaction in the form of a lease creates a security
15 interest is determined by law other than the Uniform Certificate of Title Act.

16 (27) "Security-interest statement" means:

17 (A) a record created by a secured party which indicates a security interest; or

18 (B) an application for which the office is required to create a certificate of title, if the
19 application indicates a security interest.

20 (28) "Sign" means, with present intent to authenticate or adopt a record, to:

21 (A) make or adopt a tangible symbol; or

1 (B) attach to or logically associate with the record an electronic sound, symbol, or
2 process.

3 (29) “State” means a state of the United States, the District of Columbia, Puerto
4 Rico, the United States Virgin Islands, a federally recognized Indian tribe, or any
5 territory or insular possession subject to the jurisdiction of the United States.

6 (30) “Termination statement” means a record created by a secured party pursuant
7 to Section 27 of this act which:

8 (A) identifies the security-interest statement to which it relates; and

9 (B) indicates that it is a termination statement or that the identified security-
10 interest statement is not effective.

11 (31) “Title brand” means a designation of previous damage, use, or condition that
12 the Uniform Certificate of Title Act or law other than the Uniform Certificate of Title Act
13 requires to be indicated on a certificate of title or a certificate of origin created by a
14 governmental agency of any jurisdiction.

15 (32) “Transfer” means to convey, voluntarily or involuntarily, an interest in a
16 vehicle.

17 (33) “Transferee” means a person that takes by transfer.

18 (34) “Vehicle” means goods that are any type of motorized, wheeled device of a type
19 in, upon, or by which an individual or property is customarily transported on a road or
20 highway, or a commercial, recreational, travel, or other trailer customarily transported
21 on a road or highway. The term does not include:

1 (A) an item of specialized mobile equipment not designed primarily for
2 transportation of individuals or property on a road or highway;

3 (B) an implement of husbandry;

4 (C) a wheelchair or similar device designed for use by an individual having a
5 physical impairment; or

6 (D) a manufactured home.

7 (35) "Written certificate of origin" means a certificate of origin consisting of
8 information inscribed on a tangible medium.

9 (36) "Written certificate of title" means a certificate of title consisting of information
10 inscribed on a tangible medium.

11 (b) The following definitions and terms also apply to the Uniform Certificate of Title
12 Act:

13 (1) "Agreement", paragraph (3) of subsection (b) of Section 1-201 of Title 12A of the
14 Oklahoma Statutes.

15 (2) "Collateral", paragraph (12) of subsection (a) of Section 1-9-102 of Title 12A of
16 the Oklahoma Statutes.

17 (3) "Debtor", paragraph (28) of subsection (a) of Section 1-9-102 of Title 12A of the
18 Oklahoma Statutes.

19 (4) "Lease", paragraph (j) of subsection (1) of Section 2A-103 of Title 12A of the
20 Oklahoma Statutes.

21 (5) "Lessee", paragraph (n) of subsection (1) of Section 2A-103 of Title 12A of the
22 Oklahoma Statutes.

1 (6) “Lessor”, paragraph (p) of subsection (1) of Section 2A-103 of Title 12A of the
2 Oklahoma Statutes.

3 (7) “Manufactured home”, paragraph (53) of subsection (a) of Section 1-9-102 of Title
4 12A of the Oklahoma Statutes.

5 (8) “Merchant”, subsection (1) of Section 2-104 of Title 12A of the Oklahoma
6 Statutes.

7 (9) “Notice; Knowledge”, Section 1-202 of Title 12A of the Oklahoma Statutes.

8 (10) “Representative”, paragraph (33) of subsection (b) of Section 1-201 of Title 12A
9 of the Oklahoma Statutes.

10 (11) “Sale”, subsection (1) of Section 2-106 of Title 12A of the Oklahoma Statutes.

11 (12) “Security agreement”, paragraph (73) of subsection (a) of Section 1-9-102 of
12 Title 12A of the Oklahoma Statutes.

13 (13) “Seller”, paragraph (c) of subsection (1) of Section 2-103 of Title 12A of the
14 Oklahoma Statutes.

15 (14) “Send”, paragraph (36) of subsection (b) of Section 1-201 of Title 12A of the
16 Oklahoma Statutes.

17 (15) “Value”, Section 1-204 of Title 12A of the Oklahoma Statutes.

18 SECTION 3. NEW LAW A new section of law to be codified in the Oklahoma
19 Statutes as Section 1111.3 of Title 47, unless there is created a duplication in numbering,
20 reads as follows:

1 SUPPLEMENTAL PRINCIPLES OF LAW AND EQUITY. Unless displaced by the
2 Uniform Certificate of Title Act, the principles of law and equity supplement its
3 provisions.

4 SECTION 4. NEW LAW A new section of law to be codified in the Oklahoma
5 Statutes as Section 1111.4 of Title 47, unless there is created a duplication in numbering,
6 reads as follows:

7 LAW GOVERNING VEHICLE COVERED BY CERTIFICATE OF TITLE OR
8 CERTIFICATE OF ORIGIN.

9 (a) In this section, “certificate of title” means a certificate of title created by a
10 governmental agency of any state.

11 (b) The local law of the state under whose certificate of title a vehicle is covered
12 governs all issues relating to the certificate of title, from the time the vehicle becomes
13 covered by the certificate of title until the vehicle ceases to be covered by the certificate of
14 title, even if no other relationship exists between the state and the vehicle or its owner.

15 (c) A vehicle becomes covered by a certificate of title created in this state when an
16 application for a certificate of title and the fee are received by the office in accordance
17 with the Uniform Certificate of Title Act. A vehicle becomes covered by a certificate of
18 title in another state when an application for a certificate of title and the fee are received
19 in that state pursuant to the law of that state.

20 (d) A vehicle ceases to be covered by a certificate of title at the earlier of the time
21 the certificate of title ceases to be effective under the law of the state pursuant to which

1 it was created or the time the vehicle becomes covered subsequently by another
2 certificate of title.

3 (e) If a vehicle is not covered by a certificate of title but a certificate of origin has
4 been created for the vehicle:

5 (1) if the parties to the certificate of origin have chosen the law of a jurisdiction, the
6 law of that jurisdiction applies to the certificate of origin, even if there is no other
7 relationship between that jurisdiction and the vehicle or its owner; and

8 (2) in the absence of an agreement effective under paragraph (1) of this subsection,
9 the rights and obligations of the parties are determined by the law that would apply
10 under this state's choice-of-law principles.

11 SECTION 5. NEW LAW A new section of law to be codified in the Oklahoma
12 Statutes as Section 1111.5 of Title 47, unless there is created a duplication in numbering,
13 reads as follows:

14 EXCLUSIONS. Unless the vehicle is covered by a certificate of title, the Uniform
15 Certificate of Title Act does not apply to a vehicle owned by the United States, a state, or
16 a foreign government, or a political subdivision of any of them.

17 SECTION 6. NEW LAW A new section of law to be codified in the Oklahoma
18 Statutes as Section 1111.6 of Title 47, unless there is created a duplication in numbering,
19 reads as follows:

20 VEHICLE IDENTIFICATION NUMBER, MAKE, AND MODEL YEAR. For a
21 vehicle covered by a certificate of title, the office shall indicate in its files the vehicle
22 identification number, make, and model year, if any, assigned by its chassis

1 manufacturer or importer. If a vehicle identification number, make, or model year has
2 not been assigned, the office shall assign a vehicle identification number, make, or model
3 year and indicate the assignment in its files.

4 SECTION 7. NEW LAW A new section of law to be codified in the Oklahoma
5 Statutes as Section 1111.7 of Title 47, unless there is created a duplication in numbering,
6 reads as follows:

7 EXECUTION OF CERTIFICATE OF ORIGIN.

8 (a) If a manufacturer or importer creates or is authorized or required to create a
9 certificate of origin for a vehicle, upon transfer of ownership of the vehicle, the
10 manufacturer or importer shall execute a certificate of origin to the transferee or deliver
11 a signed certificate of origin to the office. Each succeeding transferor shall execute to the
12 next transferee or sign and deliver to the office all certificates of origin covering the
13 vehicle which are known to the transferor.

14 (b) If a certificate of title created by a governmental agency of any jurisdiction is not
15 delivered to the buyer and a written certificate of origin or equivalent evidence of
16 ownership is required by the office to obtain a certificate of title, a buyer may require
17 that the buyer's transferor execute to the buyer a written certificate of origin or provide
18 equivalent evidence of ownership sufficient to satisfy the requirements of the office.

19 SECTION 8. NEW LAW A new section of law to be codified in the Oklahoma
20 Statutes as Section 1111.8 of Title 47, unless there is created a duplication in numbering,
21 reads as follows:

22 CANCELLATION AND REPLACEMENT OF CERTIFICATE OF ORIGIN.

1 (a) If a written certificate of origin is created to replace an electronic certificate of
2 origin, the electronic certificate of origin is canceled and replaced by the written
3 certificate of origin.

4 (b) If an electronic certificate of origin is created to replace a written certificate of
5 origin, the written certificate of origin must be canceled.

6 SECTION 9. NEW LAW A new section of law to be codified in the Oklahoma
7 Statutes as Section 1111.9 of Title 47, unless there is created a duplication in numbering,
8 reads as follows:

9 APPLICATION FOR CERTIFICATE OF TITLE.

10 (a) Except as otherwise provided in Sections 21 and 22 of this act, only the owner of
11 a vehicle may apply for a certificate of title covering the vehicle.

12 (b) An application for a certificate of title must be signed by the applicant and
13 contain:

14 (1) the applicant's name, street address, and, if different, the address for receiving
15 first-class mail delivered by the United States Postal Service;

16 (2) the vehicle identification number;

17 (3) a description of the vehicle including, as required by the office, the make, model,
18 model year, and body type;

19 (4) an indication of all security interests in the vehicle known to the applicant,
20 including the name and mailing address of the secured party or a representative of the
21 secured party, and, if the application includes a direction to terminate a security-interest
22 statement, the information required for sufficiency of a security-interest statement under

1 subsection (a) of Section 25 of this act and the secured party's or its representative's
2 name and address for receiving communications;

3 (5) any title brand known to the applicant and, if known, the jurisdiction whose
4 governmental agency created the title brand;

5 (6) if law other than this act requires that an odometer reading be provided by the
6 transferor upon transfer of ownership of the vehicle, a signed record disclosing the
7 vehicle's odometer reading; and

8 (7) if the application is made in connection with a transfer of ownership, the
9 transferor's name, physical address and, if different, address for receiving first-class mail
10 delivered by the United States Postal Service, the sales price if any, and the date of the
11 transfer.

12 (c) A certificate of title created in another jurisdiction and submitted in connection
13 with an application is part of the application.

14 (d) In addition to the information required in subsection (b) of this section, an
15 application for a certificate of title may contain electronic communication addresses of
16 the owner and the transferor.

17 (e) Except as otherwise provided in Section 21, 22, or 23 of this act, if an application
18 for a certificate of title includes an indication of a transfer of ownership, the application
19 must be accompanied by all existing certificates of origin and any certificate of title
20 created by a governmental agency of any jurisdiction covering the vehicle, which have
21 been executed to the applicant or are known to the applicant. Except as otherwise
22 provided in Section 23 of this act, if an application includes a direction to terminate a

1 security-interest statement, the application must be accompanied by a termination
2 statement.

3 (f) Except as otherwise provided in Section 24 of this act, if an application for a
4 certificate of title does not include an indication of a transfer of ownership or a direction
5 to terminate a security-interest statement, the application must be accompanied by all
6 existing certificates of origin and any certificate of title created by a governmental agency
7 of any jurisdiction covering the vehicle, which are known to the applicant and evidencing
8 the applicant as owner of the vehicle.

9 (g) If the applicant does not know of any existing certificate of origin or certificate of
10 title created by a governmental agency of any jurisdiction covering the vehicle, the
11 applicant shall include in the application for a certificate of title all existing records and
12 other information of the vehicle's ownership known to the applicant. Information
13 submitted under this subsection is part of the application for the certificate of title and
14 must be indicated in the files of the office.

15 (h) The office may require that an application for a certificate of title or a security-
16 interest statement be accompanied by payment of all taxes and fees payable by the
17 applicant under the law of this state in connection with the acquisition or use of a vehicle
18 or evidence of payment of the tax or fee.

19 SECTION 10. NEW LAW A new section of law to be codified in the Oklahoma
20 Statutes as Section 1111.10 of Title 47, unless there is created a duplication in
21 numbering, reads as follows:

22 CREATION AND CANCELLATION OF CERTIFICATE OF TITLE.

1 (a) Unless an application for a certificate of title is rejected under subsection (c) of
2 this section, the office shall create a certificate of title upon receipt of an application that
3 complies with Section 9 of this act and payment of all taxes and fees.

4 (b) Upon request of the secured party of record, the office shall create a written
5 certificate of title or, if the office is authorized to do so, an electronic certificate of title. If
6 no security interest is indicated in the files of the office, the owner of record may have the
7 office create a written certificate of title or, if the office is authorized to do so, an
8 electronic certificate of title. If no request is made by an owner of record or secured
9 party, the office may create a written certificate of title or, if authorized to do so, an
10 electronic certificate of title.

11 (c) The office may reject an application for a certificate of title only if:

12 (1) the application does not comply with Section 9 of this act;

13 (2) there is a reasonable basis for concluding that the application is fraudulent or
14 would facilitate a fraudulent or illegal act; or

15 (3) the application does not comply with law of this state other than the Uniform
16 Certificate of Title Act.

17 (d) If the office has created a certificate of title, it may cancel the certificate of title
18 only if it could have rejected the application under subsection (c) of this section or is
19 required to cancel the certificate of title under another provision of the Uniform
20 Certificate of Title Act. The office shall provide an opportunity for a hearing at which the
21 applicant and any other interested party may present evidence in support of or
22 opposition to the cancellation. The office shall serve the notice of the opportunity in

1 person or send it by first class mail delivered by the United States Postal Service to the
2 applicant, the owner of record, and all secured parties indicated in the files of the office.
3 If the applicant or any other interested party requests a hearing not later than ten (10)
4 days after receiving the notice, the office shall hold the hearing not later than twenty (20)
5 days after receiving the request.

6 SECTION 11. NEW LAW A new section of law to be codified in the Oklahoma
7 Statutes as Section 1111.11 of Title 47, unless there is created a duplication in
8 numbering, reads as follows:

9 CONTENTS OF CERTIFICATE OF TITLE.

10 (a) A certificate of title must contain:

11 (1) the date the certificate of title was created;

12 (2) except as otherwise provided in subsection (b) of Section 26 of this act, the name
13 and address of any secured party of record and an indication of whether there are
14 additional security interests indicated in the files of the office or on a record created by a
15 governmental agency of any jurisdiction and submitted to the office;

16 (3) all title brands covering the vehicle, including brands previously indicated on a
17 certificate of origin or certificate of title created by a governmental agency of any
18 jurisdiction, which are known to the office; and

19 (4) any other information required by subsection (b) of Section 9 of this act, except
20 the applicant's address.

1 (b) Nothing in the Uniform Certificate of Title Act precludes an office from noting on
2 a certificate the name and address of a secured party that is not a secured party of
3 record.

4 (c) An indication of a title brand on a certificate of title may consist of an
5 abbreviation, but not a symbol, and must identify the jurisdiction that created the title
6 brand or the jurisdiction that created a certificate of title created by a governmental
7 agency of any jurisdiction that indicated the title brand. If the meaning of a title brand
8 is not easily ascertainable or cannot be accommodated on the certificate of title, the
9 certificate of title may state: “Previously branded in [insert the particular jurisdiction
10 that created the title brand or whose certificate of title previously indicated the title
11 brand].”

12 (d) If a vehicle was previously registered in a jurisdiction other than a state, the
13 office shall indicate on the certificate of title that the vehicle was registered in that
14 jurisdiction.

15 (e) A certificate of title must contain a form that the owner may sign in order to
16 execute the certificate.

17 SECTION 12. NEW LAW A new section of law to be codified in the Oklahoma
18 Statutes as Section 1111.12 of Title 47, unless there is created a duplication in
19 numbering, reads as follows:

20 EFFECT OF POSSESSION OF CERTIFICATE OF TITLE OR CERTIFICATE OF
21 ORIGIN; JUDICIAL PROCESS. A certificate of title created by a governmental agency
22 of any jurisdiction or a certificate of origin does not by itself provide a means to obtain

1 possession of a vehicle. Garnishment, attachment, levy, replevin, or other judicial
2 process against the certificate of title or a certificate of origin is not effective to determine
3 possessory rights with respect to the vehicle. However, the Uniform Certificate of Title
4 Act does not prohibit enforcement of a security interest in, levy on, or foreclosure of a
5 statutory or common-law lien on a vehicle under law of this state other than the Uniform
6 Certificate of Title Act. The absence of an indication of a statutory or common-law lien
7 on a certificate of title does not invalidate the lien.

8 SECTION 13. NEW LAW A new section of law to be codified in the Oklahoma
9 Statutes as Section 1111.13 of Title 47, unless there is created a duplication in
10 numbering, reads as follows:

11 OTHER INFORMATION.

12 (a) The office may accept a submission of information relating to a vehicle for
13 indication in the files of the office, even if the requirements for a certificate of title, an
14 application for a certificate of title, a security-interest statement, or a termination
15 statement have not been met.

16 (b) A submission of information under this section, to the extent practicable, must
17 include the information required by subsection (b) of Section 9 of this act for an
18 application for a certificate of title.

19 (c) The office may require the submission of information relating to a vehicle
20 required for payment of taxes and fees for issuance or renewal of registration.

21 (d) The office may require a person submitting information under this section to
22 provide a bond in a form and amount determined by the office. A bond must provide for

1 indemnification of any secured party or other interested party against any expense, loss,
2 or damage resulting from indication of the information in the files of the office.

3 (e) A submission of information under this section and its indication in the files of
4 the office is not a certificate of title, an application for a certificate of title, a security-
5 interest statement, or a termination statement and does not provide a basis for
6 transferring or determining ownership of a vehicle or the effectiveness of a security-
7 interest statement.

8 SECTION 14. NEW LAW A new section of law to be codified in the Oklahoma
9 Statutes as Section 1111.14 of Title 47, unless there is created a duplication in
10 numbering, reads as follows:

11 MAINTENANCE OF AND ACCESS TO FILES.

12 (a) For each record relating to a certificate of title submitted to the office, the office
13 shall:

14 (1) ascertain or assign the vehicle identification number, make, and model year of
15 the vehicle to which the record relates pursuant to Section 6 of this act;

16 (2) indicate in the files of the office the vehicle identification number, make, and
17 model year of the vehicle to which the record relates and the information in the record,
18 including the date (and time) the record was delivered to the office;

19 (3) maintain the file for public inspection subject to subsection (d) of this section;

20 and

21 (4) index the files of the office so as to be accessible as required by subsection (b) of
22 this section.

1 (b) The office shall indicate in the files of the office the information contained in all
2 certificates of title created under the Uniform Certificate of Title Act. The files of the
3 office must be accessible by the vehicle identification number for the vehicle covered by
4 the certificate and any other indexing method used by the office.

5 (c) To the extent known to the office, the files of the office maintained under this
6 section relating to a vehicle must indicate all title brands and the name or names of any
7 secured party and claimant to ownership of the vehicle and include stolen-property
8 reports and security-interest statements.

9 (d) Except as otherwise provided by law of this state other than the Uniform
10 Certificate of Title Act, the information required under Section 11 of this act is a public
11 record. Whether other information in the files of the office is made available to the public
12 is governed by law of this state other than the Uniform Certificate of Title Act.

13 SECTION 15. NEW LAW A new section of law to be codified in the Oklahoma
14 Statutes as Section 1111.15 of Title 47, unless there is created a duplication in
15 numbering, reads as follows:

16 DELIVERY OF CERTIFICATE OF TITLE.

17 (a) Upon creation of a certificate of title, the office shall promptly deliver a written
18 certificate of title, or a record evidencing an electronic certificate of title, to any secured
19 party of record at the address shown on the security-interest statement submitted by the
20 secured party of record. Unless previously provided to the owner of record, the office
21 shall promptly deliver a record evidencing the certificate of title to the owner of record at
22 the address indicated in the files of the office. If no secured party is indicated in the files

1 of the office, the written certificate of title or record evidencing the electronic certificate
2 of title must be delivered to the owner of record. A record evidencing an electronic
3 certificate of title may be delivered to a mailing address or, if indicated in the files of the
4 office, an electronic communication address.

5 (b) Within a reasonable time not to exceed fifteen (15) business days after receipt of
6 a request that a written certificate of title be created and delivered pursuant to
7 subsection (a) of this section, the office shall create the certificate and deliver it to the
8 person making the request.

9 (c) If a written certificate of title is created, any electronic certificate of title is
10 canceled and replaced by the written certificate of title. The cancellation must be
11 indicated in the files of the office with an indication of the date and time of cancellation.

12 (d) Before an electronic certificate of title is created, any certificate of title must be
13 surrendered. If an electronic certificate of title is created, any existing written certificate
14 of title that has been surrendered to the office must be destroyed or otherwise canceled,
15 with an indication in the files of the office of the date (and time) of destruction or other
16 cancellation. If the written certificate of title being canceled is not destroyed, the
17 cancellation must be indicated on the face of the written certificate of title.

18 SECTION 16. NEW LAW A new section of law to be codified in the Oklahoma
19 Statutes as Section 1111.16 of Title 47, unless there is created a duplication in
20 numbering, reads as follows:

21 TRANSFER.

1 (a) Upon sale of a vehicle covered by a certificate of title, a person authorized to
2 execute the certificate of title, as promptly as practicable and in compliance with this act
3 and law of this state other than this act, shall execute the certificate to the buyer or
4 deliver to the office a signed certificate of title or a record evidencing execution of an
5 electronic certificate of title to the buyer. The buyer of a vehicle covered by a certificate
6 of title has a specifically enforceable right to require the seller to execute the certificate of
7 title to the buyer or deliver to the office a signed certificate of title or other record
8 evidencing the transfer.

9 (b) Execution of a certificate of title created by a governmental agency of any
10 jurisdiction satisfies subsection (a) of this section.

11 (c) As between the parties to a transfer and their assignees and successors, a
12 transfer of ownership is not rendered ineffective by a failure to execute a certificate of
13 title or certificate of origin as provided in this section. However, except as otherwise
14 provided in subsections (b) and (c) of Section 18 of this act, or Section 19, 21, or 22 of this
15 act, a transfer of ownership without execution of a certificate of title or certificate of
16 origin is not effective as to other persons claiming an interest in the vehicle.

17 (d) Before an agreement to transfer ownership by an electronic certificate of title is
18 made or any consideration for the transfer is paid, and before a record evidencing the
19 transfer is executed to the transferee or delivered by the transferor to the office, the
20 transferor shall deliver to the transferee a signed record containing the information
21 required by subsection (b) of Section 9 of this act, and the transferee shall deliver to the
22 transferor a signed record acknowledging receipt of the information. The transferee has

1 a specifically enforceable right to receive this information before any consideration is
2 paid. The record delivered to the office must indicate that these requirements have been
3 met.

4 (e) After execution of the certificate of title and delivery of possession of the vehicle
5 to the transferee, the transferor is not liable as owner for any damages resulting from
6 operation of the vehicle thereafter even if the transferee fails to apply for a new
7 certificate of title reflecting the transfer.

8 SECTION 17. NEW LAW A new section of law to be codified in the Oklahoma
9 Statutes as Section 1111.17 of Title 47, unless there is created a duplication in
10 numbering, reads as follows:

11 NOTICE OF TRANSFER WITHOUT APPLICATION. A transferee or transferor, in
12 accordance with standards and procedures established by the office, may deliver a signed
13 record to the office giving notice of the transfer, to indicate its ownership or lack of
14 ownership, without filing an application for a certificate of title. The record may indicate
15 the transfer of ownership between the transferor and transferee. The record is not a
16 certificate of title and is not effective as to other persons claiming an interest in the
17 vehicle. The delivery to the office of the record containing the notice does not relieve any
18 party of any obligation under Section 9 or 16 of this act.

19 SECTION 18. NEW LAW A new section of law to be codified in the Oklahoma
20 Statutes as Section 1111.18 of Title 47, unless there is created a duplication in
21 numbering, reads as follows:

22 POWER TO TRANSFER.

1 (a) A purchaser of a vehicle has the protections afforded by subsection (1) of Section
2 2-403 of Title 12A of the Oklahoma Statutes, subsection (1) of Section 2A-304 of Title 12A
3 of the Oklahoma Statutes, and subsection (1) of Section 2A-305 of Title 12A of the
4 Oklahoma Statutes.

5 (b) A buyer in ordinary course of business or lessee in ordinary course of business of
6 a vehicle has the protections afforded by subsection (2) of Section 2-403 of Title 12A of
7 the Oklahoma Statutes, subsection (2) of Section 2A-304 of Title 12A of the Oklahoma
8 Statutes, and subsection (2) of Section 2A-305 of Title 12A of the Oklahoma Statutes,
9 even if the certificate of title is not executed to the buyer or lessee.

10 (c) A purchase of a leasehold interest is subject to Section 2A-303 of Title 12A of the
11 Oklahoma Statutes.

12 (d) Except as otherwise provided in Section 16 of this act, the rights of other
13 purchasers of vehicles and of lien creditors are governed by Articles 2, 2A, 7, and 9 of the
14 Uniform Commercial Code.

15 SECTION 19. NEW LAW A new section of law to be codified in the Oklahoma
16 Statutes as Section 1111.19 of Title 47, unless there is created a duplication in
17 numbering, reads as follows:

18 OTHER TRANSFEREES OF VEHICLE COVERED BY CERTIFICATE OF TITLE.

19 (a) Except as otherwise provided in this section or subsection (b) of Section 18 of this
20 act, a transferee of ownership takes subject to:

21 (1) a security interest in the vehicle indicated on a certificate of title; and

1 (2) if the certificate of title contains a statement that the vehicle is or may be
2 subject to security interests not indicated on the certificate of title, a security interest not
3 so indicated.

4 (b) If, while a security interest in a vehicle is perfected by any method under the law
5 of any jurisdiction, the office creates a certificate of title that does not indicate the vehicle
6 is subject to the security interest or contain a statement that it may be subject to security
7 interests not indicated on the certificate, a buyer of the vehicle, other than a person in
8 the business of selling or leasing goods of that kind, takes free of the security interest if
9 the buyer:

10 (1) gives value in good faith, receives possession of the vehicle, and obtains
11 execution of the certificate of title; and

12 (2) does not have knowledge of the security interest in the vehicle.

13 (c) A buyer in ordinary course of business takes free of a security interest in the
14 vehicle, including a security interest indicated on a certificate of title, created by the
15 buyer's seller, even if the security interest is perfected, the buyer knows of its existence,
16 and the certificate of title was not executed to the buyer. A lessee in ordinary course of
17 business takes its leasehold interest free of a security interest in the vehicle, including a
18 security interest indicated on a certificate of title, created by the lessee's lessor, even if
19 the security interest is perfected, the lessee knows of its existence, and the certificate of
20 title was not executed to the lessee. This subsection does not affect a security interest in
21 a vehicle in the possession of the secured party under Article 9 of the Uniform
22 Commercial Code.

1 (d) If, while a security interest in a vehicle is perfected by any method under the law
2 of any jurisdiction, the office creates a certificate of title that does not indicate that the
3 vehicle is subject to the security interest or contain a statement that it may be subject to
4 security interests not indicated on the certificate of title, the security interest is
5 subordinate to a conflicting security interest in the vehicle which is perfected after
6 creation of the certificate of title and without the conflicting secured party's knowledge of
7 the security interest.

8 (e) A security interest is indicated on an electronic certificate of title if it is indicated
9 in the record of the certificate of title maintained by the office.

10 SECTION 20. NEW LAW A new section of law to be codified in the Oklahoma
11 Statutes as Section 1111.20 of Title 47, unless there is created a duplication in
12 numbering, reads as follows:

13 EFFECT OF OMISSION OR INCORRECT INFORMATION.

14 (a) Except as otherwise provided in this section, a certificate of title, certificate of
15 origin, security-interest statement, or other record required or authorized by this act is
16 effective even if it contains incorrect information or does not contain required
17 information.

18 (b) In addition to any rights provided under Section 18 or 19 of this act, if a
19 certificate of title, certificate of origin, security-interest statement, or other record
20 required or authorized by this act is seriously misleading because it contains incorrect
21 information or omits required information, a purchaser of the vehicle to which the record
22 relates takes free of any interest that would have been indicated in the record if the

1 correct or omitted information had been indicated, to the extent that the purchaser gives
2 value in reasonable reliance on the incorrect information or the absence of the omitted
3 information.

4 (c) Except as otherwise provided in subsection (d) of this section or subsection (c) of
5 Section 25 of this act, a description of a vehicle, including the vehicle identification
6 number, in a certificate of title, certificate of origin, security-interest statement, or other
7 record required or authorized by the Uniform Certificate of Title Act which otherwise
8 satisfies the Uniform Certificate of Title Act is not seriously misleading, even if not
9 specific and accurate, if the description reasonably identifies the vehicle.

10 (d) With respect to a security interest or other interest indicated in the files of the
11 office and not indicated on a written certificate of title, a failure to indicate the
12 information specifically or accurately is not seriously misleading if a search of the files of
13 the office using the correct vehicle identification number or other required information,
14 using the office's standard search logic, if any, would disclose the security interest or
15 other interest.

16 SECTION 21. NEW LAW A new section of law to be codified in the Oklahoma
17 Statutes as Section 1111.21 of Title 47, unless there is created a duplication in
18 numbering, reads as follows:

19 TRANSFER BY SECURED PARTY'S TRANSFER STATEMENT.

20 (a) In this section, "secured party's transfer statement" means a record signed by
21 the secured party of record stating:

1 (1) that the owner of record has defaulted on an obligation to the secured party of
2 record;

3 (2) that the secured party of record is exercising or has exercised post-default
4 remedies with respect to the vehicle;

5 (3) that, by reason of the exercise, the secured party of record has the right to
6 transfer the rights of the owner of record;

7 (4) the name and last known mailing address of:

8 (A) the owner of record;

9 (B) the secured party of record; and

10 (C) any other purchaser;

11 (5) any other information required by subsection (b) of Section 9 of this act; and

12 (6) that the certificate of title is an electronic certificate of title, or that the secured
13 party does not have possession of the written certificate of title created in the name of the
14 owner of record, or that the secured party is delivering the written certificate of title to
15 the office with the secured party's transfer statement.

16 (b) Completion and delivery to the office of a secured party's transfer statement, and
17 payment of all applicable taxes and fees, entitles the secured party to the creation of a
18 certificate of title showing the secured party of record or other purchaser as the owner of
19 record. Unless the secured party's transfer statement is rejected by the office for a
20 reason set forth in subsection (c) of Section 10 of this act, the office shall:

21 (1) accept the secured party's transfer statement;

22 (2) amend the files of the office to reflect the transfer;

1 (3) cancel the certificate of title created in the name of the owner of record listed in
2 the secured party's transfer statement, whether or not the certificate of title has been
3 delivered to the office;

4 (4) create a new certificate of title indicating the secured party of record or other
5 purchaser as the vehicle's owner of record; and

6 (5) deliver the new certificate of title pursuant to Section 15 of this act.

7 (c) The creation of a certificate of title under subsection (b) of this section is not of
8 itself a disposition of the vehicle and does not of itself relieve the secured party of its
9 duties under Article 9 of the Uniform Commercial Code.

10 SECTION 22. NEW LAW A new section of law to be codified in the Oklahoma
11 Statutes as Section 1111.22 of Title 47, unless there is created a duplication in
12 numbering, reads as follows:

13 TRANSFER BY OPERATION OF LAW.

14 (a) In this section:

15 (1) "By operation of law" means pursuant to a law or judicial order affecting
16 ownership of a vehicle:

17 (A) on account of death, divorce or other family law proceeding, merger,
18 consolidation, dissolution, or bankruptcy;

19 (B) through the exercise of the rights of a lien creditor or a person having a
20 statutory or common law lien or other nonconsensual lien; or

21 (C) through other legal process.

1 (2) "Transfer-by-law statement" means a record signed by a transferee stating that,
2 by operation of law, the transferee has acquired or has the right to acquire the ownership
3 interest of the owner of record and containing:

4 (A) the name and mailing address of the owner of record and the transferee and the
5 other information required by subsection (b) of Section 9 of this act;

6 (B) documentation sufficient to establish the transferee's interest or right to acquire
7 the ownership interest of the owner of record; and

8 (C) a statement that:

9 (i) the certificate of title is an electronic certificate of title;

10 (ii) the transferee does not have possession of the written certificate of title created
11 in the name of the owner of record; or

12 (iii) the transferee is delivering the written certificate of title to the office with the
13 transfer-by-law statement.

14 (b) If a transfer-by-law statement is delivered to the office with all taxes and fees
15 and documentation satisfactory to the office as to the transferee's ownership interest or
16 right to acquire the ownership interest of the owner of record, unless it is rejected by the
17 office for a reason set forth in subsection (c) of Section 10 of this act, the office shall:

18 (1) accept delivery of the transfer-by-law statement;

19 (2) promptly send notice to the owner of record and to all persons indicated in the
20 files of the office as having an interest, including a security interest, in the vehicle that a
21 transfer-by-law statement has been delivered to the office;

22 (3) amend the files of the office to reflect the transfer;

1 (4) cancel the certificate of title created in the name of the owner of record indicated
2 in the transfer-by-law statement, whether or not the certificate has been delivered to the
3 office;

4 (5) create a new certificate of title, indicating the transferee as owner of record; and

5 (6) deliver the new certificate of title.

6 (c) This section does not apply to a transfer of an interest in a vehicle by a secured
7 party under Article 9 of the Uniform Commercial Code or Section 21 of this act.

8 SECTION 23. NEW LAW A new section of law to be codified in the Oklahoma
9 Statutes as Section 1111.23 of Title 47, unless there is created a duplication in
10 numbering, reads as follows:

11 APPLICATION FOR TRANSFER OF OWNERSHIP OR TERMINATION OF
12 SECURITY-INTEREST STATEMENT WITHOUT CERTIFICATE OF TITLE OR
13 CERTIFICATE OF ORIGIN.

14 (a) Except as otherwise provided in Section 21 or 22 of this act, upon receiving an
15 application that includes an indication of a transfer of ownership or a direction to
16 terminate a security-interest statement but is not accompanied by submission of a signed
17 certificate of title or certificate of origin or, as applicable, a termination statement
18 pursuant to Section 27 of this act, the office may create a certificate of title or terminate
19 the security-interest statement under this section only if:

20 (1) all other requirements under Sections 9 and 10 of this act are met;

1 (2) the applicant has provided an affidavit stating facts that indicate the applicant
2 is entitled to a transfer of ownership or termination of the effectiveness of a security-
3 interest statement;

4 (3) at least forty-five (45) days before the office creates the certificate of title, the
5 office has sent notice of the application to all persons having an interest in the vehicle as
6 indicated in the files of the office and no objection from any of those persons has been
7 received by the office; and

8 (4) the applicant submits any other information required by the office to evidence
9 the applicant's ownership or right to termination of the security-interest statement, and
10 the office has no credible information indicating theft, fraud, or any undisclosed or
11 unsatisfied security interest, lien, or other claim to an interest in the vehicle.

12 (b) Unless the office determines, by any reasonable method, that the value of the
13 vehicle is less than Three Thousand Dollars (\$3,000.00), before creating a certificate of
14 title, the office may require an applicant under subsection (a) of this section to post a
15 bond or provide an equivalent source of indemnity or security. The bond, indemnity, or
16 other security must be in a form prescribed by the office and provide for indemnification
17 of any owner, purchaser, or other claimant for any expense, loss, delay, or damage,
18 including reasonable attorney fees and costs but not consequential damages, resulting
19 from creation of a certificate of title or termination of a security-interest statement, but
20 may not exceed twice the value of the vehicle as determined by the office.

21 (c) If the office has not received a claim for indemnity within one (1) year after
22 creation of the certificate of title under subsection (a) of this section, upon request in a

1 form and manner specified by the office, the office shall release any bond, indemnity, or
2 other security.

3 (d) The office may indicate in a certificate of title created under subsection (a) of this
4 section that the certificate of title was created without submission of a signed certificate
5 of title or termination statement. If no credible information indicating theft, fraud, or
6 any undisclosed or unsatisfied security interest, lien, or other claim to an interest in the
7 vehicle has been delivered to the office within one (1) year after creation of the certificate
8 of title, upon request in a form and manner specified by the office, the office shall remove
9 the indication from the certificate of title.

10 SECTION 24. NEW LAW A new section of law to be codified in the Oklahoma
11 Statutes as Section 1111.24 of Title 47, unless there is created a duplication in
12 numbering, reads as follows:

13 REPLACEMENT CERTIFICATE OF TITLE.

14 (a) If a written certificate of title is lost, stolen, mutilated, destroyed, or otherwise
15 becomes unavailable or illegible, the secured party of record or, if there is no secured
16 party indicated in the files of the office, the owner of record may apply for and, by
17 furnishing information satisfactory to the office, obtain a replacement certificate of title
18 in the name of the owner of record.

19 (b) An application for a replacement certificate of title must be submitted in a
20 record signed by the applicant and, except as otherwise permitted by the office, must
21 comply with Section 9 of this act.

1 (c) Unless it has been lost, stolen, or destroyed or is otherwise unavailable, the
2 existing written certificate of title must be submitted to the office with an application for
3 a replacement certificate of title.

4 (d) A replacement certificate of title created by the office must comply with Section
5 11 of this act and indicate on the face of the certificate of title that it is a replacement
6 certificate of title.

7 (e) If a person receiving a replacement certificate of title subsequently obtains
8 possession of the original written certificate of title, the person shall promptly destroy
9 the original written certificate of title.

10 SECTION 25. NEW LAW A new section of law to be codified in the Oklahoma
11 Statutes as Section 1111.25 of Title 47, unless there is created a duplication in
12 numbering, reads as follows:

13 EFFECTIVENESS OF SECURITY-INTEREST STATEMENT.

14 (a) A security-interest statement is sufficient if it includes the name of the debtor,
15 the name of the secured party or a representative of the secured party, a description that
16 reasonably identifies the vehicle and is not seriously misleading under Section 20 of this
17 act, and is delivered as follows:

18 (1) if the security-interest statement is indicated on an application for which the
19 office is required to create a certificate of title, by the owner; or

20 (2) if the security-interest statement is not indicated on an application for which the
21 office is required to create a certificate of title, by a person authorized to file an initial

1 financing statement covering the vehicle pursuant to Section 1-9-509 of Title 12A of the
2 Oklahoma Statutes.

3 (b) A security-interest statement that is sufficient under subsection (a) of this
4 section is effective upon receipt by the office.

5 (c) Subject to subsections (e) and (f) of this section, a security-interest statement is
6 not received if the office rejects the statement pursuant to subsection (e) of this section.
7 The office may reject a security-interest statement only in the manner specified in
8 subsection (e) of this section and only if:

9 (1) the record is not delivered by a means authorized by the office;

10 (2) an amount equal to or greater than the required filing fee is not tendered with
11 the statement or, if the office elects to notify the secured party of the filing fee deficiency,
12 within seven (7) days after the notification has been given;

13 (3) the record does not include the name and mailing address of a debtor and a
14 secured party or a representative of a secured party;

15 (4) the record does not contain the vehicle identification number; or

16 (5) the office cannot identify a file of the office, certificate of title, or application for a
17 certificate of title to which the security-interest statement relates.

18 (d) The office shall maintain files of the office showing the date of receipt of each
19 security-interest statement that is not rejected and shall make this information available
20 on request.

1 (e) To reject a security-interest statement, the office must send notice of rejection to
2 the person that delivered the statement, indicating the reasons for the rejection and the
3 date the statement would have been received had the office not rejected it.

4 (f) If the office does not send notice of rejection under subsection (e) of this section,
5 the security-interest statement is received as of the time it was delivered to the office.
6 Confirmation by the office that the security-interest statement has been entered in the
7 files of the office is conclusive proof that receipt has occurred.

8 (g) If a security-interest statement sufficient under subsection (a) of this section is
9 tendered with the filing fee and the office sends a notice of rejection without indicating a
10 reason set forth in subsection (c) of this section, the security-interest statement is
11 effective as of the business day on which the statement was tendered to the office except
12 as against a purchaser of the vehicle which gives value in reasonable reliance upon the
13 absence of the security-interest statement from the files of the office.

14 (h) Failure of the office to index a security-interest statement correctly or to indicate
15 the security interest on the certificate of title does not affect the receipt of the security-
16 interest statement.

17 SECTION 26. NEW LAW A new section of law to be codified in the Oklahoma
18 Statutes as Section 1111.26 of Title 47, unless there is created a duplication in
19 numbering, reads as follows:

20 PERFECTION OF SECURITY INTEREST.

21 (a) Except as otherwise provided in subsection (b), (d), or (e) of this section, a
22 security interest in a vehicle may be perfected only by a security-interest statement that

1 is effective under Section 25 of this act. The security interest is perfected upon the later
2 of receipt of the security-interest statement under Section 25 of this act or attachment of
3 the security interest under Section 1-9-203 of Title 12A of the Oklahoma Statutes.

4 (b) If the office creates a certificate of title naming a lessor, consignor, bailor, or
5 secured party as owner and the interest of the person named as owner is a security
6 interest, the certificate of title serves as a security-interest statement that provides the
7 name of the person as secured party. If the interest of the person named as owner in an
8 application for a certificate of title delivered to the office in accordance with Section 9 of
9 this act is a security interest, the application is a security-interest statement that
10 provides the name of the person as secured party. The naming of the person as owner on
11 the application or certificate of title is not of itself a factor in determining whether the
12 interest is a security interest.

13 (c) If a secured party assigns a perfected security interest in a vehicle, the receipt by
14 the office of a security-interest statement providing the name of the transferee or its
15 representative as secured party is not required in order to continue the perfected status
16 of the security interest against creditors of and transferees from the original debtor.
17 However, a purchaser of a vehicle subject to a security interest which obtains a release
18 from the secured party indicated in the files of the office or on the certificate of title takes
19 free of the security interest and of the rights of a transferee if the transfer is not
20 indicated in the files of the office and on the certificate of title.

21 (d) This section does not apply to a security interest in a vehicle created by a person
22 during any period in which the vehicle is inventory held for sale or lease by the person or

1 is leased by the person as lessor if the person is in the business of selling goods of that
2 kind.

3 (e) A security interest is perfected to the extent provided in subsection (d) of Section
4 1-9-316 of Title 12A of the Oklahoma Statutes. A secured party may also perfect a
5 security interest by taking possession of a vehicle only pursuant to subsection (b) of
6 Section 1-9-313 of Title 12A of the Oklahoma Statutes and subsection (d) of Section 1-9-
7 316 of Title 12A of the Oklahoma Statutes.

8 SECTION 27. NEW LAW A new section of law to be codified in the Oklahoma
9 Statutes as Section 1111.27 of Title 47, unless there is created a duplication in
10 numbering, reads as follows:

11 TERMINATION STATEMENT.

12 (a) A secured party indicated in the files of the office as having a security interest in
13 a vehicle shall deliver to the office and, upon the debtor's request, to the debtor, a signed
14 termination statement if:

15 (1) there is no obligation secured by the vehicle subject to the security interest and
16 no commitment to make an advance, incur an obligation, or otherwise give value secured
17 by the vehicle; or

18 (2) the debtor did not authorize the filing of the security-interest statement.

19 (b) A secured party indicated in the files of the office as having a security interest in
20 a vehicle shall deliver a signed termination statement to the debtor or the office upon the
21 earlier of:

1 (1) thirty (30) days after there is no obligation secured by the vehicle subject to the
2 security-interest statement and no commitment to make an advance, incur an obligation,
3 or otherwise give value secured by the vehicle; or

4 (2) fourteen (14) days after the secured party receives a signed demand from an
5 owner and there is no obligation secured by the vehicle subject to the security interest
6 and no commitment to make an advance, incur an obligation, or otherwise give value
7 secured by the vehicle.

8 (c) If a written certificate of title has been created and delivered to a secured party
9 and a termination statement is required under subsection (a) of this section, the secured
10 party, within the time provided in subsection (b) of this section, shall deliver the written
11 certificate of title to the debtor or the office with the termination statement. If the
12 written certificate is lost, stolen, mutilated, or destroyed or is otherwise unavailable or
13 illegible, the secured party shall deliver with the termination statement, within the time
14 provided in subsection (b) of this section, an application for a replacement certificate of
15 title meeting the requirements of Section 24 of this act.

16 (d) Upon the delivery of a termination statement to the office pursuant to this
17 section, the security-interest statement and any indication of the security interest on the
18 certificate of title to which the termination statement relates ceases to be effective. The
19 files of the office must indicate the date and time of delivery of the termination statement
20 to the office.

1 (e) A secured party is liable for damages in the amount of any loss caused by its
2 failure to comply with this section and for the reasonable cost of an application for a
3 certificate of title under Section 9 or 24 of this act.

4 SECTION 28. NEW LAW A new section of law to be codified in the Oklahoma
5 Statutes as Section 1111.28 of Title 47, unless there is created a duplication in
6 numbering, reads as follows:

7 DUTIES AND OPERATION OF FILING OFFICE.

8 (a) The files of the office must indicate the information provided in security-interest
9 statements and termination statements received by the office under Section 25 or 27 of
10 this act for at least ten (10) years after termination of the security-interest statement
11 under Section 27 of this act. The information must be accessible by the vehicle
12 identification number for the vehicle and any other indexing methods provided by the
13 office.

14 (b) The office shall send to a person that submits a record to the office, or submits
15 information that is accepted by the office, and requests an acknowledgment of the filing
16 or submission, an acknowledgment showing the vehicle identification number of the
17 vehicle to which the record or submission relates, the information in the filed record or
18 submission, and the date and time the record was received or the submission accepted. A
19 request under this section must contain the vehicle identification number and be
20 delivered by means authorized by the office.

21 (c) The office shall send or otherwise make available in a record the following
22 information to any person that requests it:

1 (1) whether the files of the office indicate, as of a date and time specified by the
2 office, but not a date earlier than three (3) business days before the office received the
3 request, any certificate of title, security-interest statement, or termination statement
4 that relates to a vehicle identified by a vehicle identification number designated in the
5 request; and

6 (2) the name of the owner of record and the effective date of all security-interest
7 statements and termination statements indicated in the files of the office.

8 (d) In responding to a request under this section, the office may communicate the
9 requested information in any medium. However, if requested, the office shall send the
10 requested information in a record that is self-authenticating under Section 2902 of Title
11 12 of the Oklahoma Statutes.

12 (e) The office shall comply with this section at the time and in the manner
13 prescribed by the rules of the office but shall respond to requests under this section not
14 later than two (2) business days after the office receives the request.

15 SECTION 29. NEW LAW A new section of law to be codified in the Oklahoma
16 Statutes as Section 1111.29 of Title 47, unless there is created a duplication in
17 numbering, reads as follows:

18 UNIFORMITY OF APPLICATION AND CONSTRUCTION. In applying and
19 construing the Uniform Certificate of Title Act, consideration must be given to the need
20 to promote uniformity of the law with respect to its subject matter among states that
21 enact it.

1 SECTION 30. NEW LAW A new section of law to be codified in the Oklahoma
2 Statutes as Section 1111.30 of Title 47, unless there is created a duplication in
3 numbering, reads as follows:

4 ELECTRONIC SIGNATURES IN GLOBAL AND NATIONAL COMMERCE ACT.

5 The Uniform Certificate of Title Act modifies, limits, and supersedes the federal
6 Electronic Signatures in Global and National Commerce Act, 15 U.S.C., Section 7001 et
7 seq., but does not modify, limit, or supersede Section 101(c) of that act, 15 U.S.C., Section
8 7001(c), or authorize electronic delivery of any of the notices described in Section 103(b)
9 of that act, 15 U.S.C., Section 7003(b).

10 SECTION 31. NEW LAW A new section of law to be codified in the Oklahoma
11 Statutes as Section 1111.31 of Title 47, unless there is created a duplication in
12 numbering, reads as follows:

13 SAVINGS CLAUSE.

14 (a) Except as otherwise provided in this section, the Uniform Certificate of Title Act
15 applies to any transaction, certificate of title, or record involving a vehicle, even if the
16 transaction, certificate of title, or record was entered into or created before January 1,
17 2008.

18 (b) A transaction, certificate of title, or record that was validly entered into or
19 created before January 1, 2008, and would be subject to the Uniform Certificate of Title
20 Act if it had been entered into or created on or after January 1, 2008, and the rights,
21 duties, and interests flowing from the transaction, certificate of title, or record remains
22 valid after January 1, 2008.

1 (c) This act does not affect an action or proceeding commenced before January 1,
2 2008.

3 (d) A security interest that is enforceable immediately before January 1, 2008, and
4 would have priority over the rights of a person that becomes a lien creditor at that time
5 is a perfected security interest under the Uniform Certificate of Title Act.

6 (e) The Uniform Certificate of Title Act does not affect the priority of a security
7 interest in a vehicle if immediately before January 1, 2008, the security interest is
8 enforceable and perfected, and that priority is established.

9 SECTION 32. AMENDATORY 47 O.S. 2001, Section 1105, as last amended by
10 Section 3, Chapter 295, O.S.L. 2006 (47 O.S. Supp. 2006, Section 1105), is amended to
11 read as follows:

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

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

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

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

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

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

9 B. The owner of every vehicle in this state shall possess a certificate of title as proof
10 of ownership of such vehicle, except those vehicles registered pursuant to Section 1120 of
11 this title and trailers registered pursuant to Section 1133 of this title, previously titled by
12 anyone in another state and engaged in interstate commerce, and except as provided in
13 subsection M of this section. Except for owners that possess an agricultural exemption
14 permit pursuant to Section 1358.1 of Title 68 of the Oklahoma Statutes, the owner of an
15 all-terrain vehicle or a motorcycle used exclusively off roads or highways in this state
16 which is purchased or the ownership of which is transferred on or after July 1, 2005,
17 shall possess a certificate of title as proof of ownership. Upon receipt of proper
18 application information by such owner, the Tax Commission shall issue an original or
19 transfer certificate of title. There shall be six types of certificates of title:

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

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

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

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

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

8 6. Remanufactured title for any vehicle which is a remanufactured vehicle.

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

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

- 3 a. ~~a full description of the vehicle,~~
- 4 b. ~~the manufacturer's serial or other identification number,~~
- 5 c. ~~the motor number and the date on which first sold by the~~
6 ~~manufacturer or dealer to the owner,~~
- 7 d. ~~any distinguishing marks,~~
- 8 e. ~~a statement of the applicant's source of title,~~
- 9 f. ~~any security interest upon the vehicle, and~~
- 10 g. ~~such other information as the Tax Commission may require.~~

11 2. ~~The application for a certificate of title for a vehicle which is within the last~~
12 ~~seven (7) model years shall require a declaration as to whether the vehicle has been~~
13 ~~damaged by collision or other occurrence and whether the vehicle has been recovered~~
14 ~~from theft and the extent of the damage to the vehicle. The declaration shall be made by~~
15 ~~the owner of a vehicle if:~~

- 16 a. ~~the vehicle has been damaged or stolen,~~
- 17 b. ~~the owner did or did not receive any payment for the loss from an~~
18 ~~insurer, or~~
- 19 c. ~~the vehicle is titled or registered in a state that does not classify the~~
20 ~~vehicle or brand the title because of damage to or loss of the vehicle~~
21 ~~similar to the classifications or brands utilized by this state.~~

1 ~~The declaration shall be based upon the best information and knowledge of the~~
2 ~~owner and shall be in addition to the requirements specified in paragraph 1 of this~~
3 ~~subsection. The Tax Commission shall not issue a certificate of title for a vehicle which~~
4 ~~is subject to the provisions of this paragraph without the required declaration, completed~~
5 ~~and signed by the owner of the vehicle. Upon receipt of an application without the~~
6 ~~properly completed declaration, the Tax Commission shall return the application to the~~
7 ~~applicant with notice that the title may not be issued without the required declaration.~~
8 ~~Nothing in this paragraph shall prohibit the Tax Commission from recognizing the type~~
9 ~~of or brand on a title or other ownership document issued by another state or the~~
10 ~~inspection conducted in another state and issuing the appropriate certificate of title for~~
11 ~~the vehicle made pursuant to the Uniform Certificate of Title Act.~~

12 ~~3.~~ 2. The certificate of title shall have the following security features:

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

19 ~~4.~~ 3. Each title issued pursuant to the provisions of the Oklahoma Vehicle License
20 and Registration Act shall be color coded as determined by the Tax Commission.

21 ~~5.~~ 4. The certificate of title shall be of such size and design and color as the Tax
22 Commission may direct pursuant to the provisions of this section. The title shall be on

1 colored paper or other material as designated by the Tax Commission and be of such
2 intensity or hue as will allow easy identification as to whether the title is an original
3 title, a salvage title, a rebuilt title, remanufactured title, or a junked title. The type of
4 title shall be identified on the front of the certificate of title. The original title, rebuilt
5 title, remanufactured title, or classic title shall be identified by the word "Original",
6 "Rebuilt", "Remanufactured" or "Classic" printed in the upper right quadrant of the
7 certificate of title, in the space which is currently captioned "type of title".

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

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

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

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

6 E. ~~In the absence of a dealer's or manufacturer's number, the Tax Commission may~~
7 ~~assign such identifying number to the vehicle, which shall be permanently stamped,~~
8 ~~burned or pressed or attached into the vehicle, and a certificate of title shall be delivered~~
9 ~~to the applicant upon payment of all fees and taxes, and the remaining copies shall be~~
10 ~~permanently filed and indexed by the Tax Commission. The Tax Commission shall~~
11 ~~assign an identifying number to any rebuilt vehicle if the vehicle identification number~~
12 ~~displayed on the rebuilt vehicle does not accurately describe the vehicle as rebuilt. The~~
13 ~~motor license agent, at the time of inspection of the rebuilt vehicle pursuant to Section~~
14 ~~1111 of this title, shall identify the make, model, and year for the body to accurately~~
15 ~~describe the rebuilt vehicle. At the time of the inspection, an appropriate identifying~~
16 ~~number shall be permanently stamped, burned, pressed, or attached on the rebuilt~~
17 ~~vehicle. The assigned identifying number shall be recorded on the certificate of title for~~
18 ~~the rebuilt vehicle. The dealer's or manufacturer's vehicle identification number on the~~
19 ~~rebuilt vehicle shall be preserved in the computer files of the Tax Commission for at least~~
20 ~~five (5) years.~~

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

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

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

12 ~~The Tax Commission shall not issue a certificate of title for a vehicle which is~~
13 ~~subject to the provisions of this paragraph without the required documentation from~~
14 ~~agencies of the United States and evidence of ownership. Upon receipt of an application~~
15 ~~without the required documentation, the Tax Commission shall return the application to~~
16 ~~the applicant with notice that the certificate of title may not be issued without the~~
17 ~~required documentation. Nothing in this paragraph shall prohibit the Tax Commission~~
18 ~~from issuing certificates of title for antique or classic vehicles not driven upon the public~~
19 ~~streets, roads, or highways.~~

20 ~~G. When registering in this state a vehicle which was titled in another state and~~
21 ~~which title contains the name of a secured party on the face of the other state certificate~~
22 ~~of title, or such state certificate is being held by the secured party in that state or any~~

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

17 ~~H. E.~~ E. The charge for each certificate of title issued, except for junked titles as
18 defined in paragraph 4 of subsection B of this section, shall be Eleven Dollars (\$11.00),
19 which charge shall be in addition to any other fees or taxes imposed by law for such
20 vehicle. One Dollar (\$1.00) of each such charge shall be deposited in the Oklahoma Tax
21 Commission Reimbursement Fund. However, the charge shall not apply to any vehicle
22 which is to be registered in this state pursuant to the provisions of Section 1120 or 1133

1 of this title and which was registered in another state at least sixty (60) days prior to the
2 time it is required to be registered in this state.

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

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

12 ~~H.~~ H. If a vehicle is stolen, the owner shall immediately notify the appropriate law
13 enforcement agency. Immediately after receiving such notification, the law enforcement
14 agency shall notify the Tax Commission.

15 ~~I.~~ I. Except for all-terrain vehicles and motorcycles used exclusively for off-road
16 use, no title for an out-of-state vehicle, except any commercial truck or truck-tractor
17 registered pursuant to Section 1120 of this title which is engaged in interstate commerce
18 or any trailer or semitrailer registered pursuant to Section 1133 of this title which is
19 engaged in interstate commerce, shall be issued without an inspection of such vehicle
20 and payment of a fee of Four Dollars (\$4.00) for such inspection; provided, the Tax
21 Commission may enter into reciprocal agreements with other states for such inspections
22 to be performed at locations outside the boundaries of this state for vehicles which:

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

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

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

13 ~~M. J.~~ No title for any out-of-state vehicle offered for sale at salvage pools, salvage
14 disposal sales, or an auction, or by a dealer or a licensed automotive dismantler and
15 parts recycler, shall be issued without an inspection to compare the vehicle identification
16 number on the vehicle with the number recorded on the ownership record and to record
17 the actual odometer reading on the vehicle. Upon request of the seller, person or entity
18 conducting an auction, dealer or licensed dismantler, the inspection shall be conducted at
19 the location or place of business of the sale, auction, dealer, or the dismantler. The
20 inspection shall be conducted by any motor license agent or a duly authorized employee
21 thereof; provided, if the vehicle identification number on the vehicle offered for sale at
22 salvage pools, salvage disposal sales or a classic or antique auction does not match the

1 number recorded on the ownership record, the inspection may be conducted at the
2 location of or place of business of such sale or auction by any state, county or city law
3 enforcement officer. The Tax Commission may enter into reciprocal agreements with
4 other states for such inspections to be performed at locations outside the boundaries of
5 this state for vehicles which:

6 1. Are offered for sale at auction;

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

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

10 The inspection shall be certified upon forms prescribed by the Tax Commission. The
11 name and other identification of the authorized person conducting the inspection shall be
12 legibly printed or typed on the form. Prior to any inspection by any employee of a motor
13 license agent, the motor license agent shall notify the Tax Commission of the name and
14 any other identification information requested by the Tax Commission of the authorized
15 person. A signature specimen of the authorized person shall be submitted to the Tax
16 Commission by the employing motor license agent. If the authorization to inspect
17 vehicles is withdrawn or the employer-employee relationship is terminated, the motor
18 license agent, immediately, shall notify the Tax Commission and return any remaining
19 inspection forms to the Tax Commission. The fee for the inspection shall be Four Dollars
20 (\$4.00). The motor license agent shall retain Three Dollars (\$3.00) of the fee. Fees
21 received by a motor license agent or an authorized employee thereof shall be handled and
22 accounted for in the manner as prescribed by law for any other fees paid to or received by

1 a motor license agent. Out-of-state vehicles brought into this state by a person licensed
2 in another state to sell new or used vehicles to be sold within this state at a motor vehicle
3 auction which is limited to dealer to dealer transactions shall not be required to be
4 inspected, unless the vehicle is purchased by an Oklahoma dealer. Any person licensed
5 in another state to sell new or used motor vehicles, who offers a motor vehicle for sale
6 within this state at a motor vehicle auction which is limited to dealer-to-dealer
7 transactions, shall not be within the definition of “owner” in Section 1102 of this title, for
8 purposes of Section 1101 et seq. of this title.

9 ~~N. K.~~ A licensed motor vehicle dealer, upon payment of a fee of Fifteen Dollars
10 (\$15.00), may reassign an out-of-state certificate of title to a used motor vehicle provided
11 such dealer obtains the appropriate inspection form required by either subsection L or M
12 of this section and attaches the form to the out-of-state certificate of title. Motor license
13 agents shall be allowed to retain Two Dollars and twenty-five cents (\$2.25) of the fee plus
14 an additional Two Dollars (\$2.00) or Three Dollars (\$3.00) as provided in subsections ~~L~~ I
15 and ~~M~~ J of this section for performance of the inspection. Two Dollars (\$2.00) of the fee
16 shall be deposited in the Tax Commission Reimbursement Fund. An out-of-state vehicle
17 which has been rebuilt shall be inspected pursuant to the provisions of Section 1111 of
18 this title. The Tax Commission shall train motor license agents in interpreting vehicle
19 identification numbers to assure that it accurately describes the vehicle and to detect
20 rollback or alteration of the odometer. Failure of a motor license agent to inspect the
21 vehicle and make the required notations shall be a misdemeanor punishable by a fine of
22 not more than One Thousand Dollars (\$1,000.00) for the first offense and Five Thousand

1 Dollars (\$5,000.00) for the second offense or subsequent offense, or by imprisonment in
2 the county jail for not more than six (6) months, or by both such fine and imprisonment.

3 ~~Q.~~ L. The ownership of any vehicle which has been declared a total loss by an
4 insurer because of theft shall be transferred to the insurer by a salvage title; provided,
5 the ownership of any such vehicle which has been declared a total loss by an insurer
6 licensed by the Oklahoma Insurance Department and maintaining a multi-state motor
7 vehicle salvage processing center in this state shall be transferred to the insurer by a
8 salvage title without the requirement of a visual inspection of the vehicle identification
9 number by the insurer. Upon recovery of the vehicle, the ownership shall be transferred
10 by an original title, salvage title, or junked title, as may be appropriate based upon an
11 estimate of the amount of loss submitted by the insurer.

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

1 prescribe a form for the transfer of ownership of a vehicle for which the certificate of title
2 has been canceled.

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

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

20 Upon receipt of the certificate, the Tax Commission shall verify that any perfected
21 lien upon the vehicle has been released. If the lien is not released, the Tax Commission
22 shall mail notice of the transfer to the lienholder at the lienholder's last-known address.

1 If a certificate of title has been issued, it shall be canceled and the vehicle identification
2 number shall be preserved in the computer of the Tax Commission for at least five (5)
3 years. The buyer of the vehicle may not be sued and shall not be liable for monetary
4 damages to the lienholder, however, the vehicle shall be subject to a valid repossession by
5 a lienholder.

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

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

14 T. Q. If a vehicle is sold to a foreign buyer pursuant to the provisions of the
15 Automotive Dismantlers and Parts Recycler Act, the licensed seller shall stamp the title
16 with: "EXPORT ONLY. NONTRANSFERABLE IN THE UNITED STATES." The
17 licensed seller shall supply the Tax Commission the title number, the vehicle
18 identification number and the foreign buyer's bid identification number on a form
19 prescribed by the Tax Commission. The Tax Commission shall cancel the title, and the
20 vehicle identification number shall be preserved in the computer files of the Tax
21 Commission for a period of not less than five (5) years.

1 U. R. The Tax Commission shall not be considered a necessary party to any lawsuit
2 which is instigated for the purpose of determining ownership of a vehicle, wherein the
3 Tax Commission's only involvement would be to issue title, and the court shall issue an
4 order dismissing the Tax Commission from the pending action. In the event no other
5 party or lien holder can be identified as to ownership or claim, the Tax Commission shall
6 accept an affidavit of ownership from the party claiming ownership and issue proper title
7 thereon.

8 SECTION 33. AMENDATORY 47 O.S. 2001, Section 1110, as last amended by
9 Section 1, Chapter 85, O.S.L. 2004 (47 O.S. Supp. 2006, Section 1110), is amended to
10 read as follows:

11 Section 1110. A. 1. ~~Except for a security interest in vehicles held by a dealer for~~
12 ~~sale or lease, a vehicle registered by a federally recognized Indian tribe as provided in~~
13 ~~subsection G of this section, and a vehicle being registered in this state which was~~
14 ~~previously registered in another state and which title contains the name of a secured~~
15 ~~party on the face of the other state certificate or title, a security interest in a vehicle as to~~
16 ~~which a certificate of title may be properly issued by the Oklahoma Tax Commission~~
17 ~~shall be perfected only when a lien entry form, and the existing certificate of title, if any,~~
18 ~~or application for a certificate of title and manufacturer's certificate of origin containing~~
19 ~~the name and address of the secured party and the date of the security agreement and~~
20 ~~the required fee are delivered to the Tax Commission or to a motor license agent. As~~
21 ~~used in this section, the term "dealer" shall be defined as provided in Section 1-112 of~~
22 ~~this title and the term "security interest" shall be defined as provided in paragraph (37)~~

1 of Section 1-201 of Title 12A of the Oklahoma Statutes. When a vehicle title is presented
2 to a motor license agent for transferring or registering and the documents reflect a lien
3 holder, the motor license agent shall perfect the lien pursuant to subsection G of Section
4 1105 of this title. For the purposes of this section, the term "vehicle" shall not include
5 special mobilized machinery, machinery used in highway construction or road material
6 construction and rubber-tired road construction vehicles including rubber-tired cranes.
7 The filing and duration of perfection of a security interest, pursuant to the provisions of
8 Title 12A of the Oklahoma Statutes, including, but not limited to, Section 1-9-311 of Title
9 12A of the Oklahoma Statutes, shall not be applicable to perfection of security interests
10 in vehicles as to which a certificate of title may be properly issued by the Tax
11 Commission, except as to vehicles held by a dealer for sale or lease and except as
12 provided in subsection D of this section. In all other respects Title 12A of the Oklahoma
13 Statutes shall be applicable to such security interests in vehicles as to which a certificate
14 of title may be properly issued by the Tax Commission.

15 2. Whenever a person creates a security interest in a vehicle, the person shall
16 surrender to the secured party the certificate of title or the signed application for a new
17 certificate of title, on the form prescribed by the Tax Commission, and the
18 manufacturer's certificate of origin. The secured party shall deliver the lien entry form
19 and the required lien filing fee within twenty-five (25) days as provided hereafter with
20 certificate of title or the application for certificate of title and the manufacturer's
21 certificate of origin to the Tax Commission or to a motor license agent. If the lien entry
22 form, the lien filing fee and the certificate of title or application for certificate of title and

1 ~~the manufacturer's certificate of origin are delivered to the Tax Commission or to a motor~~
2 ~~license agent within twenty-five (25) days after the date of the lien entry form, perfection~~
3 ~~of the security interest shall begin from the date of the execution of the lien entry form,~~
4 ~~but otherwise, perfection of the security interest shall begin from the date of the delivery~~
5 ~~to the Tax Commission or to a motor license agent.~~

6 ~~3.~~ a. For each security interest recorded on a certificate of title, or
7 manufacturer's certificate of origin, such person shall pay a fee of Ten
8 Dollars (\$10.00), which shall be in addition to other fees provided for in
9 the Oklahoma Vehicle License and Registration Act. Upon the receipt
10 of the lien entry form and the required fees with either the certificate
11 of title or an application for certificate of title and manufacturer's
12 certificate of origin, a motor license agent shall, by placement of a
13 clearly distinguishing mark, record the date and number shown in a
14 conspicuous place, on each of these instruments. Of the ten-dollar fee,
15 the motor license agent shall retain Two Dollars (\$2.00) for recording
16 the security interest lien.

17 ~~b.~~

18 2. It shall be unlawful for any person to solicit, accept or receive any gratuity or
19 compensation for acting as a messenger and for acting as the agent or representative of
20 another person in applying for the recording of a security interest or for the registration
21 of a motor vehicle and obtaining the license plates or for the issuance of a certificate of
22 title therefor unless the Tax Commission has appointed and approved the person to

1 perform such acts; and before acting as a messenger, any such person shall furnish to the
2 Tax Commission a surety bond in such amount as the Tax Commission shall determine
3 appropriate.

4 ~~4. The certificate of title or the application for certificate of title and manufacturer's~~
5 ~~certificate of origin with the record of the date of receipt clearly marked thereon shall be~~
6 ~~returned to the debtor together with a notice that the debtor is required to register and~~
7 ~~pay all additional fees and taxes due within thirty (30) days from the date of purchase of~~
8 ~~the vehicle.~~

9 ~~5. Any person creating a security interest in a vehicle that has been previously~~
10 ~~registered in the debtor's name and on which all taxes due the state have been paid shall~~
11 ~~surrender the certificate of ownership to the secured party. The secured party shall have~~
12 ~~the duty to record the security interest as provided in this section and shall, at the same~~
13 ~~time, obtain a new certificate of title which shall show the secured interest on the face of~~
14 ~~the certificate of title.~~

15 ~~6. The lien entry form with the date and assigned number thereof clearly marked~~
16 ~~thereon shall be returned to the secured party. If the lien entry form is received and~~
17 ~~authenticated, as herein provided, by a motor license agent, the agent shall make a~~
18 ~~report thereof to the Tax Commission upon the forms and in the manner as may be~~
19 ~~prescribed by the Tax Commission.~~

20 ~~7. The Tax Commission shall have the duty to record the lien upon the face of the~~
21 ~~certificate of title issued at the time of registering and paying all fees and taxes due on~~
22 ~~the vehicle.~~

1 B. 1. ~~A secured party shall, within seven (7) business days after the satisfaction of~~
2 ~~the security interest, furnish directly or by mail a release of a security interest to the Tax~~
3 ~~Commission and mail a copy thereof to the last-known address of the debtor. If the~~
4 ~~security interest has been satisfied by payment from a licensed used motor vehicle dealer~~
5 ~~to whom the motor vehicle has been transferred, the secured party shall also, within~~
6 ~~seven (7) business days after such satisfaction, mail an additional copy of the release to~~
7 ~~the dealer. If the secured party fails to furnish the release as required, the secured party~~
8 ~~shall be liable to the debtor for a penalty of One Hundred Dollars (\$100.00) and, in~~
9 ~~addition, any loss caused to the debtor by such failure.~~

10 2. ~~Upon release of a security interest the owner may obtain a new certificate of title~~
11 ~~omitting reference to the security interest, by submitting to the Tax Commission or to a~~
12 ~~motor license agent:~~

- 13 a. ~~a release signed by the secured party, an application for new certificate~~
14 ~~of title and the proper fees, or~~
- 15 b. ~~by submitting to the Tax Commission or the motor license agent an~~
16 ~~affidavit, supported by such documentation as the Tax Commission~~
17 ~~may require, by the owner on a form prescribed by the Tax~~
18 ~~Commission stating that the security interest has been satisfied and~~
19 ~~stating the reasons why a release cannot be obtained, an application~~
20 ~~for a new certificate of title and the proper fees.~~

21 ~~Upon receiving such affidavit that the security interest has been satisfied, the Tax~~
22 ~~Commission shall issue a new certificate of title eliminating the satisfied security~~

1 interest and the name and address of the secured parties who have been paid and
2 satisfied. The Tax Commission shall accept a release of a security interest in any form
3 that identifies the debtor, the secured party, and the vehicle, and contains the signature
4 of the secured party. The Tax Commission shall not require any particular form for the
5 release of a security interest.

6 The words "security interest" when used in the Oklahoma Vehicle License and
7 Registration Act do not include liens dependent upon possession.

8 C. The Tax Commission shall file and index certificates of title so that at all times
9 it will be possible to trace a certificate of title to the vehicle designated therein, identify
10 the lien entry form, and the names and addresses of secured parties, or their assignees,
11 so that all or any part of such information may be made readily available to those who
12 make legitimate inquiry of the Tax Commission as to the existence or nonexistence of
13 security interest in the vehicle.

14 D. 1. Any security interest in a vehicle properly perfected prior to July 1, 1979,
15 may be continued as to its effectiveness or duration as provided by Sections 1-9-501 and
16 1-9-515 of Title 12A of the Oklahoma Statutes, or may be terminated, assigned or
17 released as provided by Sections 1-9-512, 1-9-513 and 1-9-514 of Title 12A of the
18 Oklahoma Statutes, as fully as if this section had not been enacted, or, at the option of
19 the secured party, may also be perfected under this section, and, if so perfected, the time
20 of perfection under this section shall be the date the security interest was originally
21 perfected under the prior law.

1 2. Upon request of the secured party, the debtor or any other holder of the
2 certificate of title shall surrender the certificate of title to the secured party and shall do
3 such other acts as may be required to perfect the security interest under this section.

4 E. C. If a manufactured home is permanently affixed to real estate, the original
5 document of title may be surrendered to the Tax Commission or a motor license agent for
6 cancellation. When the document of title is surrendered, the owner shall provide the
7 legal description or the appropriate tract or parcel number of the real estate and other
8 information as may be required on a form provided by the Tax Commission. The Tax
9 Commission may not cancel a document of title if a lien has been registered or recorded.
10 The Tax Commission or motor license agent shall notify the owner and any lienholder
11 that the title has been surrendered to the Tax Commission and that the Tax Commission
12 may not cancel the title until the lien is released. Such notification shall include a
13 description of the lien and such notification to the owner shall be accompanied by the
14 return of title surrendered. Permanent attachment to real estate does not affect the
15 validity of a lien recorded or registered with the Tax Commission before the document of
16 title is cancelled pursuant to this section. The rights of a prior lienholder pursuant to a
17 security agreement or the provisions of a credit transaction and the rights of the state
18 pursuant to a tax lien are preserved. The Tax Commission or motor license agent shall
19 forward the information to the county assessor of the county where the real estate is
20 located and indicate whether the original document of title has been canceled. A fee of
21 Five Dollars (\$5.00) shall accompany the application for cancellation of title. When the
22 fee is paid by a person making an application directly with the Tax Commission, the fee

1 shall be deposited in the Oklahoma Tax Commission Revolving Fund. A fee paid to a
2 motor license agent shall be retained by the agent. A security interest in a manufactured
3 home perfected pursuant to this section shall have priority over a conflicting interest of a
4 mortgagee or other lien encumbrancer, or the owner of the real property upon which the
5 manufactured home became affixed or otherwise permanently attached. The holder of
6 the security interest in the manufactured home, upon default, may remove the
7 manufactured home from such real property. The holder of the security interest in the
8 manufactured home shall reimburse the owner of the real property who is not the debtor
9 and who has not otherwise agreed to access the real property for the cost of repair of any
10 physical injury to the real property, but shall not be liable for any diminution in value to
11 the real property caused by the removal of the manufactured home, trespass, or any
12 other damages caused by the removal. The debtor shall notify the holder of the security
13 interest in the manufactured home of the street address, if any, and the legal description
14 of the real property upon which the manufactured home is affixed or otherwise
15 permanently attached and shall sign such other documents, including any appropriate
16 mortgage, as may reasonably be requested by the holder of such security interest.

17 F. D. In the case of motor vehicles or trailers, notwithstanding any other provision
18 of law, a transaction does not create a sale or security interest merely because it provides
19 that the rental price is permitted or required to be adjusted under the agreement either
20 upward or downward by reference to the amount realized upon sale or other disposition
21 of the motor vehicle or trailer.

1 G. ~~A security interest in vehicles registered by a federally recognized Indian tribe~~
2 ~~shall be deemed valid under Oklahoma law if validly perfected under the applicable~~
3 ~~tribal law and the lien is noted on the face of the tribal certificate of title.~~

4 SECTION 34. REPEALER 47 O.S. 2001, Sections 1106, as last amended by
5 Section 7, Chapter 238, O.S.L. 2006, 1107, as amended by Section 5, Chapter 381, O.S.L.
6 2005 and Section 6, Chapter 381, O.S.L. 2005 (47 O.S. Supp. 2006, Sections 1106, 1107
7 and 1107.4), are hereby repealed.

8 SECTION 35. This act shall become effective January 1, 2008.

9 COMMITTEE REPORT BY: COMMITTEE ON JUDICIARY AND PUBLIC SAFETY,
10 dated 03-01-07 - DO PASS, As Amended and Coauthored.