

THE HOUSE OF REPRESENTATIVES
Thursday, March 27, 2008

ENGROSSED
Senate Bill No. 1389

ENGROSSED SENATE BILL NO. 1389 - By: ALDRIDGE of the Senate and PETERSON (RON) of the House.

An Act relating to motor vehicles; amending 47 O.S. 2001, Sections 1105, as last amended by Section 1, Chapter 202, O.S.L. 2007 and 1111, as amended by Section 2, Chapter 355, O.S.L. 2005 (47 O.S. Supp. 2007, Sections 1105 and 1111), which relate to certificates of title and salvage titles; adding and modifying definitions; adding type of certificate of title; providing for unrecovered-theft titles; providing for certain transfer of ownership by unrecovered-theft title; and providing an effective date.

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

1 SECTION 1. AMENDATORY 47 O.S. 2001, Section 1105, as last amended by
2 Section 1, Chapter 202, O.S.L. 2007 (47 O.S. Supp. 2007, Section 1105), is amended to
3 read as follows:

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

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

1 parts for actual damage to the suspension, motor, transmission, frame or unibody and
2 designated structural components;

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

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

8 4. “Unrecovered-theft vehicle” means a vehicle which has been stolen and not yet
9 recovered;

10 5. “Recovered-theft vehicle” means a vehicle, including a salvage or rebuilt vehicle,
11 which was recovered from a theft; and

12 ~~5.~~ 6. “Junked vehicle” means any vehicle which is incapable of operation or use on
13 the highway, has no resale value except as a source of parts or scrap and has an eighty
14 percent (80%) loss in fair market value.

15 B. The owner of every vehicle in this state shall possess a certificate of title as proof
16 of ownership of such vehicle, except those vehicles registered pursuant to Section 1120 of
17 this title and trailers registered pursuant to Section 1133 of this title, previously titled by
18 anyone in another state and engaged in interstate commerce, and except as provided in
19 subsection M of this section. Except for owners that possess an agricultural exemption
20 permit pursuant to Section 1358.1 of Title 68 of the Oklahoma Statutes, the owner of an
21 all-terrain vehicle or a motorcycle used exclusively off roads or highways in this state
22 which is purchased or the ownership of which is transferred on or after July 1, 2005,

1 shall possess a certificate of title as proof of ownership. Any person possessing an
2 agricultural exemption permit and owning an all-terrain vehicle or a motorcycle used
3 exclusively off roads or highways in this state which is purchased or the ownership of
4 which is transferred on or after July 1, 2008, shall possess a certificate of title as proof of
5 ownership. Upon receipt of proper application information by such owner, the Tax
6 Commission shall issue an original or transfer certificate of title. Until July 1, 2008, any
7 security interest in an all-terrain vehicle that attached and was perfected before July 1,
8 2005, and that has not otherwise terminated shall remain perfected, and shall take
9 priority over any subsequently perfected security interest in the same all-terrain vehicle,
10 notwithstanding that a certificate of title may have been issued with respect to the same
11 all-terrain vehicle on or after July 1, 2005, and that a lien may have been recorded on
12 said certificate of title. There shall be ~~six~~ seven types of certificates of title:

- 13 1. Original title for any motor vehicle which is not a remanufactured, salvage,
14 unrecovered-theft, rebuilt or junked vehicle;
- 15 2. Salvage title for any motor vehicle which is a salvage vehicle or is specified as a
16 salvage vehicle or the equivalent thereof on a certificate of title from another state;
- 17 3. Rebuilt title for any motor vehicle which is a rebuilt vehicle;
- 18 4. Junked title for any motor vehicle which is a junked vehicle or is specified as a
19 junked vehicle or the equivalent thereof on a certificate of title from another state;
- 20 5. Classic title for any motor vehicle, except a junked vehicle, which is twenty-five
21 (25) model years or older; ~~and~~
- 22 6. Remanufactured title for any vehicle which is a remanufactured vehicle; and

- 1 e. a statement of the applicant's source of title,
- 2 f. any security interest upon the vehicle, and
- 3 g. such other information as the Tax Commission may require.

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

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

15 The declaration shall be based upon the best information and knowledge of the
16 owner and shall be in addition to the requirements specified in paragraph 1 of this
17 subsection. The Tax Commission shall not issue a certificate of title for a vehicle which
18 is subject to the provisions of this paragraph without the required declaration, completed
19 and signed by the owner of the vehicle. Upon receipt of an application without the
20 properly completed declaration, the Tax Commission shall return the application to the
21 applicant with notice that the title may not be issued without the required declaration.

22 Nothing in this paragraph shall prohibit the Tax Commission from recognizing the type

UNDERLINED language denotes Amendments to present Statutes.
BOLD FACE CAPITALIZED language denotes Committee Amendments.
~~Strike thru~~ language denotes deletion from present Statutes.

1 of or brand on a title or other ownership document issued by another state or the
2 inspection conducted in another state and issuing the appropriate certificate of title for
3 the vehicle.

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

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

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

13 5. The certificate of title shall be of such size and design and color as the Tax
14 Commission may direct pursuant to the provisions of this section. The title shall be on
15 colored paper or other material as designated by the Tax Commission and be of such
16 intensity or hue as will allow easy identification as to whether the title is an original
17 title, a salvage title, a rebuilt title, remanufactured title, or a junked title. The type of
18 title shall be identified on the front of the certificate of title. The original title, rebuilt
19 title, remanufactured title, an unrecovered-theft title or classic title shall be identified by
20 the word “Original”, “Rebuilt”, “Remanufactured”, “Unrecovered Theft” or “Classic”
21 printed in the upper right quadrant of the certificate of title, in the space which is
22 currently captioned “type of title”.

UNDERLINED language denotes Amendments to present Statutes.
BOLD FACE CAPITALIZED language denotes Committee Amendments.
~~Strike thru~~ language denotes deletion from present Statutes.

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

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

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

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

21 E. In the absence of a dealer's or manufacturer's number, the Tax Commission may
22 assign such identifying number to the vehicle, which shall be permanently stamped,

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

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

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

21 2. As evidence of compliance with federal law, copies of the bond release letters for
22 the vehicle issued by the United States Environmental Protection Agency and the United

1 States Department of Transportation, together with a receipt issued by the Internal
2 Revenue Service indicating that the applicable federal gas guzzler tax has been paid.

3 The Tax Commission shall not issue a certificate of title for a vehicle which is
4 subject to the provisions of this paragraph without the required documentation from
5 agencies of the United States and evidence of ownership. Upon receipt of an application
6 without the required documentation, the Tax Commission shall return the application to
7 the applicant with notice that the certificate of title may not be issued without the
8 required documentation. Nothing in this paragraph shall prohibit the Tax Commission
9 from issuing certificates of title for antique or classic vehicles not driven upon the public
10 streets, roads, or highways.

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

1 lien or encumbrance shall be deemed continuously perfected as though it had been
2 perfected pursuant to Section 1110 of this title. For completing the lien entry form and
3 recording the security interest on the certificate of title, the Tax Commission or the
4 motor license agent shall collect a fee of Three Dollars (\$3.00) which shall be in addition
5 to other fees provided by the Oklahoma Vehicle License and Registration Act. The fee, if
6 collected by the motor license agent pursuant to this subsection, shall be retained by the
7 motor license agent.

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

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

21 J. If a vehicle is sold to a resident of another state destroyed, dismantled, or ceases
22 to be used as a vehicle, the owner shall immediately notify the Tax Commission. Absent

1 evidence to the contrary, failure to notify the Tax Commission shall be prima facie
2 evidence that the vehicle has been in continuous operation in this state.

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

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

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

18 The inspection shall include a comparison of the vehicle identification number on the
19 vehicle with the number recorded on the ownership records and the recording of the
20 actual odometer reading on the vehicle. The four-dollar fee shall be collected by the
21 motor license agent or Tax Commission when the title is issued. The motor license agent

1 shall retain Two Dollars (\$2.00). The remaining Two Dollars (\$2.00) shall be deposited in
2 the Oklahoma Tax Commission Reimbursement Fund.

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

5 M. No title for any out-of-state vehicle offered for sale at salvage pools, salvage
6 disposal sales, or an auction, or by a dealer or a licensed automotive dismantler and
7 parts recycler, shall be issued without an inspection to compare the vehicle identification
8 number on the vehicle with the number recorded on the ownership record and to record
9 the actual odometer reading on the vehicle. Upon request of the seller, person or entity
10 conducting an auction, dealer or licensed dismantler, the inspection shall be conducted at
11 the location or place of business of the sale, auction, dealer, or the dismantler. The
12 inspection shall be conducted by any motor license agent or a duly authorized employee
13 thereof; provided, if the vehicle identification number on the vehicle offered for sale at
14 salvage pools, salvage disposal sales or a classic or antique auction does not match the
15 number recorded on the ownership record, the inspection may be conducted at the
16 location of or place of business of such sale or auction by any state, county or city law
17 enforcement officer. The Tax Commission may enter into reciprocal agreements with
18 other states for such inspections to be performed at locations outside the boundaries of
19 this state for vehicles which:

- 20 1. Are offered for sale at auction;
- 21 2. Have been solely used as vehicles for rent under the ownership of a licensed
22 motor vehicle dealer or a person engaged in the business of renting motor vehicles; or

UNDERLINED language denotes Amendments to present Statutes.
BOLD FACE CAPITALIZED language denotes Committee Amendments.
~~Strike thru~~ language denotes deletion from present Statutes.

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

1 N. A licensed motor vehicle dealer, upon payment of a fee of Fifteen Dollars
2 (\$15.00), may reassign an out-of-state certificate of title to a used motor vehicle provided
3 such dealer obtains the appropriate inspection form required by either subsection L or M
4 of this section and attaches the form to the out-of-state certificate of title. Motor license
5 agents shall be allowed to retain Two Dollars and twenty-five cents (\$2.25) of the fee plus
6 an additional Two Dollars (\$2.00) or Three Dollars (\$3.00) as provided in subsections L
7 and M of this section for performance of the inspection. Two Dollars (\$2.00) of the fee
8 shall be deposited in the Tax Commission Reimbursement Fund. An out-of-state vehicle
9 which has been rebuilt shall be inspected pursuant to the provisions of Section 1111 of
10 this title. The Tax Commission shall train motor license agents in interpreting vehicle
11 identification numbers to assure that it accurately describes the vehicle and to detect
12 rollback or alteration of the odometer. Failure of a motor license agent to inspect the
13 vehicle and make the required notations shall be a misdemeanor punishable by a fine of
14 not more than One Thousand Dollars (\$1,000.00) for the first offense and Five Thousand
15 Dollars (\$5,000.00) for the second offense or subsequent offense, or by imprisonment in
16 the county jail for not more than six (6) months, or by both such fine and imprisonment.

17 O. The ownership of any unrecovered vehicle which has been declared a total loss
18 by an insurer because of theft shall be transferred to the insurer by ~~a salvage~~ an
19 unrecovered-theft vehicle title; provided, the ownership of any such vehicle which has
20 been declared a total loss by an insurer licensed by the Oklahoma Insurance Department
21 and maintaining a multi-state motor vehicle salvage processing center in this state shall
22 be transferred to the insurer by a salvage or an unrecovered-theft title without the

1 requirement of a visual inspection of the vehicle identification number by the insurer.
2 Upon recovery of the vehicle, the ownership shall be transferred by an original title,
3 salvage title, or junked title, as may be appropriate based upon an estimate of the
4 amount of loss submitted by the insurer.

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

18 Q. The owner of a vehicle which is not within the last ten (10) model years, not
19 roadworthy and not capable of repair for operation or use on the roads and highways
20 shall transfer the vehicle only upon a certificate of ownership prescribed by the Tax
21 Commission, if the certificate of title to the vehicle is lost, has been canceled, or
22 otherwise not available. The prescribed ownership form shall include the names and

1 addresses of the buyer and seller, the driver license number or social security number of
2 the seller, the make and model of the vehicle, and the public vehicle identification
3 number. If there is no public vehicle identification number, the vehicle shall be inspected
4 by a law enforcement officer to verify the absence of the number on the vehicle and the
5 prescribed ownership form shall include a signed statement, by such officer, verifying the
6 absence of the number.

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

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

21 R. The Tax Commission shall notify the chief administrative officer of the agency or
22 department responsible for issuing motor vehicle certificates of title in each state in the

1 United States of the types of motor vehicle certificate of title effective in Oklahoma on
2 and after January 1, 1989.

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

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

15 U. The Tax Commission shall not be considered a necessary party to any lawsuit
16 which is instigated for the purpose of determining ownership of a vehicle, wherein the
17 Tax Commission's only involvement would be to issue title, and the court shall issue an
18 order dismissing the Tax Commission from the pending action. In the event no other
19 party or lien holder can be identified as to ownership or claim, the Tax Commission shall
20 accept an affidavit of ownership from the party claiming ownership and issue proper title
21 thereon.

UNDERLINED language denotes Amendments to present Statutes.
BOLD FACE CAPITALIZED language denotes Committee Amendments.
~~Strike thru~~ language denotes deletion from present Statutes.

1 SECTION 2. AMENDATORY 47 O.S. 2001, Section 1111, as amended by
2 Section 2, Chapter 355, O.S.L. 2005 (47 O.S. Supp. 2007, Section 1111), is amended to
3 read as follows:

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

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

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

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

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

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

21 B. Any insurance company that pays a total loss on a claim for any vehicle
22 including, but not limited to, a flood-damaged vehicle or recovered-theft vehicle, any junk

1 dealer who receives a motor vehicle which is to be used for junk or for parts, or any other
2 person permanently dismantling or junking a vehicle shall receive the certificate of title
3 from the current holder of the certificate of title, shall detach the license plate from the
4 vehicle, and shall return the license plate and the certificate of title to the Oklahoma Tax
5 Commission or a motor license agent within thirty (30) days from receipt of the
6 certificate. The Tax Commission shall cancel the certificate of title to the vehicle used for
7 junk or parts and shall preserve the vehicle identification numbers on the certificate of
8 title in the computer files for at least five (5) years. The Tax Commission shall transfer
9 ownership of a stolen vehicle, not recovered from theft at the time of transfer, by salvage
10 or unrecovered-theft title to the insurer. The Tax Commission shall transfer ownership
11 of a vehicle damaged by flooding or other occurrence to the insurer by an original title,
12 salvage title, or junked title, as may be appropriate, based upon an estimate of the
13 amount of loss submitted by the insurer. All license plates surrendered to the Tax
14 Commission shall be destroyed.

15 C. 1. If an insurance company pays a claim for a loss which is less than a total loss
16 but the cost of repairing the vehicle for safe operation on the highway exceeds sixty
17 percent (60%) of the fair market value of the vehicle, or if any vehicle not insured is
18 damaged to the extent that the cost of repair for safe operation on the highway exceeds
19 sixty percent (60%) of the fair market value of the vehicle, any holder of the certificate of
20 title for the vehicle shall return the certificate of title to the Tax Commission or a motor
21 license agent within thirty (30) days from receipt of payment for the loss.

1 2. Upon receipt of the certificate, the Tax Commission or motor license agent shall
2 issue a salvage title for the vehicle. The title for any vehicle damaged by flooding shall
3 be stamped with the words "Flood Damaged", and for any such vehicle which was
4 recovered from a theft, the salvage title or rebuilt title shall be stamped with the words
5 "Recovered Theft". A licensed dealer subject to the provisions of the Automotive
6 Dismantlers and Parts Recycler Act, Section 591.1 et seq. of this title, shall not be
7 required to pay registration fees, excise taxes, back taxes, or penalties on a vehicle as a
8 prerequisite to obtaining a salvage title.

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

15 D. If a motor vehicle with a salvage title is placed in operative condition,
16 application shall be made to the Tax Commission or a motor license agent for a rebuilt
17 title. A visual inspection of the vehicle and examination of the vehicle identification
18 numbers shall be conducted prior to the issuance of a rebuilt title. At the time of
19 issuance, the salvage title shall be returned to the Tax Commission by the owner, or by
20 the motor license agent if the motor license agent issues the rebuilt title. A visual
21 inspection shall also be made of any out-of-state vehicle to be registered and titled in this
22 state if the vehicle is within the class of vehicles for which a rebuilt title is required and a

1 similar inspection has not been conducted by another state. The certificate of title for the
2 rebuilt vehicle shall be stamped with the words, "This Rebuilt Vehicle Has Been
3 Inspected By The Appropriate State Official".

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

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

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

20 F. The visual inspection and vehicle identification numbers examination shall be
21 performed by a motor license agent at the location designated by the motor license agent.
22 If the location of the inspection is not the place of business of the rebuilder, the motor

1 license agent shall issue a permit authorizing the applicant to operate the vehicle upon
2 the public streets, roads, and highways in route to and from the designated location for
3 the inspection. The inspection and examination shall be performed within ten (10)
4 working days after the owner of the vehicle requests the inspection and examination.
5 Requests shall be made by completing the request form prescribed and provided by the
6 Tax Commission.

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

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

UNDERLINED language denotes Amendments to present Statutes.
BOLD FACE CAPITALIZED language denotes Committee Amendments.
~~Strike thru~~ language denotes deletion from present Statutes.

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

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

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

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

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

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

16 N. Any owner of a titled vehicle who has knowledge that the title is not the proper
17 type for the vehicle and, with intent to misrepresent the vehicle, fails to make the
18 appropriate title changes, shall be guilty of a misdemeanor. Any person who has
19 knowledge that the title is not the proper type for the vehicle, and with intent to
20 misrepresent the vehicle, buys or receives any vehicle for which the appropriate title
21 changes have not been made as required by this act shall be guilty of a misdemeanor.
22 Any person found guilty in accordance with the provisions of this subsection shall be

1 punished by a fine of not more than One Thousand Dollars (\$1,000.00) for the first
2 offense or Five Thousand Dollars (\$5,000.00) for the second or subsequent offense, or by
3 imprisonment in the county jail for a term not exceeding six (6) months, or by both such
4 fine and imprisonment.

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

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

14 SECTION 3. This act shall become effective November 1, 2008.

15 COMMITTEE REPORT BY: COMMITTEE ON GENERAL GOVERNMENT AND
16 TRANSPORTATION, dated 03-26-08 - DO PASS.