

1 THE STATE SENATE  
2 Thursday, February 21, 2008

3 Senate Bill No. 1389

4 SENATE BILL NO. 1389 - By: ALDRIDGE of the Senate and PETERSON (Ron)  
5 of the House.

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

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

16 SECTION 1. AMENDATORY 47 O.S. 2001, Section 1105, as  
17 last amended by Section 1, Chapter 202, O.S.L. 2007 (47 O.S. Supp.  
18 2007, Section 1105), is amended to read as follows:

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

21 1. "Salvage vehicle" means any vehicle which is within the last  
22 ten (10) model years and which has been damaged by collision or  
23 other occurrence to the extent that the cost of repairing the  
24 vehicle for safe operation on the highway exceeds sixty percent  
25 (60%) of its fair market value, as defined by Section 1111 of this  
26 title, immediately prior to the damage. For purposes of this  
27 section, actual repair costs shall only include labor and parts for

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

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

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

9 4. "Unrecovered-theft vehicle" means a vehicle which has been  
10 stolen and not yet recovered;

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

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

17 B. The owner of every vehicle in this state shall possess a  
18 certificate of title as proof of ownership of such vehicle, except  
19 those vehicles registered pursuant to Section 1120 of this title and  
20 trailers registered pursuant to Section 1133 of this title,  
21 previously titled by anyone in another state and engaged in  
22 interstate commerce, and except as provided in subsection M of this  
23 section. Except for owners that possess an agricultural exemption

1 permit pursuant to Section 1358.1 of Title 68 of the Oklahoma  
2 Statutes, the owner of an all-terrain vehicle or a motorcycle used  
3 exclusively off roads or highways in this state which is purchased  
4 or the ownership of which is transferred on or after July 1, 2005,  
5 shall possess a certificate of title as proof of ownership. Any  
6 person possessing an agricultural exemption permit and owning an  
7 all-terrain vehicle or a motorcycle used exclusively off roads or  
8 highways in this state which is purchased or the ownership of which  
9 is transferred on or after July 1, 2008, shall possess a certificate  
10 of title as proof of ownership. Upon receipt of proper application  
11 information by such owner, the Tax Commission shall issue an  
12 original or transfer certificate of title. Until July 1, 2008, any  
13 security interest in an all-terrain vehicle that attached and was  
14 perfected before July 1, 2005, and that has not otherwise terminated  
15 shall remain perfected, and shall take priority over any  
16 subsequently perfected security interest in the same all-terrain  
17 vehicle, notwithstanding that a certificate of title may have been  
18 issued with respect to the same all-terrain vehicle on or after July  
19 1, 2005, and that a lien may have been recorded on said certificate  
20 of title. There shall be ~~six~~ seven types of certificates of title:

21 1. Original title for any motor vehicle which is not a  
22 remanufactured, salvage, unrecovered-theft, rebuilt or junked  
23 vehicle;

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

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

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

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

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

13       7. Unrecovered-theft title for any motor vehicle which has been  
14 stolen and not recovered.

15       Application for a certificate of title, whether the initial  
16 certificate of title or a duplicate, may be made to the Tax  
17 Commission or any motor license agent. When application is made  
18 with a motor license agent, the application information shall be  
19 transmitted either electronically or by mail to the Tax Commission  
20 by the motor license agent. If the application information is  
21 transmitted electronically, the motor license agent shall forward  
22 the required application along with evidence of ownership, where  
23 required, by mail. Where the transmission of application

1 information cannot be performed electronically, the Tax Commission  
2 is authorized to provide postage paid envelopes to motor license  
3 agents for the purpose of mailing the application along with  
4 evidence of ownership, where required. The Tax Commission shall  
5 upon receipt of proper application information issue an Oklahoma  
6 certificate of title. The certificates may be mailed to the  
7 applicant. Upon issuance of a certificate of title, the Tax  
8 Commission shall provide the appropriate motor license agent with  
9 confirmation of such issuance.

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

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

22 2. The application for a certificate of title for a vehicle  
23 which is within the last seven (7) model years shall require a

1 declaration as to whether the vehicle has been damaged by collision  
2 or other occurrence and whether the vehicle has been recovered from  
3 theft and the extent of the damage to the vehicle. The declaration  
4 shall be made by the owner of a vehicle if:

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

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

1 conducted in another state and issuing the appropriate certificate  
2 of title for the vehicle.

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

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

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

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

1 title or classic title shall be identified by the word "Original",  
2 "Rebuilt", "Remanufactured", "Unrecovered Theft" or "Classic"  
3 printed in the upper right quadrant of the certificate of title, in  
4 the space which is currently captioned "type of title".

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

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

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

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

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

1 shall be recorded on the certificate of title for the rebuilt  
2 vehicle. The dealer's or manufacturer's vehicle identification  
3 number on the rebuilt vehicle shall be preserved in the computer  
4 files of the Tax Commission for at least five (5) years.

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

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

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

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

1 required documentation, the Tax Commission shall return the  
2 application to the applicant with notice that the certificate of  
3 title may not be issued without the required documentation. Nothing  
4 in this paragraph shall prohibit the Tax Commission from issuing  
5 certificates of title for antique or classic vehicles not driven  
6 upon the public streets, roads, or highways.

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

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

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

20 I. The vehicle identification number of a junked vehicle shall  
21 be preserved in the computer files of the Tax Commission for a  
22 period of not less than five (5) years. The charge of junked titles  
23 as defined in paragraph 4 of subsection B of this section shall be

1 Four Dollars (\$4.00). The fee remitted to the Tax Commission shall  
2 be deposited in the Oklahoma Tax Commission Reimbursement Fund.

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

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

13 L. Except for all-terrain vehicles and motorcycles used  
14 exclusively for off-road use, no title for an out-of-state vehicle,  
15 except any commercial truck or truck-tractor registered pursuant to  
16 Section 1120 of this title which is engaged in interstate commerce  
17 or any trailer or semitrailer registered pursuant to Section 1133 of  
18 this title which is engaged in interstate commerce, shall be issued  
19 without an inspection of such vehicle and payment of a fee of Four  
20 Dollars (\$4.00) for such inspection; provided, the Tax Commission  
21 may enter into reciprocal agreements with other states for such  
22 inspections to be performed at locations outside the boundaries of  
23 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
- 3 ownership of a licensed motor vehicle dealer or a person engaged in
- 4 the business of renting motor vehicles; or
- 5        3. Have not been registered in this or any other state for more
- 6 than one (1) year.

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

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

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

1 Upon request of the seller, person or entity conducting an auction,  
2 dealer or licensed dismantler, the inspection shall be conducted at  
3 the location or place of business of the sale, auction, dealer, or  
4 the dismantler. The inspection shall be conducted by any motor  
5 license agent or a duly authorized employee thereof; provided, if  
6 the vehicle identification number on the vehicle offered for sale at  
7 salvage pools, salvage disposal sales or a classic or antique  
8 auction does not match the number recorded on the ownership record,  
9 the inspection may be conducted at the location of or place of  
10 business of such sale or auction by any state, county or city law  
11 enforcement officer. The Tax Commission may enter into reciprocal  
12 agreements with other states for such inspections to be performed at  
13 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  
16 ownership of a licensed motor vehicle dealer or a person engaged in  
17 the business of renting motor vehicles; or
- 18 3. Have not been registered in this or any other state for more  
19 than one (1) year.

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

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

1 within the definition of "owner" in Section 1102 of this title, for  
2 purposes of Section 1101 et seq. of this title.

3 N. A licensed motor vehicle dealer, upon payment of a fee of  
4 Fifteen Dollars (\$15.00), may reassign an out-of-state certificate  
5 of title to a used motor vehicle provided such dealer obtains the  
6 appropriate inspection form required by either subsection L or M of  
7 this section and attaches the form to the out-of-state certificate  
8 of title. Motor license agents shall be allowed to retain Two  
9 Dollars and twenty-five cents (\$2.25) of the fee plus an additional  
10 Two Dollars (\$2.00) or Three Dollars (\$3.00) as provided in  
11 subsections L and M of this section for performance of the  
12 inspection. Two Dollars (\$2.00) of the fee shall be deposited in  
13 the Tax Commission Reimbursement Fund. An out-of-state vehicle  
14 which has been rebuilt shall be inspected pursuant to the provisions  
15 of Section 1111 of this title. The Tax Commission shall train motor  
16 license agents in interpreting vehicle identification numbers to  
17 assure that it accurately describes the vehicle and to detect  
18 rollback or alteration of the odometer. Failure of a motor license  
19 agent to inspect the vehicle and make the required notations shall  
20 be a misdemeanor punishable by a fine of not more than One Thousand  
21 Dollars (\$1,000.00) for the first offense and Five Thousand Dollars  
22 (\$5,000.00) for the second offense or subsequent offense, or by

1 imprisonment in the county jail for not more than six (6) months, or  
2 by both such fine and imprisonment.

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

16 P. The owner of any vehicle which is incapable of operation or  
17 use on the public roads and has no resale value, except as parts,  
18 scrap or junk, may deliver the certificate of title to the vehicle  
19 to the Tax Commission for cancellation. Upon verification that any  
20 perfected lien against the vehicle has been released, the  
21 certificate of title shall be canceled without any fee, charge, or  
22 cost required from the owner. The vehicle identification numbers on  
23 the certificates of title shall be preserved in the computer files

1 of the Tax Commission for at least five (5) years from the date of  
2 cancellation of the certificate of title. The Tax Commission shall  
3 prescribe and provide an affidavit form to be completed by the owner  
4 of any vehicle for which the certificate of title is canceled. No  
5 title or registration shall subsequently be issued for a vehicle for  
6 which the certificate of title has been surrendered pursuant to this  
7 subsection. The Tax Commission shall prescribe a form for the  
8 transfer of ownership of a vehicle for which the certificate of  
9 title has been canceled.

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

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

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

18          R. The Tax Commission shall notify the chief administrative  
19   officer of the agency or department responsible for issuing motor  
20   vehicle certificates of title in each state in the United States of  
21   the types of motor vehicle certificate of title effective in  
22   Oklahoma on and after January 1, 1989.

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

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

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

1 ownership from the party claiming ownership and issue proper title  
2 thereon.

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

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

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

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

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

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

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

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

1 estimate of the amount of loss submitted by the insurer. All  
2 license plates surrendered to the Tax Commission shall be destroyed.

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

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

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

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

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

3           a. comparison of the vehicle identification numbers with  
4 the number recorded on the ownership records,

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

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

12           d. inspection of the odometer of the vehicle to detect  
13 rollback or alteration.

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

21           F. The visual inspection and vehicle identification numbers  
22 examination shall be performed by a motor license agent at the  
23 location designated by the motor license agent. If the location of

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

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

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

1 inspection. Any person may be liable for any damages to a vehicle  
2 caused by the intentional acts or omissions in the performance of  
3 the inspection.

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

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

16 K. When the insurance company pays a loss on a vehicle which is  
17 registered at the time of mishap, accident, burning, or flooding,  
18 the appropriate certificate of title shall be issued without the  
19 payment of additional registration fees or excise taxes, upon the  
20 submission of a police report or insurance adjuster's report and a  
21 declaration by the insurer that the vehicle is held for sale to a  
22 dealer. If the owner of the vehicle or other insured retains

1 ownership of the damaged vehicle, the Tax Commission shall notify  
2 the owner or insured of the requirements of this section.

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

1 title is rightfully entitled in order to avoid compliance with this  
2 section.

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

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

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

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

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

14 COMMITTEE REPORT BY: COMMITTEE ON JUDICIARY, dated 2-19-08 - DO  
15 PASS, As Coauthored.