

1 STATE OF OKLAHOMA

2 1st Session of the 53rd Legislature (2011)

3 SUBCOMMITTEE RECOMMENDATION
4 FOR ENGROSSED

5 SENATE BILL NO. 729

6 By: Mazzei of the Senate

7 and

8 Dank of the House

9 SUBCOMMITTEE RECOMMENDATION

10 An Act relating to motor vehicle titles; amending 47
11 O.S. 2001, Sections 1105, as last amended by Section
12 3, Chapter 297, O.S.L. 2008 and 1111, as last amended
13 by Section 2, Chapter 321, O.S.L. 2010 (47 O.S. Supp.
14 2010, Sections 1105 and 1111), which relate to
15 certificates of title; modifying information required
16 on application for certificate of title; modifying
17 type of vehicle for which certain declaration is
18 required; modifying definition; and providing an
19 effective date.

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

21 SECTION 1. AMENDATORY 47 O.S. 2001, Section 1105, as
22 last amended by Section 3, Chapter 297, O.S.L. 2008 (47 O.S. Supp.
23 2010, Section 1105), is amended to read as follows:

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

1. "Salvage vehicle" means any vehicle which is within the last
ten (10) model years and which has been damaged by collision or

1 other occurrence to the extent that the cost of repairing the
2 vehicle for safe operation on the highway exceeds sixty percent
3 (60%) of its fair market value, as defined by Section 1111 of this
4 title, immediately prior to the damage. For purposes of this
5 section, actual repair costs shall only include labor and parts for
6 actual damage to the suspension, motor, transmission, frame or
7 unibody and designated structural components;

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

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

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

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

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

22 B. The owner of every vehicle in this state shall possess a
23 certificate of title as proof of ownership of such vehicle, except
24 those vehicles registered pursuant to Section 1120 of this title and

1 trailers registered pursuant to Section 1133 of this title,
2 previously titled by anyone in another state and engaged in
3 interstate commerce, and except as provided in subsection M of this
4 section. Except for owners that possess an agricultural exemption
5 permit pursuant to Section 1358.1 of Title 68 of the Oklahoma
6 Statutes, the owner of an all-terrain vehicle or a motorcycle used
7 exclusively off roads or highways in this state which is purchased
8 or the ownership of which is transferred on or after July 1, 2005,
9 and the owner of a utility vehicle used exclusively off roads and
10 highways in this state which is purchased or the ownership of which
11 is transferred on or after July 1, 2008, shall possess a certificate
12 of title as proof of ownership. Any person possessing an
13 agricultural exemption permit and owning an all-terrain vehicle or a
14 motorcycle used exclusively off roads or highways in this state
15 which is purchased or the ownership of which is transferred on or
16 after July 1, 2008, shall possess a certificate of title as proof of
17 ownership. Upon receipt of proper application information by such
18 owner, the Oklahoma Tax Commission shall issue an original or
19 transfer certificate of title. Until July 1, 2008, any security
20 interest in an all-terrain vehicle that attached and was perfected
21 before July 1, 2005, and that has not otherwise terminated shall
22 remain perfected, and shall take priority over any subsequently
23 perfected security interest in the same all-terrain vehicle,
24 notwithstanding that a certificate of title may have been issued

1 with respect to the same all-terrain vehicle on or after July 1,
2 2005, and that a lien may have been recorded on said certificate of
3 title. There shall be seven types of certificates of title:

4 1. Original title for any motor vehicle which is not a
5 remanufactured, salvage, unrecovered-theft, rebuilt or junked
6 vehicle;

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

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

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

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

17 6. Remanufactured title for any vehicle which is a
18 remanufactured vehicle; and

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

21 Application for a certificate of title, whether the initial
22 certificate of title or a duplicate, may be made to the Tax
23 Commission or any motor license agent. When application is made
24 with a motor license agent, the application information shall be

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

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

- 17 a. a full description of the vehicle,
- 18 b. the manufacturer's serial or other identification
19 number,
- 20 c. ~~the motor number and the date on which first sold by~~
21 ~~the manufacturer or dealer to the owner,~~
- 22 d. ~~any distinguishing marks,~~
- 23 e. ~~a statement of the applicant's source of title,~~
- 24 f. any security interest upon the vehicle, and

1 ~~g.~~ d. such other information as the Tax Commission may
2 require.

3 2. The application for a certificate of title for a vehicle
4 which is within the last ~~seven (7)~~ ten (10) model years shall
5 require a declaration as to whether the vehicle has been damaged by
6 collision or other occurrence and whether the vehicle has been
7 recovered from theft and the extent of the damage to the vehicle.
8 The declaration shall be made by 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
11 loss from an insurer, or
- 12 c. the vehicle is titled or registered in a state that
13 does not classify the vehicle or brand the title
14 because of damage to or loss of the vehicle similar to
15 the classifications or brands utilized by this state.

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

1 required declaration. Nothing in this paragraph shall prohibit the
2 Tax Commission from recognizing the type of or brand on a title or
3 other ownership document issued by another state or the inspection
4 conducted in another state and issuing the appropriate certificate
5 of title for the vehicle.

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

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

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

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

1 identified on the front of the certificate of title. The original
2 title, rebuilt title, remanufactured title, an unrecovered-theft
3 title or classic title shall be identified by the word "Original",
4 "Rebuilt", "Remanufactured", "Unrecovered Theft" or "Classic"
5 printed in the upper right quadrant of the certificate of title, in
6 the space which is currently captioned "type of title".

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

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

24

1 e. such other information as the Tax Commission may
2 require.

3 2. The manufacturer's certificate of origin shall have the
4 following security 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, and
- 10 e. void background.

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

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

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

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

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

21 The Tax Commission shall not issue a certificate of title for a
22 vehicle which is subject to the provisions of this paragraph without
23 the required documentation from agencies of the United States and
24 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, for mini-trucks
7 registered pursuant to Section ~~3 of Enrolled Senate Bill No. 1998 of~~
8 ~~the 2nd Session of the 51st Oklahoma Legislature~~ 1151.3 of this
9 title, or for medium-speed electric vehicles.

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

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

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

22 I. The vehicle identification number of a junked vehicle shall
23 be preserved in the computer files of the Tax Commission for a
24 period of not less than five (5) years. The charge of junked titles

1 as defined in paragraph 4 of subsection B of this section shall be
2 Four Dollars (\$4.00). The fee remitted to the Tax Commission shall
3 be deposited in the Oklahoma Tax Commission Reimbursement Fund.

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

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

14 L. Except for all-terrain vehicles, utility vehicles and
15 motorcycles used exclusively for off-road use, no title for an out-
16 of-state vehicle, except any commercial truck or truck-tractor
17 registered pursuant to Section 1120 of this title which is engaged
18 in interstate commerce or any trailer or semitrailer registered
19 pursuant to Section 1133 of this title which is engaged in
20 interstate commerce, shall be issued without an inspection of such
21 vehicle and payment of a fee of Four Dollars (\$4.00) for such
22 inspection; provided, the Tax Commission may enter into reciprocal
23 agreements with other states for such inspections to be performed at
24 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
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.
24 Upon request of the seller, person or entity conducting an auction,

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

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

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

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

23 N. A licensed motor vehicle dealer, upon payment of a fee of
24 Fifteen Dollars (\$15.00), may reassign an out-of-state certificate

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

21 O. The ownership of any unrecovered vehicle which has been
22 declared a total loss by an insurer because of theft shall be
23 transferred to the insurer by an unrecovered-theft vehicle title;
24 provided, the ownership of any such vehicle which has been declared

1 a total loss by an insurer licensed by the Insurance Department of
2 the State of Oklahoma and maintaining a multi-state motor vehicle
3 salvage processing center in this state shall be transferred to the
4 insurer by a salvage or an unrecovered-theft title without the
5 requirement of a visual inspection of the vehicle identification
6 number by the insurer. Upon recovery of the vehicle, the ownership
7 shall be transferred by an original title, salvage title, or junked
8 title, as may be appropriate based upon an estimate of the amount of
9 loss submitted by the insurer.

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

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

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

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

24

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

11 R. The Tax Commission shall notify the chief administrative
12 officer of the agency or department responsible for issuing motor
13 vehicle certificates of title in each state in the United States of
14 the types of motor vehicle certificate of title effective in
15 Oklahoma on and after January 1, 1989.

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

21 T. If a vehicle is sold to a foreign buyer pursuant to the
22 provisions of the Automotive Dismantlers and Parts Recycler Act, the
23 licensed seller shall stamp the title with: "EXPORT ONLY.
24 NONTRANSFERABLE IN THE UNITED STATES." The licensed seller shall

1 supply the Tax Commission the title number, the vehicle
2 identification number and the foreign buyer's bid identification
3 number on a form prescribed by the Tax Commission. The Tax
4 Commission shall cancel the title, and the vehicle identification
5 number shall be preserved in the computer files of the Tax
6 Commission for a period of not less than five (5) years.

7 U. The Tax Commission shall not be considered a necessary party
8 to any lawsuit which is instigated for the purpose of determining
9 ownership of a vehicle, wherein the Tax Commission's only
10 involvement would be to issue title, and the court shall issue an
11 order dismissing the Tax Commission from the pending action. In the
12 event no other party or lienholder can be identified as to ownership
13 or claim, the Tax Commission shall accept an affidavit of ownership
14 from the party claiming ownership and issue proper title thereon.

15 SECTION 2. AMENDATORY 47 O.S. 2001, Section 1111, as
16 last amended by Section 2, Chapter 321, O.S.L. 2010 (47 O.S. Supp.
17 2010, Section 1111), is amended to read as follows:

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

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

1 vehicle less the resale value of the damaged vehicle shall be prima
2 facie evidence of the amount of the loss;

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

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

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

12 5. "Vehicle" means a vehicle, as defined in paragraph ~~29~~ 38 of
13 Section 1102 of this title, manufactured within the last ~~seven (7)~~
14 ten (10) model years.

15 B. Any insurance company that pays a total loss on a claim for
16 any vehicle including, but not limited to, a flood-damaged vehicle
17 or recovered-theft vehicle, any junk dealer who receives a motor
18 vehicle which is to be used for junk or for parts, or any other
19 person permanently dismantling or junking a vehicle shall receive
20 the certificate of title from the current holder of the certificate
21 of title, shall detach the license plate from the vehicle, and shall
22 return the license plate and the certificate of title to the
23 Oklahoma Tax Commission or a motor license agent within thirty (30)
24 days from receipt of the certificate. The Tax Commission shall

1 cancel the certificate of title to the vehicle used for junk or
2 parts and shall preserve the vehicle identification numbers on the
3 certificate of title in the computer files for at least five (5)
4 years. No certificate of title may be reissued on a junked vehicle
5 as defined in Section 1105 of this title, unless reissued pursuant
6 to paragraph 3 of subsection C of this section. The Tax Commission
7 shall transfer ownership of a stolen vehicle, not recovered from
8 theft at the time of transfer, by salvage or unrecovered-theft title
9 to the insurer. The Tax Commission shall transfer ownership of a
10 vehicle damaged by flooding or other occurrence to the insurer by an
11 original title, salvage title, or junked title, as may be
12 appropriate, based upon an estimate of the amount of loss submitted
13 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
16 less than a total loss but the cost of repairing the vehicle for
17 safe operation on the highway exceeds sixty percent (60%) of the
18 fair market value of the vehicle, or if any vehicle not insured is
19 damaged to the extent that the cost of repair for safe operation on
20 the highway exceeds sixty percent (60%) of the fair market value of
21 the vehicle, any holder of the certificate of title for the vehicle
22 shall return the certificate of title to the Tax Commission or a
23 motor license agent within thirty (30) days from receipt of payment
24 for the loss.

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

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

19 D. If a motor vehicle with a salvage title is placed in
20 operative condition, application shall be made to the Tax Commission
21 or a motor license agent for a rebuilt title. A visual inspection
22 of the vehicle and examination of the vehicle identification numbers
23 shall be conducted prior to the issuance of a rebuilt title. At the
24 time of issuance, the salvage title shall be returned to the Tax

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

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

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

22 2. All vehicle damage shall be repaired before the examination
23 is conducted. The following paperwork shall be presented to the
24 motor license agent: the salvage title and original receipts for

1 all parts placed on the vehicle. Components such as doors, motor,
2 and transmission shall indicate the serial number or the vehicle
3 identification number (VIN) of the auto the part was purchased from
4 or removed from.

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

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

18 H. The fee for the examination by the motor license agent shall
19 be Twenty-five Dollars (\$25.00), which shall be paid at the time of
20 issuance of the certificate of title for the rebuilt vehicle. The
21 motor license agent shall retain Five Dollars (\$5.00) and shall
22 remit Twenty Dollars (\$20.00) to the Tax Commission which shall
23 retain Ten Dollars (\$10.00) and transmit Ten Dollars (\$10.00) to the
24 State Treasurer for deposit in the Department of Public Safety

1 Revolving Fund. The motor license agent and its employees and
2 agents may not be sued for and shall not be liable for any damages
3 allegedly arising out of the inspection of a vehicle or any acts or
4 omissions in the performance of the inspection. The motor license
5 agent may be held liable for any damages to the vehicle caused by
6 the negligent acts or omissions in the performance of the
7 inspection. Any person may be liable for any damages to a vehicle
8 caused by the intentional acts or omissions in the performance of
9 the inspection.

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

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

22 K. When the insurance company pays a loss on a vehicle which is
23 registered at the time of mishap, accident, burning, or flooding,
24 the appropriate certificate of title shall be issued without the

1 payment of additional registration fees or excise taxes, upon the
2 submission of a police report or insurance adjuster's report and a
3 declaration by the insurer that the vehicle is held for sale to a
4 dealer. If the owner of the vehicle or other insured retains
5 ownership of the damaged vehicle, the Tax Commission shall notify
6 the owner or insured of the requirements of this section.

7 L. Any insurance company that pays a claim for a loss where the
8 cost of repairing the vehicle for safe operation on the highway
9 exceeds sixty percent (60%) of the market value of the vehicle or
10 pays a claim for a flood-damaged vehicle as defined in Section 1105
11 of this title shall notify, in writing, the holder of the
12 certificate of title of the requirements of this section and shall
13 notify the Tax Commission of the payment of such claim. The notice
14 shall include the estimated total damage percentage determination of
15 the actual cash value made by the insurance company to repair the
16 vehicle for safe operation on the highway. The insurance company
17 shall also send a copy of the notification to the holder of the
18 title. The Tax Commission shall provide notice to the owner of the
19 vehicle in writing requiring the owner to surrender the title along
20 with the fee to the Tax Commission or one of its motor license
21 agents within thirty (30) days from the receipt of notice for the
22 issuance of the appropriate title based on the amount of loss. The
23 Tax Commission shall reissue the appropriate title with the words
24 "Flood Damaged" on the face of the title in the case of a flood-

1 damaged vehicle; provided, no insurance company shall pay a claim
2 for less than the amount to which the holder of the certificate of
3 title is rightfully entitled in order to avoid compliance with this
4 section.

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

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

1 0. 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, 2011.

14

15 53-1-7286 CJB 03/28/11

16

17

18

19

20

21

22

23

24