

1 STATE OF OKLAHOMA

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

3 HOUSE BILL 1064

By: Lockhart

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5  
6 AS INTRODUCED

7 An Act relating to public health and safety; amending  
8 63 O.S. 2001, Section 4021, as last amended by  
9 Section 6, Chapter 272, O.S.L. 2006 (63 O.S. Supp.  
10 2010, Section 4021), which relates to registration of  
11 vessels and motors; removing registration fee credit  
12 for stolen vessels and motors; amending 63 O.S. 2001,  
13 Section 4106, as amended by Section 7, Chapter 272,  
14 O.S.L. 2006 (63 O.S. Supp. 2010, Section 4106), which  
15 relates to excise tax exemptions for vessels and  
16 motors; removing exemption for inherited boats and  
17 motors; providing an effective date; and declaring an  
18 emergency.

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

20 SECTION 1. AMENDATORY 63 O.S. 2001, Section 4021, as  
21 last amended by Section 6, Chapter 272, O.S.L. 2006 (63 O.S. Supp.  
22 2010, Section 4021), is amended to read as follows:

23 Section 4021. A. The application required for the initial and  
24 subsequent registration of a vessel or a motor shall be accompanied  
25 by payment of the following fees:

26 1. Where the manufacturer's factory delivered price, or in the  
27 absence of such price being published in a recognized publication  
28 for the use of marine dealers and/or for purposes of insurance and

1 financing firms, where the provable original or new cost of all  
2 materials, is One Hundred Fifty Dollars (\$150.00) or less, the  
3 registration and license fee for the first and for each succeeding  
4 year's registration shall be One Dollar (\$1.00);

5 2. Where the manufacturer's factory delivered price, or in the  
6 absence of such price being published as provided in paragraph 1 of  
7 this section, where the value of such vessel or motor is determined  
8 and fixed as above required and, is in excess of One Hundred Fifty  
9 Dollars (\$150.00), there shall be added to the fee of One Dollar  
10 (\$1.00), the sum of One Dollar (\$1.00) for each One Hundred Dollars  
11 (\$100.00) or any fraction thereof, in excess of One Hundred Fifty  
12 Dollars (\$150.00) provided such fee shall not exceed One Hundred  
13 Fifty Dollars (\$150.00);

14 3. After the first year's registration in this state under the  
15 Oklahoma Vessel and Motor Registration Act of any new vessel or new  
16 motor under paragraph 2 of this subsection, the registration for the  
17 second year shall be ninety percent (90%) of the fee computed and  
18 assessed hereunder for the first year, and thereafter, such fee  
19 shall be computed and assessed at ninety percent (90%) of the  
20 previous year's fee and shall be so computed and assessed for the  
21 next nine (9) successive years provided such fee shall not exceed  
22 One Hundred Fifty Dollars (\$150.00);

23 4. The initial and subsequent registration fee for any vessel  
24 which is a part of a fleet used for lodging and for which a rental

1 fee and sales tax are collected shall be Forty Dollars (\$40.00) in  
2 lieu of the fees required by paragraphs 1 through 3 of this  
3 subsection. For the purpose of this paragraph, "fleet" means twenty  
4 or more vessels operated by a business organization from a single  
5 anchorage. The fee provided for in this paragraph may be reduced  
6 annually to zero until the total reduction equals the difference  
7 between the sum of the fees paid pursuant to paragraphs 1 through 3  
8 of this subsection for the two registration years preceding January  
9 1, 1990, and the fee provided for in this paragraph;

10 5. For any vessel or motor owned and numbered, registered or  
11 licensed prior to January 1, 1990, in this or any other state, or in  
12 the absence of such registration upon proof of the year, model and  
13 age of same, the registration fee shall be computed and assessed at  
14 the rate hereinabove provided for a new vessel or motor based on the  
15 value thereof determined as provided in this subsection, but reduced  
16 as though same had been registered for each prior year of its  
17 existence. Except as provided in paragraph 1 of this subsection,  
18 the registration fee for the eleventh year computed in accordance  
19 with the provisions of this subsection shall be the amount of the  
20 fee to be assessed for such eleventh year and shall be the minimum  
21 annual registration fee for such vessel or motor for any subsequent  
22 year; and

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1           6. The initial and subsequent registration fee for any vessel  
2 or motor which is not being used in a trade or business or for any  
3 commercial purpose and is owned by:

4           a. a nonresident member of the Armed Forces of the United  
5 States assigned to duty in this state in compliance  
6 with official military or naval orders,

7           b. a resident member of the Armed Forces of the United  
8 States assigned to duty in this state in compliance  
9 with official military or naval orders,

10          c. the spouse, who resides in Oklahoma, of a resident or  
11 nonresident member of the Armed Forces of the United  
12 States serving in a foreign country, or

13          d. any Oklahoma resident who is stationed out of state  
14 due to an official assignment of the Armed Forces of  
15 the United States,

16 shall be the lesser of either a Fifteen Dollar (\$15.00) registration  
17 fee or the fee computed and assessed for vessels or motors of  
18 similar age and model pursuant to this section.

19          B. As used in this section, the term "manufacturer's factory  
20 delivered price" shall represent the recommended retail selling  
21 price and shall not mean the wholesale price to a dealer.

22          C. The Oklahoma Tax Commission shall assess the registration  
23 fees and penalties for the year or years a vessel or motor was not  
24 registered as provided in the Oklahoma Vessel and Motor Registration

1 Act. For vessels or motors not registered for two (2) or more  
2 years, the registration fees and penalties shall be due only for the  
3 current year and one (1) previous year.

4 D. Upon each vessel or motor repossessed by a mortgagee, a fee  
5 of Forty-six Dollars (\$46.00) shall be assessed. This fee shall be  
6 in lieu of any applicable vessel or motor excise tax and  
7 registration fees. Each motor license agent accepting applications  
8 for certificates of title for such vessel or motors shall receive  
9 Seven Dollars (\$7.00) to be deducted from the license fee specified  
10 in this paragraph for each application accepted.

11 E. All vessels or motors owned by the State of Oklahoma, its  
12 agencies or departments, or political subdivisions thereof, or which  
13 under the law would be exempt from direct ad valorem taxation, shall  
14 be registered pursuant to the provisions of the Oklahoma Vessel and  
15 Motor Registration Act for an annual fee of Two Dollars and  
16 twenty-five cents (\$2.25) irrespective of whether registered by a  
17 motor license agent or the Tax Commission.

18 F. All vessels and motors owned:

19 1. By the Boy Scouts of America, the Girl Scouts of U.S.A., and  
20 the Camp Fire USA, devoted exclusively to youth programs emphasizing  
21 physical fitness, character development and citizenship training;

22 2. By the Department of Public Safety; and

23 3. By organizations which are exempt from taxation pursuant to  
24 the provisions of Section 501(c)(3) of the Internal Revenue Code, 26

1 U.S.C., Section 501(c)(3), and which are primarily devoted to the  
2 establishment, development, operation, promotion, and participation  
3 in, alone or in conjunction with others, educational and training  
4 programs and competitive events to provide knowledge, information,  
5 or comprehensive skills related to the sports of sailing, fishing,  
6 boating, and other aquatic related activities~~+~~,  
7 are hereby exempt from the payment of registration fees required by  
8 this section. Provided, all of such vessels or motors shall be  
9 registered and shall otherwise comply with the provisions of the  
10 Oklahoma Vessel and Motor Registration Act.

11 G. A credit shall be allowed with respect to the fee for  
12 registration of any new vessel or new motor, when such new vessel or  
13 motor is a replacement for~~+~~

14 ~~1. A new original vessel or new original motor which is stolen~~  
15 ~~from the purchaser/registrant within ninety (90) days of the date of~~  
16 ~~purchase of the original vessel or new original motor as certified~~  
17 ~~by a police report or other documentation as required by the Tax~~  
18 ~~Commission; or~~

19 ~~2. A~~ a defective new original vessel or new original motor  
20 returned by the purchaser/registrant to the seller within six (6)  
21 months of the date of purchase of the defective new original vessel  
22 or new original motor as certified by the manufacturer.

23 Such credit shall be in the amount of the fee for registration  
24 which was paid for the new original vessel or new original motor and

1 shall be applied to the registration fee for the replacement vessel  
2 or motor. In no event will said credit be refunded.

3 H. Upon proper proof of a lost certificate of registration  
4 being made to the Tax Commission or one of its motor license agents,  
5 accompanied by an application therefor and payment of the fees  
6 required by the Oklahoma Vessel and Motor Registration Act, a  
7 duplicate certificate of registration shall be issued to the  
8 applicant. The charge for such duplicate certificate of  
9 registration shall be Two Dollars and twenty-five cents (\$2.25),  
10 which charge shall be in addition to any other fees imposed by  
11 Section 4022 of this title for any such vessel or motor.

12 I. In addition to any other fees levied by the Oklahoma Vessel  
13 and Motor Registration Act, there is levied and there shall be paid  
14 to the Tax Commission, for each year a vessel or motor is  
15 registered, a fee of One Dollar (\$1.00) for each vessel or motor for  
16 which a registration or license fee is required pursuant to the  
17 provisions of this section. The fee shall accrue and shall be  
18 collected upon each vessel or motor under the same circumstances and  
19 shall be payable in the same manner and times as apply to vessel and  
20 motor licenses and registrations under the provisions of the  
21 Oklahoma Vessel and Motor Registration Act; provided, the fee shall  
22 be paid in full for the then current year at the time any vehicle is  
23 first registered in a calendar year.

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1 Monies collected pursuant to this subsection shall be  
2 apportioned by the Tax Commission to the State Treasurer for deposit  
3 in the Trauma Care Assistance Revolving Fund created in Section  
4 330.97 of this title.

5 The collection and payment of the fee shall be a prerequisite to  
6 license or registration of any vessel or motor.

7 J. If a vessel or motor is donated to a nonprofit charitable  
8 organization, the nonprofit charitable organization shall be exempt  
9 from paying any current or past due registration fees, excise tax,  
10 transfer fees, and penalties and interest; provided, subsequent to  
11 such donation, if the person, entity or party acting on another's  
12 behalf who donated the vessel or motor, purchases the same vessel or  
13 motor from the nonprofit charitable organization receiving the  
14 original donation, such person, entity or party acting on another's  
15 behalf shall be liable for all current and past due registration  
16 fees, excise tax, transfer fees, and penalties and interest on such  
17 vehicle.

18 SECTION 2. AMENDATORY 63 O.S. 2001, Section 4106, as  
19 amended by Section 7, Chapter 272, O.S.L. 2006 (63 O.S. Supp. 2010,  
20 Section 4106), is amended to read as follows:

21 Section 4106. An original or a transfer certificate of title  
22 shall be issued without the payment of the excise tax levied by this  
23 act for:  
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1 1. Any vessel or motor owned by a nonresident which is already  
2 registered in another state and has been in Oklahoma for a period in  
3 excess of sixty (60) calendar days in any single registration year.

4 2. Any vessel or motor brought into this state by a person  
5 formerly living in another state, who has owned and registered said  
6 vessel or motor in such other state of his residence at least sixty  
7 (60) calendar days prior to the time it is required to be registered  
8 in this state;

9 3. Any vessel or motor registered by the United States, State  
10 of Oklahoma or by any of the political subdivisions thereof;

11 ~~4. Any vessel or motor the legal ownership of which is obtained~~  
12 ~~by the applicant for a certificate of title by inheritance;~~

13 ~~5.~~ Any vessel or motor which is owned and being offered for  
14 sale by a person licensed as a dealer under the provisions of the  
15 Oklahoma Vessel and Motor Registration Act, registered in Oklahoma  
16 and the excise tax paid thereon;

17 ~~6.~~ 5. Any vessel or motor, the ownership of which was obtained  
18 by the lienholder or mortgagee under or by foreclosure of a lien or  
19 mortgage in the manner provided by law or to the insurer under  
20 subrogated rights arising by reason of loss under an insurance  
21 contract;

22 ~~7.~~ 6. Any vessel or motor, the legal ownership of which is  
23 obtained by transfers:  
24

- 1 a. from one corporation to another corporation pursuant  
2 to a reorganization. As used in this section, the  
3 term "reorganization" means:
- 4 (1) a statutory merger or consolidation, or  
5 (2) the acquisition by a corporation of substantially  
6 all of the properties of another corporation when  
7 the sole consideration is all or a part of the  
8 voting stock of the acquiring corporation, or of  
9 its parent or subsidiary corporation<sup>7,1</sup>
- 10 b. in connection with the winding up, dissolution or  
11 liquidation of a corporation only when there is a  
12 distribution in kind to the shareholders of the  
13 property of such corporation<sup>7,1</sup>
- 14 c. to a corporation for the purpose of organization of  
15 such corporation when the former owners of the vessel  
16 or motor transferred are immediately after the  
17 transfer in control of the corporation, and the stock  
18 or securities received by each is substantially in  
19 proportion to his interest in the vessel or motor  
20 prior to the transfer<sup>7,1</sup>
- 21 d. to a partnership in the organization of such  
22 partnership if the former owners of the vessel or  
23 motor transferred are, immediately after the transfer,  
24 members of such partnership and the interest in the

1 partnership received by each is substantially in  
2 proportion to his interest in the vessel or motor  
3 prior to the transfer~~+~~, or

4 e. from a partnership to the members thereof when made in  
5 the dissolution of such partnership;

6 ~~8.~~ 7. All vessels or motors owned by the council organizations  
7 or similar state supervisory organizations of the Boy Scouts of  
8 America, Girl Scouts of U.S.A. and the Campfire Girls; and

9 ~~9.~~ 8. All vessels or motors owned by organizations which are  
10 exempt from taxation pursuant to the provisions of Section 501(c)(3)  
11 of the Internal Revenue Code, 26 U.S.C., Section 501(c)(3), and  
12 which are primarily devoted to the establishment, development,  
13 operation, promotion, and participation in, alone or in conjunction  
14 with others, educational and training programs and competitive  
15 events to provide knowledge, information, or comprehensive skills  
16 related to the sports of sailing, fishing, boating, and other  
17 aquatic related activities.

18 SECTION 3. This act shall become effective July 1, 2011.

19 SECTION 4. It being immediately necessary for the preservation  
20 of the public peace, health and safety, an emergency is hereby  
21 declared to exist, by reason whereof this act shall take effect and  
22 be in full force from and after its passage and approval.

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24 53-1-5988 CJB 12/22/10