STATE OF OKLAHOMA

2nd Session of the 55th Legislature (2016)

COMMITTEE SUBSTITUTE
FOR ENGROSSED
SENATE BILL NO. 1459 By: Stanislawski of the Senate

and

Walker of the House

COMMITTEE SUBSTITUTE

An Act relating to motor vehicle license plates; amending 47 O.S. 2011, Section 1137.1, as amended by Section 7, Chapter 386, O.S.L. 2015 (47 O.S. Supp. 2015, Section 1137.1), which relates to used dealer temporary license plates; authorizing use of used dealer temporary plates for certain nonprofit organizations for specified purposes; requiring Oklahoma Tax Commission to design plates; specifying cost of license plates; and providing an effective date.

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

SECTION 1. AMENDATORY 47 O.S. 2011, Section 1137.1, as amended by Section 7, Chapter 386, O.S.L. 2015 (47 O.S. Supp. 2015, Section 1137.1), is amended to read as follows:

Section 1137.1 A. Except for vehicles, travel trailers or commercial trailers which display a current Oklahoma license tag, upon the purchase or transfer of ownership of a used motor vehicle, travel trailer or commercial trailer, including an out-of-state

purchase or transfer of the same, to a licensed used motor vehicle dealer, wholesale used motor vehicle dealer, used travel trailer dealer or used commercial trailer dealer, subsequently referred to in this section as "dealer", the dealer shall affix a used dealer's plate visible from the rear of the vehicle, travel trailer or commercial trailer. Such license plate shall expire on December 31 of each year. When the vehicle, travel trailer or commercial trailer is parked on the dealer's licensed place of business, it shall not be required to have a license plate of any kind affixed. A dealer shall obtain from the Oklahoma Tax Commission at a cost of Ten Dollars ($10.00) a dealer license plate for demonstrating, transporting or any other normal business of a dealer including use by an individual holding a valid salesperson's license issued by the Oklahoma Used Motor Vehicle and Parts Commission. Any dealer who operates a wrecker or towing service licensed pursuant to Sections 951 through 957 of this title shall register each wrecker vehicle and display a wrecker license plate on each vehicle as required by Section 1134.3 of this title. A dealer may obtain as many additional license plates as may be desired upon the payment of Ten Dollars ($10.00) for each additional license plate. Use of the used dealer license plate by a licensed dealer for other than the purposes as set forth herein shall constitute grounds for revocation of the dealer's license. The Oklahoma Tax Commission shall design the official used dealer license plate to include the used dealer's

license number issued to him or her each year by the Commission or the Used Motor Vehicle and Parts Commission.

B. Upon the purchase or transfer of ownership of an out-of-state used motor vehicle, travel trailer or commercial trailer to a licensed dealer, the dealer shall make application for an Oklahoma certificate of title pursuant to the Oklahoma Vehicle License and Registration Act, Section 1101 et seq. of ~~Title 47 of the Oklahoma Statutes~~ this title. Upon receipt of the Oklahoma certificate of title, the dealer shall follow the procedure as set forth in subsection A of this section. Provided, nothing in this title shall be construed as requiring a dealer to register a used motor vehicle, travel trailer or commercial trailer purchased in another state which will not be operated or sold in this state.

C. Upon sale or transfer of ownership of the used motor vehicle or travel trailer, the dealer shall place upon the reassignment portion of the certificate of title a tax stamp issued by the county treasurer of the county in which the dealer has his or her primary place of business. The tax stamp shall be issued upon payment of a fee of Three Dollars and fifty cents ($3.50) and shall be in lieu of the dealer's ad valorem tax on the inventories of used motor vehicles or travel trailers but shall not relieve any other property of the dealer from ad valorem taxation.

D. Upon sale of a used motor vehicle or travel trailer to another licensed dealer, the selling dealer shall place the tax

stamp required in subsection C of this section upon the certificate of title. The used dealer license plate or wholesale dealer license plate shall be removed by the selling dealer. The purchasing dealer shall, at time of purchase, place his or her dealer license plate on the used motor vehicle, travel trailer or commercial trailer as provided in subsection A of this section; provided, for vehicles, travel trailers or commercial trailers purchased by a licensed used dealer at an auction, in lieu of such placement of the dealer license plate, the auction may provide temporary documentation as approved by the Director of the Motor Vehicle Division of the Oklahoma Tax Commission for the purpose of transporting such vehicle to the purchaser's point of destination. Such temporary documentation shall be valid for two (2) days following the date of sale.

E. The purchaser of every used motor vehicle, travel trailer or commercial trailer, except as otherwise provided by law, shall obtain registration and title for the vehicle or trailer within thirty (30) days from the date of purchase of same. It shall be the responsibility of the selling dealer to place a temporary license plate, in size similar to the permanent Oklahoma license plate but of a weatherproof plastic-impregnated substance approved by the Used Motor Vehicle and Parts Commission, upon a used motor vehicle, travel trailer or commercial trailer when a transaction is completed for the sale of said vehicle. The temporary license plate under

this subsection shall be placed at the location provided for the permanent motor vehicle license plate. The temporary license plate shall show the license number which is issued to the dealer each year by the Oklahoma Tax Commission or the Used Motor Vehicle and Parts Commission, the date the used motor vehicle, travel trailer or commercial trailer was purchased and the company name of the selling dealer. The Used Motor Vehicle and Parts Commission is hereby directed to develop the temporary license plate design to incorporate these requirements in a manner that will permit law enforcement personnel to readily identify the dealer license number and date of the vehicle purchase. The Used Motor Vehicle and Parts Commission is hereby authorized to develop additional requirements and parameters as deemed appropriate to discourage or prevent illegal duplication and use of the temporary license plate. Such temporary license plate shall be valid for a period of thirty (30) days from the date of purchase. Use of the temporary license by a dealer for other than the purposes set forth herein shall constitute grounds for revocation of the dealer's license to conduct business. Purchasers of a commercial trailer shall affix the temporary license plate to the rear of the commercial trailer. The purchaser shall display the temporary license plate for a period not to exceed thirty (30) days or until registration and title are obtained as provided in this section.

The provisions of this subsection on temporary licenses shall apply to nonresidents who purchase a used motor vehicle, travel trailer or commercial trailer within this state that is to be licensed in another state. The nonresident purchaser shall be allowed to operate the vehicle or trailer within the state with a temporary license plate for a period not to exceed thirty (30) days from date of purchase. Any nonresident purchaser found to be operating a used motor vehicle, travel trailer or commercial trailer within this state after thirty (30) days shall be subject to the registration fees of this state upon the same terms and conditions applying to residents of this state.

F. It shall be unlawful for any dealer to procure the registration and licensing of any used motor vehicle, travel trailer or commercial trailer sold by the dealer or to act as the agent for the purchaser in the procurement of the registration and licensing of the purchaser's used vehicle, travel trailer or commercial trailer. A license of any dealer violating the provision of this section may be revoked.

G. Dealers following the procedure set forth herein shall not be required to register vehicles, travel trailers or commercial trailers to which this section applies, nor will the registration fee otherwise required be assessed. Provided, dealers shall not purchase or trade for a used motor vehicle, travel trailer or commercial trailer on which the registration therefor has been

expired for a period exceeding thirty (30) days without obtaining current registration therefor.

H. A nonprofit charitable organization which is exempt from taxation pursuant to the provisions of the Internal Revenue Code, 26 U.S.C., Section 501(c)(3), and which accepts donations of used motor vehicles previously titled in Oklahoma to be subsequently transferred to another owner, upon the qualifying organization providing sufficient documentation of its tax-exempt status, may obtain from the Oklahoma Tax Commission charitable nonprofit organization license plates for demonstrating, transporting or test-driving donated vehicles. The Tax Commission shall design distinctive license plates for that purpose. The cost for said plates shall be the same as provided in subsection A of this section for dealer plates.

I. The transfer of ownership from the vehicle donor to the qualifying nonprofit organization described in subsection H of this section shall be made without the payment of motor vehicle excise tax levied pursuant to Section 2103 of Title 68 of the Oklahoma Statutes.

SECTION 2. This act shall become effective November 1, 2016.

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