

1 **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2 STATE OF OKLAHOMA

3 1st Session of the 58th Legislature (2021)

4 COMMITTEE SUBSTITUTE
5 FOR
6 HOUSE BILL NO. 1153

By: Osburn

7
8 COMMITTEE SUBSTITUTE

9 An Act relating to motor vehicles; amending 47 O.S.
10 2011, Section 581, as last amended by Section 3,
11 Chapter 79, O.S.L. 2019 (47 O.S. Supp. 2020, Section
12 581), which relates to definitions; modifying
13 definitions; amending 47 O.S. 2011, Section 583, as
14 last amended by Section 24, Chapter 161, O.S.L. 2020
15 (47 O.S. Supp. 2020, Section 583), which relates to
16 required licensure; requiring bond for certain
17 dealers; requiring certain service for manufactured
18 homes in use in the state; requiring certain
19 transactions go through licensed dealers; amending 47
20 O.S. 2011, Section 1110, as amended by Section 1,
21 Chapter 224, O.S.L. 2015 (47 O.S. Supp. 2020, Section
22 1110), which relates to perfection of security
23 interest; requiring certain certificate of title be
24 surrendered; amending 68 O.S. 2011, Section 2812,
 which relates to manufactured homes; clarifying
 language; and providing an effective date.

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

SECTION 1. AMENDATORY 47 O.S. 2011, Section 581, as last
amended by Section 3, Chapter 79, O.S.L. 2019 (47 O.S. Supp. 2020,
Section 581), is amended to read as follows:

Section 581. As used in Section 581 et seq. of this title:

- 1 1. "Commission" means the Oklahoma Used Motor Vehicle and Parts
2 Commission;
- 3 2. "Compensation" means anything of value including money,
4 merchandise, rebates on purchases, trading stamps or any other thing
5 of value;
- 6 3. "Consignment sale" means the sale of used motor vehicles
7 belonging to another by a used motor vehicle dealer, whether or not
8 title is transferred from the consignor to the used motor vehicle
9 dealer;
- 10 4. "Factory" means a manufacturer, distributor, factory branch,
11 distributor branch, factory representative or distributor
12 representative, which manufactures or distributes vehicle products;
- 13 5. "Manufactured home" means a residential dwelling in one or
14 more sections built in accordance with the National Manufactured
15 Housing Construction and Safety Standards Act of 1974, 42 U.S.C.,
16 Section 5401~~7~~ et seq. and rules promulgated pursuant thereto;
- 17 6. a. "Manufactured home dealer" means any person who~~7~~:
18 (1) works for a commission or with intent to make a
19 profit or gain of money or other thing of value,
20 sells, offers to sell, or attempts to negotiate a
21 sale or exchange of interest in, new or used
22 manufactured homes, ~~or that~~
- 23
24

1 (2) is engaged wholly or in part in the business of
2 selling any new and unused, or used, or both new
3 and used manufactured homes.

4 (3) is engaged wholly or in part in the business of
5 leasing any new and unused, or used, or both new
6 and used manufactured homes, that are considered
7 personal property, with an option to purchase or
8 own in any form at any time after beginning of
9 the lease term,

10 A valid franchise letter as proof of authorization to
11 sell any new manufactured home product line or lines
12 shall be attached to the application for a dealer
13 license to sell manufactured homes. "Manufactured
14 home dealer" shall include a manufactured home
15 auction. A manufactured home auction shall mean any
16 person selling more than ~~twenty-five~~ five manufactured
17 homes in an auction or liquidation format. Only
18 licensed manufactured home dealers shall be authorized
19 to purchase manufactured homes at such auctions.

20 b. "Manufactured home dealer" shall not include any
21 person who sells or contracts for the sale of a
22 personally titled manufactured home or homes which
23 they have used as their personal residence, or any
24 person acting as an auctioneer who has been engaged by

1 a seller to direct, conduct, control, or be
2 responsible for the sale of such manufactured homes as
3 a part of an auction or liquidation of an estate, or
4 any Oklahoma licensed real estate broker or sales
5 associate when buying or selling ~~used mobile~~
6 manufactured homes which have become real property as
7 a part of a real estate business. No person shall be
8 considered a manufactured home dealer as to any
9 manufactured home purchased or acquired by the person
10 for purposes other than resale or lease-purchase in
11 any form; provided, that the restriction set forth in
12 this sentence shall not prevent an otherwise qualified
13 person from utilizing a single manufactured home as a
14 sales office.

15 c. A holder of a lien on a personally titled manufactured
16 home may sell, ~~exchange, or transfer by lease-purchase~~
17 the repossessed manufactured home and shall not be
18 required to be licensed pursuant to this chapter. ~~If~~
19 Any person other than a bona fide full-time employee
20 of the lienholder contracts with a person or company
21 ~~to sell~~ who participates in the sale of the
22 repossessed manufactured home ~~and the person or~~
23 ~~company is not an employee, officer or principal of~~
24 ~~the lienholder, such person or company~~ shall be

1 licensed as a manufactured home dealer pursuant to
2 this ~~chapter~~ title.

3 d. "Manufactured home dealer" shall not include ~~any~~
4 ~~person who sells mobile or manufactured homes located~~
5 ~~in a mobile or~~ a restricted manufactured home park ~~or~~
6 ~~community~~ dealer;

7 7. "Manufactured home salesperson" means any person who has
8 been engaged by a manufactured home dealer or restricted
9 manufactured home park dealer to buy, sell, exchange, negotiate, or
10 act as an agent for the purchase, sale, or exchange of an interest
11 in a manufactured home;

12 8. "Manufactured home installer" means a person who is engaged
13 in the business of installing or setting up manufactured homes
14 and/or mobile homes as defined herein;

15 9. "Manufactured home manufacturer" means a person who
16 manufactures, assembles, ~~and~~ sells or distributes new manufactured
17 homes, whether directly or indirectly, to new manufactured home
18 retailers or a restricted manufactured home park dealer for resale
19 or use in this state;

20 10. "Mobile home" means a residential dwelling fabricated in an
21 off-site manufacturing facility, designed to be a permanent
22 residence, but which is still transportable, that was built prior to
23 the enacting of the National Manufactured Housing Construction and
24 Safety Standards Act of 1974, 42 U.S.C., Section 5401 et seq.;

1 11. "Person" means an individual, business, corporation,
2 partnership, association, limited liability corporation, trust,
3 firm, or company or legal entity, but does not include any political
4 subdivision;

5 12. "Ready for occupancy" means a mobile or manufactured home
6 which is installed and anchored properly by a manufactured home
7 installer licensed in this state and has utilities connected to
8 service;

9 13. "Rebuilder" means a used motor vehicle dealer who is
10 engaged in the business of rebuilding repairable motor vehicles and
11 who has paid the fee for and been issued a rebuilder certificate as
12 provided by Section 591.5 of this title;

13 14. "Restricted manufactured home park dealer" means any person
14 operating a mobile or manufactured home park who, for a commission
15 or with intent to make a profit or gain of money or other thing of
16 value, sells, offers to sell, or attempts to negotiate a sale or
17 exchange of interest in, new or used manufactured homes, or that is
18 engaged wholly or in part in the business of selling or leasing
19 manufactured homes which are personal property with an option to
20 purchase or own in any form at any time after the beginning of the
21 lease term any new and unused, or used, or both new and used
22 manufactured homes; provided, every mobile or manufactured home sold
23 pursuant to a restricted manufactured home park dealer license shall
24 be located in the licensed mobile or manufactured home park and

1 ready for occupancy. Provided further, manufactured home dealer
2 license plates shall not be issued to a restricted manufactured home
3 park dealer;

4 15. "Retail implement dealer" means a business engaged
5 primarily in the sale of farm tractors as defined in Section 1-118
6 of this title or implements of husbandry as defined in Section 1-125
7 of this title or a combination thereof;

8 16. "Sale" or "sell" means the act of selling, brokering,
9 exchanging, exchanging of an interest in, or renting with the option
10 ~~of purchasing~~ to purchase or own in any form at any time after the
11 beginning of the lease term, a new or used manufactured home for
12 commission, profit, ~~or~~ gain of money or other thing of value;

13 17. "Used motor vehicle" means any motor vehicle, as that term
14 is defined in the Oklahoma Vehicle License and Registration Act, but
15 not including any all-terrain vehicles, utility vehicles, and
16 motorcycles used exclusively for off-road use which are sold by a
17 retail implement dealer, which has been sold, bargained, exchanged,
18 given away or the title thereto transferred from the person who
19 first took title from the manufacturer, importer, or dealer or agent
20 of the manufacturer or importer, or so used as to have become what
21 is commonly known as a "secondhand motor vehicle". In the event of
22 transfer, on the statement of origin, from the original franchised
23 dealer to any other dealer or individual other than a franchised
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1 dealer of the same make of vehicle, the vehicle shall be considered
2 a used motor vehicle and must be titled in the new owner's name;

3 18. "Used motor vehicle auction" means any business other than
4 salvage pools which regularly engages in the sale or trade, or
5 negotiates the sale or trade, of used motor vehicles by auction,
6 whether by open or closed bid or by sale to or purchase by used
7 motor vehicle dealers or individuals;

8 19. a. "Used motor vehicle dealer" means any person who, for
9 a commission or with intent to make a profit or gain
10 of money or other thing of value, sells, brokers,
11 exchanges, rents with option to purchase, or offers or
12 attempts to negotiate a sale or exchange of an
13 interest in used motor vehicles, or who is engaged
14 wholly or in part in the business of selling used
15 motor vehicles, whether or not such motor vehicles are
16 owned by the person.

17 b. "Used motor vehicle dealer" shall not include:

18 (1) receivers, trustees, administrators, executors,
19 guardians, or other persons appointed by or
20 acting pursuant to the judgment or order of any
21 court,

22 (2) public officers while performing their official
23 duties,

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- 1 (3) employees of persons enumerated in the definition
2 of "used motor vehicle dealer" when engaged in
3 the specific performance of their duties as such
4 employees,
- 5 (4) mortgagees or secured parties as to sales of
6 motor vehicles constituting collateral on a
7 mortgage or security agreement, if the mortgagees
8 or secured parties shall not realize for their
9 own account from such sales any monies in excess
10 of the outstanding balance secured by such
11 mortgage or security agreement, plus the costs of
12 collection,
- 13 (5) any person acting as an auctioneer who has been
14 engaged by a seller to direct, conduct, control,
15 or be responsible for the sale of used motor
16 vehicles as part of an estate auction or
17 liquidation,
- 18 (6) any person, firm, corporation, or other legal
19 entity who sells, or contracts for the sale of,
20 the vehicles of the person, firm, corporation, or
21 other legal entity when such vehicles are sold in
22 liquidation, and any person, firm, corporation,
23 or other legal entity who serves as an agent in
24 such sale. The exclusion provided in this

1 paragraph shall not extend to any person, firm,
2 corporation, or other legal entity whose business
3 is the purchase, sale, or rental with option to
4 purchase, of motor vehicles, or to a location
5 used for such purposes,

6 (7) any person acting as an auctioneer who has been
7 engaged by a seller to direct, conduct, control,
8 or be responsible for the sale of used motor
9 vehicles as part of an auction held at a licensed
10 used motor vehicle dealer location. The
11 exclusion provided in this division shall not
12 extend to a person who auctions five or more used
13 motor vehicles in a nonliquidation sale held at a
14 licensed used motor vehicle dealer location which
15 is not regularly used as a vehicle auction, or

16 (8) any retail implement dealer that sells all-
17 terrain vehicles, utility vehicles, and
18 motorcycles used exclusively for off-road use;

19 20. "Used motor vehicle salesperson" means a person employed by
20 a licensed used motor vehicle dealer to sell, broker, exchange, or
21 negotiate a purchase, sale, or rental with option to purchase, used
22 motor vehicles or an interest in used motor vehicles. The term
23 "used motor vehicle salesperson" shall not include any person who:

24 a. uses the person's own funds for such transactions, or

1 b. operates independently as a used motor vehicle dealer
2 using a licensed used motor vehicle dealer's license
3 number; and

4 21. "Wholesale used motor vehicle dealer" means any person who,
5 for a commission or with intent to make a profit or gain of money or
6 other thing of value, sells, brokers, exchanges, rents with option
7 to purchase, or offers or attempts to negotiate a sale or exchange
8 of interest in used motor vehicles exclusively to used motor vehicle
9 dealers, or who is engaged in the business of selling used motor
10 vehicles exclusively to used motor vehicle dealers, whether or not
11 such motor vehicles are owned by the person.

12 SECTION 2. AMENDATORY 47 O.S. 2011, Section 583, as last
13 amended by Section 24, Chapter 161, O.S.L. 2020 (47 O.S. Supp. 2020,
14 Section 583), is amended to read as follows:

15 Section 583. A. 1. It shall be unlawful and constitute a
16 misdemeanor for any person to engage in business as, or serve in the
17 capacity of, or act as a used motor vehicle dealer, wholesale used
18 motor vehicle dealer, manufactured home dealer, restricted
19 manufactured home park dealer, manufactured home installer, or
20 manufactured home manufacturer selling directly to a licensed
21 manufactured home dealer in this state without first obtaining a
22 license or following other requirements therefor as provided in this
23 section.

- 1 2. a. Any person engaging, acting, or serving in the
2 capacity of a used motor vehicle dealer, a
3 manufactured home dealer, restricted manufactured home
4 park dealer, a manufactured home installer, or a
5 manufactured home manufacturer, or having more than
6 one place where any such business, or combination of
7 businesses, is carried on or conducted shall be
8 required to obtain and hold a current license for each
9 such business, in which engaged.
- 10 b. If after a hearing in accordance with the provisions
11 of Section 585 of this title, the Oklahoma Used Motor
12 Vehicle and Parts Commission shall find any person
13 installing a mobile or manufactured home to be in
14 violation of any of the provisions of this act, such
15 person may be subject to an administrative fine of not
16 more than Five Hundred Dollars (\$500.00) for each
17 violation. Each day a person is in violation of this
18 act may constitute a separate violation. All
19 administrative fines collected pursuant to the
20 provisions of this subparagraph shall be deposited in
21 the fund established in Section 582 of this title.
22 Administrative fines imposed pursuant to this
23 subparagraph may be enforceable in the district courts
24 of this state.

1 3. Any person, except persons penalized by administrative fine,
2 violating the provisions of this section shall, upon conviction, be
3 punished by a fine not to exceed Five Hundred Dollars (\$500.00). A
4 second or subsequent conviction shall be punished by a fine not to
5 exceed One Thousand Dollars (\$1,000.00); provided that each day such
6 unlicensed person violates this section shall constitute a separate
7 offense, and any vehicle involved in a violation of this subsection
8 shall be considered a separate offense.

9 B. 1. Applications for licenses required to be obtained under
10 the provisions of the Oklahoma Used Motor Vehicle and Parts
11 Commission shall be verified by the oath or affirmation of the
12 applicant and shall be on forms prescribed by the Commission and
13 furnished to the applicants, and shall contain such information as
14 the Commission deems necessary to enable it to fully determine the
15 qualifications and eligibility of the several applicants to receive
16 the license or licenses applied for. The Commission shall require
17 in the application, or otherwise, information relating to:

- 18 a. the applicant's financial standing,
- 19 b. the applicant's business integrity,
- 20 c. whether the applicant has an established place of
21 business and is engaged in the pursuit, avocation, or
22 business for which a license, or licenses, is applied
23 for,

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1 d. whether the applicant is able to properly conduct the
2 business for which a license, or licenses, is applied
3 for, and

4 e. such other pertinent information consistent with the
5 safeguarding of the public interest and the public
6 welfare.

7 2. All applications for license or licenses shall be
8 accompanied by the appropriate fee or fees in accordance with the
9 schedule hereinafter provided. In the event any application is
10 denied and the license applied for is not issued, the entire license
11 fee shall be returned to the applicant.

12 3. All bonds and licenses issued under the provisions of this
13 act shall expire on December 31, following the date of issue and
14 shall be nontransferable. All applications for renewal of licenses
15 shall be submitted by November 1 of each year of expiration, and
16 licenses for completed renewals received by November 1 shall be
17 issued by January 10. If applications have not been made for
18 renewal of licenses, such licenses shall expire on December 31 and
19 it shall be illegal for any person to represent himself or herself
20 and act as a dealer thereafter. Tag agents shall be notified not to
21 accept dealers' titles until such time as licenses have been issued.
22 Beginning January 1, 2016, all licenses shall be issued for a period
23 of two (2) years and the appropriate fees shall be assessed. The
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1 Commission shall adopt rules necessary to implement the two-year
2 licensing provisions.

3 C. The schedule of license fees to be charged and received by
4 the Commission for the licenses issued hereunder shall be as
5 follows:

6 1. For each used motor vehicle dealer's license and each
7 wholesale used motor vehicle dealer's license, Six Hundred Dollars
8 (\$600.00). If a used motor vehicle dealer or a wholesale used motor
9 vehicle dealer has once been licensed by the Commission in the
10 classification for which he or she applies for a renewal of the
11 license, the fee for each subsequent renewal shall be Three Hundred
12 Dollars (\$300.00); provided, if an applicant holds a license to
13 conduct business as an automotive dismantler and parts recycler
14 issued pursuant to Section 591.1 et seq. of this title, the initial
15 fee shall be Two Hundred Dollars (\$200.00) and the renewal fee shall
16 be Two Hundred Dollars (\$200.00). If an applicant is applying
17 simultaneously for a license under this paragraph and a license
18 under paragraph 1 of Section 591.5 of this title, the initial
19 application fee shall be Four Hundred Dollars (\$400.00). For the
20 reinstatement of a used motor vehicle dealer's license after
21 revocation for cancellation or expiration of insurance pursuant to
22 subsection F of this section, the fee shall be Two Hundred Dollars
23 (\$200.00);

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1 2. For a used motor vehicle dealer's license, for each place of
2 business in addition to the principal place of business, Two Hundred
3 Dollars (\$200.00);

4 3. For each holder who possesses a valid new motor vehicle
5 dealer's license from the Oklahoma Motor Vehicle Commission, Two
6 Hundred Dollars (\$200.00) shall be the initial fee for a used motor
7 vehicle license and the fee for each subsequent renewal shall be Two
8 Hundred Dollars (\$200.00);

9 4. a. For each manufactured home dealer's license or a
10 restricted manufactured home park dealer's license,
11 Six Hundred Dollars (\$600.00), and for each place of
12 business in addition to the principal place of
13 business, Four Hundred Dollars (\$400.00), and

14 b. For each renewal of a manufactured home dealer's
15 license or a restricted manufactured home park
16 dealer's license, and renewal for each place of
17 business in addition to the principal place of
18 business, Three Hundred Dollars (\$300.00);

19 5. a. For each manufactured home installer's license, Four
20 Hundred Dollars (\$400.00), and

21 b. For each renewal of a manufactured home installer's
22 license, Four Hundred Dollars (\$400.00);

23 6. a. For each manufactured home manufacturer selling
24 directly to a licensed manufactured home dealer in

1 this state, One Thousand Five Hundred Dollars
2 (\$1,500.00), and

3 b. For each renewal of a manufactured home manufacturer's
4 license, One Thousand Five Hundred Dollars
5 (\$1,500.00);

6 7. Any manufactured home manufacturer who sells a new
7 manufactured home to be shipped to or sited in the State of Oklahoma
8 shall pay an installation inspection fee of Seventy-five Dollars
9 (\$75.00) for each new single-wide manufactured home and One Hundred
10 Twenty-five Dollars (\$125.00) for each new multi-floor manufactured
11 home; and

12 8. A used manufactured home inspection fee of Seventy-five
13 Dollars (\$75.00) shall be paid by the installer at or before the
14 time of installation of any used manufactured home sited and
15 installed in the State of Oklahoma.

16 D. 1. The license issued to each used motor vehicle dealer,
17 each wholesale used motor vehicle dealer, each restricted
18 manufactured home park dealer and each manufactured home dealer
19 shall specify the location of the place of business. If the
20 business location is changed, the Oklahoma Used Motor Vehicle and
21 Parts Commission shall be notified immediately of the change and the
22 Commission may endorse the change of location on the license. The
23 fee for a change of location shall be One Hundred Dollars (\$100.00),
24 and the fee for a change of name, Twenty-five Dollars (\$25.00). The

1 license of each licensee shall be posted in a conspicuous place in
2 the place or places of business of the licensee.

3 2. The license issued to each manufactured home installer, and
4 each manufactured home manufacturer shall specify the location of
5 the place of business. If the business location is changed, the
6 Oklahoma Used Motor Vehicle and Parts Commission shall be notified
7 immediately of the change and the Commission may endorse the change
8 of location on the license without charge. The license of each
9 licensee shall be posted in a conspicuous place in the place or
10 places of business of the licensee.

11 3. Every manufactured home installer shall have the license
12 available for inspection at the primary place of business of the
13 licensee. This license shall be valid for the licensee and all of
14 the employees of the licensee. Any person who is not an employee of
15 the licensee must obtain a separate manufactured home installer
16 license regardless of whether such person is acting in the capacity
17 of a contractor or subcontractor.

18 E. 1. a. Each applicant for a used motor vehicle dealer's
19 license shall procure and file with the Commission a
20 good and sufficient bond in the amount of Twenty-five
21 Thousand Dollars (\$25,000.00). Each new applicant for
22 a used motor vehicle dealer's license for the purpose
23 of conducting a used motor vehicle auction shall
24 procure and file with the Commission a good and

1 sufficient bond in the amount of Fifty Thousand
2 Dollars (\$50,000.00). An applicant who intends to
3 conduct a used motor vehicle auction who provides
4 proof that the applicant has check and title insurance
5 in an amount not less than Fifty Thousand Dollars
6 (\$50,000.00) shall only be required to have a bond in
7 the amount of Twenty-five Thousand Dollars
8 (\$25,000.00).

9 b. Each new applicant for a used motor vehicle dealer
10 license for the purpose of conducting a used motor
11 vehicle business which will consist primarily of non-
12 auction consignment sales which are projected to equal
13 Five Hundred Thousand Dollars (\$500,000.00) or more in
14 gross annual sales shall procure and file with the
15 Commission a good and sufficient bond in the amount of
16 Fifty Thousand Dollars (\$50,000.00). The Commission
17 shall prescribe by rule the method of operation of the
18 non-auction consignment dealer in order to properly
19 protect the interests of all parties to the
20 transaction and to provide sanctions against dealers
21 who fail to comply with the rules.

22 c. Each applicant for a wholesale used motor vehicle
23 dealer's license shall procure and file with the
24

1 Commission a good and sufficient bond in the amount of
2 Twenty-five Thousand Dollars (\$25,000.00).

3 d. Any used motor vehicle dealer who, for the purpose of
4 being a rebuilder, applies for a rebuilder
5 certificate, as provided in Section 591.5 of this
6 title, whether as a new application or renewal, shall
7 procure and file with the Commission a good and
8 sufficient bond in the amount of Fifteen Thousand
9 Dollars (\$15,000.00), in addition to any other bonds
10 required.

11 e. Each applicant for a manufactured home dealer's
12 license or a restricted manufactured home park
13 dealer's license shall procure and file with the
14 Commission a good and sufficient bond in the amount of
15 Thirty Thousand Dollars (\$30,000.00).

16 f. Each manufactured home manufacturing facility selling
17 directly to a licensed manufactured home dealer or
18 restricted manufactured home park dealer in this state
19 shall procure and file with the Commission a good and
20 sufficient bond in the amount of Thirty Thousand
21 Dollars (\$30,000.00). In addition to all other
22 conditions and requirements set forth herein, the bond
23 shall require the availability of prompt and full
24 warranty service by the manufacturer to comply with

1 all warranties expressed or implied in connection with
2 each manufactured home which is manufactured for
3 resale or use in this state. A manufacturer may not
4 sell, exchange, or lease-purchase with an option to
5 own in any form a manufactured home to a person in
6 this state directly or indirectly through a
7 distributor or third party who is not a licensed
8 manufactured home dealer or a restricted manufactured
9 home park dealer.

10 g. The bond shall be approved as to form by the Attorney
11 General and conditioned that the applicant shall not
12 practice fraud, make any fraudulent representation, or
13 violate any of the provisions of this act in the
14 conduct of the business for which the applicant is
15 licensed. One of the purposes of the bond is to
16 provide reimbursement for any loss or damage suffered
17 by any person by reason of issuance of a certificate
18 of title by a used motor vehicle dealer, a wholesale
19 used motor vehicle dealer, a restricted manufactured
20 home park dealer or a manufactured home dealer.

21 2. The bonds as required by this section shall be maintained
22 throughout the period of licensure. Should the bond be canceled for
23 any reason, the license shall be revoked as of the date of
24 cancellation unless a new bond is furnished prior to such date.

1 F. Any used motor vehicle dealer or wholesale used motor
2 vehicle dealer is required to furnish and keep in force a minimum of
3 Twenty-five Thousand Dollars (\$25,000.00) of single liability
4 insurance coverage on all vehicles offered for sale or used in any
5 other capacity in demonstrating or utilizing the streets and
6 roadways in accordance with the financial responsibility laws of
7 this state.

8 G. Any manufactured home dealer or restricted manufactured home
9 park dealer is required to furnish and keep in force a minimum of
10 One Hundred Thousand Dollars (\$100,000.00) of garage liability or
11 general liability with products and completed operations insurance
12 coverage.

13 H. Any manufactured home installer is required to furnish and
14 keep in force a minimum of Twenty-five Thousand Dollars (\$25,000.00)
15 of general liability with products and completed operations
16 insurance coverage.

17 SECTION 3. AMENDATORY 47 O.S. 2011, Section 1110, as
18 amended by Section 1, Chapter 224, O.S.L. 2015 (47 O.S. Supp. 2020,
19 Section 1110), is amended to read as follows:

20 Section 1110. A. 1. Except for a security interest in
21 vehicles held by a dealer for sale or lease, a vehicle registered by
22 a federally recognized Indian tribe as provided in subsection G of
23 this section, and a vehicle being registered in this state which was
24 previously registered in another state and which title contains the

1 name of a secured party on the face of the other state certificate
2 or title, and except as otherwise provided in subsection B of
3 Section 1105 of this title, a security interest in a vehicle as to
4 which a certificate of title may be properly issued by the Oklahoma
5 Tax Commission shall be perfected only when a lien entry form, and
6 the existing certificate of title, if any, or application for a
7 certificate of title and manufacturer's certificate of origin
8 containing the name and address of the secured party and the date of
9 the security agreement and the required fee are delivered to the Tax
10 Commission or to a motor license agent. As used in this section,
11 the term "dealer" shall be defined as provided in Section 1-112 of
12 this title and the term "security interest" shall be defined as
13 provided in paragraph (35) of Section 1-201 of Title 12A of the
14 Oklahoma Statutes. When a vehicle title is presented to a motor
15 license agent for transferring or registering and the documents
16 reflect a ~~lien holder~~ lienholder, the motor license agent shall
17 perfect the lien pursuant to subsection G of Section 1105 of this
18 title. For the purposes of this section, the term "vehicle" shall
19 not include special mobilized machinery, machinery used in highway
20 construction or road material construction and rubber-tired road
21 construction vehicles including rubber-tired cranes. The filing and
22 duration of perfection of a security interest, pursuant to the
23 provisions of Title 12A of the Oklahoma Statutes, including, but not
24 limited to, Section 1-9-311 of Title 12A of the Oklahoma Statutes,

1 shall not be applicable to perfection of security interests in
2 vehicles as to which a certificate of title may be properly issued
3 by the Tax Commission, except as to vehicles held by a dealer for
4 sale or lease and except as provided in subsection D of this
5 section. In all other respects Title 12A of the Oklahoma Statutes
6 shall be applicable to such security interests in vehicles as to
7 which a certificate of title may be properly issued by the Tax
8 Commission.

9 2. Whenever a person creates a security interest in a vehicle,
10 the person shall surrender to the secured party the certificate of
11 title or the signed application for a new certificate of title, on
12 the form prescribed by the Tax Commission, and the manufacturer's
13 certificate of origin. The secured party shall deliver the lien
14 entry form and the required lien filing fee within twenty-five (25)
15 days as provided hereafter with certificate of title or the
16 application for certificate of title and the manufacturer's
17 certificate of origin to the Tax Commission or to a motor license
18 agent. If the lien entry form, the lien filing fee and the
19 certificate of title or application for certificate of title and the
20 manufacturer's certificate of origin are delivered to the Tax
21 Commission or to a motor license agent within twenty-five (25) days
22 after the date of the lien entry form, perfection of the security
23 interest shall begin from the date of the execution of the lien
24 entry form, but otherwise, perfection of the security interest shall

1 begin from the date of the delivery to the Tax Commission or to a
2 motor license agent.

3 3. a. For each security interest recorded on a certificate
4 of title, or manufacturer's certificate of origin,
5 such person shall pay a fee of Ten Dollars (\$10.00),
6 which shall be in addition to other fees provided for
7 in the Oklahoma Vehicle License and Registration Act.
8 Upon the receipt of the lien entry form and the
9 required fees with either the certificate of title or
10 an application for certificate of title and
11 manufacturer's certificate of origin, a motor license
12 agent shall, by placement of a clearly distinguishing
13 mark, record the date and number shown in a
14 conspicuous place, on each of these instruments. Of
15 the ten-dollar fee, the motor license agent shall
16 retain Two Dollars (\$2.00) for recording the security
17 interest lien.

18 b. It shall be unlawful for any person to solicit, accept
19 or receive any gratuity or compensation for acting as
20 a messenger and for acting as the agent or
21 representative of another person in applying for the
22 recording of a security interest or for the
23 registration of a motor vehicle and obtaining the
24 license plates or for the issuance of a certificate of

1 title therefor unless the Tax Commission has appointed
2 and approved the person to perform such acts; and
3 before acting as a messenger, any such person shall
4 furnish to the Tax Commission a surety bond in such
5 amount as the Tax Commission shall determine
6 appropriate.

7 4. The certificate of title or the application for certificate
8 of title and manufacturer's certificate of origin with the record of
9 the date of receipt clearly marked thereon shall be returned to the
10 debtor together with a notice that the debtor is required to
11 register and pay all additional fees and taxes due within thirty
12 (30) days from the date of purchase of the vehicle.

13 5. Any person creating a security interest in a vehicle that
14 has been previously registered in the debtor's name and on which all
15 taxes due the state have been paid shall surrender the certificate
16 of ownership to the secured party. The secured party shall have the
17 duty to record the security interest as provided in this section and
18 shall, at the same time, obtain a new certificate of title which
19 shall show the secured interest on the face of the certificate of
20 title.

21 6. The lien entry form with the date and assigned number
22 thereof clearly marked thereon shall be returned to the secured
23 party. If the lien entry form is received and authenticated, as
24 herein provided, by a motor license agent, the agent shall make a

1 report thereof to the Tax Commission upon the forms and in the
2 manner as may be prescribed by the Tax Commission.

3 7. The Tax Commission shall have the duty to record the lien
4 upon the face of the certificate of title issued at the time of
5 registering and paying all fees and taxes due on the vehicle.

6 B. 1. A secured party shall, within seven (7) business days
7 after the satisfaction of the security interest, furnish directly or
8 by mail a release of a security interest to the Tax Commission and
9 mail a copy thereof to the last-known address of the debtor. If the
10 security interest has been satisfied by payment from a licensed used
11 motor vehicle dealer to whom the motor vehicle has been transferred,
12 the secured party shall also, within seven (7) business days after
13 such satisfaction, mail an additional copy of the release to the
14 dealer. If the secured party fails to furnish the release as
15 required, the secured party shall be liable to the debtor for a
16 penalty of One Hundred Dollars (\$100.00). Following the seven (7)
17 business days after satisfaction of the lien and upon receipt by the
18 lienholder of written communication demanding the release of the
19 lien, thereafter the penalty shall increase to One Hundred Dollars
20 (\$100.00) per day for each additional day beyond seven (7) business
21 days until accumulating to One Thousand Five Hundred Dollars
22 (\$1,500.00) or the value of the vehicle, whichever is less, and, in
23 addition, any loss caused to the debtor by such failure.

24

1 2. Upon release of a security interest the owner may obtain a
2 new certificate of title omitting reference to the security
3 interest, by submitting to the Tax Commission or to a motor license
4 agent:

- 5 a. a release signed by the secured party, an application
6 for new certificate of title and the proper fees, or
- 7 b. by submitting to the Tax Commission or the motor
8 license agent an affidavit, supported by such
9 documentation as the Tax Commission may require, by
10 the owner on a form prescribed by the Tax Commission
11 stating that the security interest has been satisfied
12 and stating the reasons why a release cannot be
13 obtained, an application for a new certificate of
14 title and the proper fees.

15 Upon receiving such affidavit that the security interest has been
16 satisfied, the Tax Commission shall issue a new certificate of title
17 eliminating the satisfied security interest and the name and address
18 of the secured parties who have been paid and satisfied. The Tax
19 Commission shall accept a release of a security interest in any form
20 that identifies the debtor, the secured party, and the vehicle, and
21 contains the signature of the secured party. The Tax Commission
22 shall not require any particular form for the release of a security
23 interest.

1 The words "security interest" when used in the Oklahoma Vehicle
2 License and Registration Act do not include liens dependent upon
3 possession.

4 C. The Tax Commission shall file and index certificates of
5 title so that at all times it will be possible to trace a
6 certificate of title to the vehicle designated therein, identify the
7 lien entry form, and the names and addresses of secured parties, or
8 their assignees, so that all or any part of such information may be
9 made readily available to those who make legitimate inquiry of the
10 Tax Commission as to the existence or nonexistence of security
11 interest in the vehicle.

12 D. 1. Any security interest in a vehicle properly perfected
13 prior to July 1, 1979, may be continued as to its effectiveness or
14 duration as provided by Sections 1-9-~~504~~ 510 and 1-9-515 of Title
15 12A of the Oklahoma Statutes, or may be terminated, assigned or
16 released as provided by Sections 1-9-512, 1-9-513 and 1-9-514 of
17 Title 12A of the Oklahoma Statutes, as fully as if this section had
18 not been enacted, or, at the option of the secured party, may also
19 be perfected under this section, and, if so perfected, the time of
20 perfection under this section shall be the date the security
21 interest was originally perfected under the prior law.

22 2. Upon request of the secured party, the debtor or any other
23 holder of the certificate of title shall surrender the certificate
24

1 of title to the secured party and shall do such other acts as may be
2 required to perfect the security interest under this section.

3 E. If a manufactured home is permanently affixed to real
4 estate, ~~the original document~~ an Oklahoma certificate of title may
5 be surrendered to the Tax Commission or a motor license agent for
6 cancellation. When the document of title is surrendered, the owner
7 shall provide the legal description or the appropriate tract or
8 parcel number of the real estate and other information as may be
9 required on a form provided by the Tax Commission. The Tax
10 Commission may not cancel a document of title if a lien has been
11 registered or recorded. The Tax Commission or motor license agent
12 shall notify the owner and any lienholder that the title has been
13 surrendered to the Tax Commission and that the Tax Commission may
14 not cancel the title until the lien is released. Such notification
15 shall include a description of the lien and such notification to the
16 owner shall be accompanied by the return of title surrendered.

17 Permanent attachment to real estate does not affect the validity of
18 a lien recorded or registered with the Tax Commission before the
19 document of title is ~~cancelled~~ canceled pursuant to this section.

20 The rights of a prior lienholder pursuant to a security agreement or
21 the provisions of a credit transaction and the rights of the state
22 pursuant to a tax lien are preserved. The Tax Commission or motor
23 license agent shall forward the information to the county assessor
24 of the county where the real estate is located and indicate whether

1 the original document of title has been canceled. A fee of Five
2 Dollars (\$5.00) shall accompany the application for cancellation of
3 title. When the fee is paid by a person making an application
4 directly with the Tax Commission, the fee shall be deposited in the
5 Oklahoma Tax Commission Revolving Fund. A fee paid to a motor
6 license agent shall be retained by the agent. The owner of a
7 manufactured home, upon which the document of title has been
8 properly surrendered, may apply to the Tax Commission for issuance
9 of a new original certificate of title upon submission of:

10 ~~(1) an~~ 1. An attestation from the homeowner indicating
11 ownership of the manufactured home and the nonexistence of any
12 security interest or lien of record in the manufactured home; and

13 ~~(2) a~~

14 2. A title opinion by a licensed attorney, determining that the
15 owner of the manufactured home has marketable title to the real
16 property upon which the manufactured home is located and that no
17 documents filed of record in the county clerk's office concerning
18 the real property contain a mortgage, recorded financial statement,
19 judgment, or lien of record. Persons or entities to whom the title
20 opinion is addressed may rely on the title opinion. A security
21 interest in a manufactured home perfected pursuant to this section
22 shall have priority over a conflicting interest of a mortgagee or
23 other lien encumbrancer, or the owner of the real property upon
24 which the manufactured home became affixed or otherwise permanently

1 attached. The holder of the security interest in the manufactured
2 home, upon default, may remove the manufactured home from such real
3 property. The holder of the security interest in the manufactured
4 home shall reimburse the owner of the real property who is not the
5 debtor and who has not otherwise agreed to access the real property
6 for the cost of repair of any physical injury to the real property,
7 but shall not be liable for any diminution in value to the real
8 property caused by the removal of the manufactured home, trespass,
9 or any other damages caused by the removal. The debtor shall notify
10 the holder of the security interest in the manufactured home of the
11 street address, if any, and the legal description of the real
12 property upon which the manufactured home is affixed or otherwise
13 permanently attached and shall sign such other documents, including
14 any appropriate mortgage, as may reasonably be requested by the
15 holder of such security interest.

16 F. In the case of motor vehicles or trailers, notwithstanding
17 any other provision of law, a transaction does not create a sale or
18 security interest merely because it provides that the rental price
19 is permitted or required to be adjusted under the agreement either
20 upward or downward by reference to the amount realized upon sale or
21 other disposition of the motor vehicle or trailer.

22 G. A security interest in vehicles registered by a federally
23 recognized Indian tribe shall be deemed valid under Oklahoma law if
24

1 validly perfected under the applicable tribal law and the lien is
2 noted on the face of the tribal certificate of title.

3 SECTION 4. AMENDATORY 68 O.S. 2011, Section 2812, is
4 amended to read as follows:

5 Section 2812. A. Subject to the provisions of subsection B of
6 Section 2813 of this title, a manufactured home which is located on
7 land owned by the owner of the manufactured home shall be listed and
8 assessed in the county in which it is located for ad valorem
9 taxation as ~~is~~ real property pursuant to the provisions of the Ad
10 Valorem Tax Code. The person owning and residing in such
11 manufactured home may apply for homestead exemption. The county
12 assessor shall approve the application of such person if all
13 requirements of law for such exemption have been met.

14 B. A manufactured home which is located on land not owned by
15 the owner of the manufactured home shall be listed and assessed in
16 the county in which it is located for ad valorem taxation as ~~is~~
17 personal property pursuant to the provisions of the Ad Valorem Tax
18 Code.

19 C. Each year that a manufactured home is subject to ad valorem
20 taxes as provided by law, the county assessor and the county
21 treasurer shall transmit the information relating to ad valorem tax
22 payment to the Oklahoma Tax Commission, which shall identify the
23 manufactured home and record the payment in the computer data system
24 provided for by Section 1113 of Title 47 of the Oklahoma Statutes.

1 The county assessor and treasurer of each county shall provide such
2 information as may be required in order to implement the provisions
3 of this section.

4 SECTION 5. This act shall become effective November 1, 2021.

5
6 COMMITTEE REPORT BY: COMMITTEE ON BUSINESS AND COMMERCE, dated
7 02/10/2021 - DO PASS, As Amended.
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