

STATE OF OKLAHOMA

1st Session of the 56th Legislature (2017)

SUBCOMMITTEE
RECOMMENDATION

FOR

HOUSE BILL NO. 1515

By: Cockroft

SUBCOMMITTEE RECOMMENDATION

An Act relating to motor vehicles; amending 47 O.S. 2011, Sections 1115, as amended by Section 1, Chapter 337, O.S.L. 2012, 1131 and 1132, as amended by Section 2, Chapter 337, O.S.L. 2012 (47 O.S. Supp. 2016, Sections 1115 and 1132), which relate to vehicle registrations; adjusting notice requirement; authorizing optional biennial registration of certain types of vehicles; providing calculation for biennial registration fee; creating biennial registration convenience fee; establishing fee amount; providing for distribution of convenience fee collections; amending 47 O.S. 2011, Section 1141.1, as amended by Section 4, Chapter 158, O.S.L. 2012 (47 O.S. Supp. 2016, Section 1141.1), which relates to retention of taxes and fees by motor license agents; authorizing retention of certain amount of certain convenience fee; and providing an effective date.

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

SECTION 1. AMENDATORY 47 O.S. 2011, Section 1115, as amended by Section 1, Chapter 337, O.S.L. 2012 (47 O.S. Supp. 2016, Section 1115), is amended to read as follows:

Section 1115. A. Unless provided otherwise by statute, the following vehicles shall be registered annually: manufactured

1 homes, vehicles registered with a permanent nonexpiring license
2 plate pursuant to Section 1113 of this title, and commercial
3 vehicles registered pursuant to the installment plan provided in
4 subsection H of Section 1133 of this title. The following schedule
5 shall apply for such vehicle purchased in this state or brought into
6 this state by residents of this state:

7 1. Between January 1 and March 31, the payment of the full
8 annual fee shall be required;

9 2. Between April 1 and June 30, the payment of three-fourths
10 (3/4) the annual fee shall be required;

11 3. Between July 1 and September 30, the payment of one-half
12 (1/2) the annual fee shall be required; and

13 4. Between October 1 and November 30, one-fourth (1/4) the
14 annual fee shall be required.

15 License plates or decals for each year shall be made available
16 on December 1 of each preceding year for such vehicles. Any person
17 who purchases such vehicle or manufactured home between December 1
18 and December 31 of any year shall register it within thirty (30)
19 days from date of purchase and obtain a license plate or
20 Manufactured Home License Registration Decal, as appropriate, for
21 the following calendar year upon payment of the full annual fee.
22 Unless provided otherwise by statute, all annual license,
23 registration and other fees for such vehicles shall be due and
24

1 payable on January 1 of each year and if not paid by February 1
2 shall be deemed delinquent.

3 B. 1. All vehicles, other than those required to be registered
4 pursuant to the provisions of subsection A of this section, shall be
5 registered on a staggered system of registration and licensing on a
6 monthly series basis to distribute the work of registering such
7 vehicles as uniformly and expeditiously as practicable throughout
8 the calendar year. After the end of the month following the
9 expiration date, the license and registration fees for the new
10 registration period shall become delinquent.

11 2. All fleet vehicles registered pursuant to new applications
12 approved pursuant to the provisions of Section 1120 of this title
13 shall be registered on a staggered system monthly basis.

14 3. Applicants seeking to establish Oklahoma as the base
15 jurisdiction for registering apportioned fleet vehicles shall have a
16 one-time option of registering for a period of not less than six (6)
17 months nor greater than eighteen (18) months. Subsequent renewals
18 for these registrants will be for twelve (12) months, expiring on
19 the last day of the month chosen by the registrant under the one-
20 time option as provided herein. In addition, registrants with
21 multiple fleets may designate a different registration month of
22 expiration for each fleet.

23 As used in this section, "fleet" shall have the same meaning as
24 set forth in the International Registration Plan.

1 4. Effective January 1, 2004, all motorcycles and mopeds shall
2 be registered on a staggered system of registration. The Oklahoma
3 Tax Commission shall notify in writing, prior to December 1, 2003,
4 all owners of motorcycles or mopeds registered as of such date, who
5 shall have a one-time option of registering for a period of not less
6 than three (3) months nor greater than fifteen (15) months.
7 Subsequent renewals for these registrants ~~will~~ shall be for twelve
8 (12) months or twenty-four (24) months, expiring on the last day of
9 the month chosen by the registrant under the one-time option as
10 provided herein. All motorcycles and mopeds registered pursuant to
11 new applications received on or after December 1, 2003, shall also
12 be registered pursuant to the provisions of this paragraph.

13 C. The following penalties shall apply for delinquent
14 registration fees:

15 1. For fleet vehicles required to be registered pursuant to the
16 provisions of Section 1120 of this title for which a properly
17 completed application for registration has not been received by the
18 Corporation Commission by the last day of the month following the
19 registration expiration date, a penalty of thirty percent (30%) of
20 the Oklahoma portion of the annual registration fee, or Two Hundred
21 Dollars (\$200.00), whichever is greater, shall be assessed. The
22 license and registration cards issued by the Corporation Commission
23 for each fleet vehicle shall be valid until two (2) months after the
24 registration expiration date;

1 2. For commercial vehicles registered under the provisions of
2 subsection B of this section, except those vehicles registered
3 pursuant to Section 1133.1 of this title, a penalty shall be
4 assessed after the last day of the month following the registration
5 expiration date. A penalty of twenty-five cents (\$0.25) per day
6 shall be added to the license fee of such vehicle and shall accrue
7 for one (1) month. Thereafter, the penalty shall be thirty percent
8 (30%) of the annual registration fee, or Two Hundred Dollars
9 (\$200.00), whichever is greater;

10 3. For new or used manufactured homes, not registered within
11 thirty (30) days from date of purchase or date such manufactured
12 home was brought into this state, a penalty equal to the
13 registration fee shall be assessed; or

14 4. For all vehicles a penalty shall be assessed after the last
15 day of the month following the expiration date and no penalty shall
16 be waived by the Oklahoma Tax Commission or any motor license agent
17 except as provided for in subsection H of Section 1133 and
18 subsection C of Section 1127 of this title. A penalty of One Dollar
19 (\$1.00) per day shall be added to the license fee of such vehicle,
20 provided that the penalty shall not exceed One Hundred Dollars
21 (\$100.00). Of each dollar penalty collected pursuant to this
22 subsection:

- 23 a. twenty-one cents (\$0.21) shall be apportioned as
24 provided in Section 1104 of this title,

1 b. twenty-one cents (\$0.21) shall be retained by the
2 motor license agent, and

3 c. fifty-eight cents (\$0.58) shall be deposited in the
4 General Revenue Fund.

5 D. In addition to all other penalties provided in the Oklahoma
6 Vehicle License and Registration Act, the following penalties shall
7 be imposed and collected by any Enforcement Officer of the
8 Corporation Commission upon finding any commercial vehicle being
9 operated in violation of the provisions of the Oklahoma Vehicle
10 License and Registration Act.

11 The penalties shall apply to any commercial vehicle found to be
12 operating in violation of the following provisions:

13 1. A penalty of not less than Fifty Dollars (\$50.00) shall be
14 imposed upon any person found to be operating a commercial vehicle
15 sixty (60) days after the end of the month in which the license
16 plate or registration credentials expire without the current year
17 license plate or registration credential displayed. Such penalty
18 shall not exceed the amount established by the Corporation
19 Commission pursuant to the provisions of subsection A of Section
20 1167 of this title. Revenue from such penalties shall be
21 apportioned as provided in Section 1167 of this title;

22 2. A penalty of not less than Fifty Dollars (\$50.00) shall be
23 imposed for any person operating a commercial vehicle subject to the
24 provisions of Section 1120 or Section 1133 of this title without the

1 proper display of, or, carrying in such commercial vehicle, the
2 identification credentials issued by the Corporation Commission as
3 evidence of payment of the fee or tax as provided in Section 1120 or
4 Section 1133 of this title. Such penalty shall not exceed the
5 amount established by the Corporation Commission pursuant to the
6 provisions of subsection A of Section 1167 of this title. Revenue
7 from such penalties shall be apportioned as provided in Section 1167
8 of this title; and

9 3. A penalty of not less than One Hundred Dollars (\$100.00)
10 shall be imposed for any person that fails to register any
11 commercial vehicle subject to the Oklahoma Vehicle License and
12 Registration Act. Such penalty shall not exceed the amount
13 established by the Corporation Commission pursuant to the provisions
14 of subsection A of Section 1167 of this title. Revenue from such
15 penalties shall be apportioned as provided in Section 1167 of this
16 title.

17 E. The Tax Commission, or Corporation Commission with respect
18 to vehicles registered under Section 1120 or Section 1133 of this
19 title, shall assess the registration fees and penalties for the year
20 or years a vehicle was not registered. For vehicles not registered
21 for two (2) or more years, the registration fees and penalties shall
22 be due only for the current year and one (1) previous year.

1 F. In addition to any other penalty prescribed by law, there
2 shall be a penalty of not less than Twenty Dollars (\$20.00) upon a
3 finding by an enforcement officer that:

4 1. The registration of a vehicle registered pursuant to Section
5 1132 of this title is expired and it is sixty (60) or more days
6 after the end of the month of expiration; or

7 2. The registration fees for a vehicle that is subject to the
8 registration fees pursuant to Section 1132 of this title have not
9 been paid.

10 Such penalty shall not exceed the amount established by the
11 Corporation Commission pursuant to the provisions of subsection A of
12 Section 1167 of this title. Revenue from such penalties shall be
13 apportioned as provided in Section 1167 of this title.

14 G. If a vehicle is donated to a nonprofit charitable
15 organization, the nonprofit charitable organization shall be exempt
16 from paying any current or past due registration fees, excise tax,
17 transfer fees, and penalties and interest. However, after the
18 donation, if the person donating the vehicle, or someone on behalf
19 of such person, purchases the same vehicle back from the nonprofit
20 charitable organization to which the vehicle was donated, such
21 person shall be liable for all current and past-due registration
22 fees, excise tax, title or transfer fees, and penalties and interest
23 on such vehicle.

1 SECTION 2. AMENDATORY 47 O.S. 2011, Section 1131, is
2 amended to read as follows:

3 Section 1131. The Oklahoma Tax Commission shall ~~annually~~ notify
4 all persons within the state who have a previous registration on
5 record of the period for registration renewal. The Tax Commission
6 shall send the notifications to the electronic mail address provided
7 by the person. If a person does not provide an electronic mail
8 address then the Tax Commission shall notify the person through the
9 mail. The notifications shall contain all necessary information for
10 such registration and licensing including a breakdown of all charges
11 to be paid by the owner and shall contain instructions as to the
12 procedure for renewal upon presentation to a motor license agent or
13 by return mail to the Commission's state office. The content and
14 form of the notice shall be determined by the Commission. Use of a
15 postcard or electronic mail type renewal notice is specifically
16 permitted. The Commission shall provide information on its public
17 website instructing persons on the procedure for obtaining ~~an annual~~
18 a notification via electronic mail, outlining all charges and fees
19 associated with the registration of a vehicle, as well as an
20 explanation of the apportionment of vehicle fees and penalties. The
21 cost of mailing shall be One Dollar (\$1.00) for license plates and
22 fifty cents (\$0.50) for decals, titles or other forms or devices
23 provided in this act. Provided, that the Commission may adjust any
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1 mailing costs as deemed appropriate to allow for increased or
2 additional fees charged by the United States Postal Service.

3 Failure by any applicant to receive notification of renewal as
4 provided by this act shall not excuse the applicant from properly
5 obtaining any registration or license at the proper time by
6 presenting proof of ownership to the Commission's state office or to
7 a motor license agent.

8 SECTION 3. AMENDATORY 47 O.S. 2011, Section 1132, as
9 amended by Section 2, Chapter 337, O.S.L. 2012 (47 O.S. Supp. 2016,
10 Section 1132), is amended to read as follows:

11 Section 1132. A. For all vehicles, unless otherwise
12 specifically provided by the Oklahoma Vehicle License and
13 Registration Act, a registration fee shall be assessed at the time
14 of initial registration by the owner and annually thereafter or
15 biennially as provided in subsection G of this section, for the use
16 of the avenues of public access within this state in the following
17 amounts:

18 1. For the first through the fourth year of registration in
19 this state or any other state, Eighty-five Dollars (\$85.00);

20 2. For the fifth through the eighth year of registration in
21 this state or any other state, Seventy-five Dollars (\$75.00);

22 3. For the ninth through the twelfth year of registration in
23 this state or any other state, Fifty-five Dollars (\$55.00);
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1 4. For the thirteenth through the sixteenth year of
2 registration in this state or any other state, Thirty-five Dollars
3 (\$35.00); and

4 5. For the seventeenth and any following year of registration
5 in this state or any other state, Fifteen Dollars (\$15.00).

6 The registration fee provided for in this subsection shall be in
7 lieu of all other taxes, general or local, unless otherwise
8 specifically provided.

9 B. For all-terrain vehicles and motorcycles used exclusively
10 for use off roads or highways purchased on or after July 1, 2005,
11 and for all-terrain vehicles and motorcycles used exclusively for
12 use off roads or highways purchased prior to July 1, 2005, which the
13 owner chooses to register pursuant to the provisions of Section
14 1115.3 of this title, an initial and nonrecurring registration fee
15 of Eleven Dollars (\$11.00) shall be assessed at the time of initial
16 registration by the owner. Nine Dollars (\$9.00) of the registration
17 fee shall be deposited in the Oklahoma Tax Commission Reimbursement
18 Fund. Two Dollars (\$2.00) of the registration fee shall be retained
19 by the motor license agent. The fees required by subsection A of
20 this section shall not be required for all-terrain vehicles or
21 motorcycles used exclusively off roads and highways.

22 C. For utility vehicles used exclusively for use off roads or
23 highways purchased on or after July 1, 2008, and for utility
24 vehicles used exclusively for use off roads or highways purchased

1 prior to July 1, 2008, which the owner chooses to register pursuant
2 to the provisions of Section 1115.3 of this title, an initial and
3 nonrecurring registration fee of Eleven Dollars (\$11.00) shall be
4 assessed at the time of initial registration by the owner. Nine
5 Dollars (\$9.00) of the registration fee shall be deposited in the
6 Oklahoma Tax Commission Reimbursement Fund. Two Dollars (\$2.00) of
7 the registration fee shall be retained by the motor license agent.
8 The fees required by subsection A of this section shall not be
9 required for utility vehicles used exclusively off roads and
10 highways.

11 D. There shall be a credit allowed with respect to the fee for
12 registration of a new vehicle which is a replacement for:

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

17 2. A defective new original vehicle returned by the
18 purchaser/registrant to the seller within six (6) months of the date
19 of purchase of the defective new original vehicle as certified by
20 the manufacturer.

21 The credit shall be in the amount of the fee for registration
22 which was paid for the new original vehicle and shall be applied to
23 the registration fee for the replacement vehicle. In no event will
24 the credit be refunded.

1 E. Upon every transfer or change of ownership of a vehicle, the
2 new owner shall obtain title for and, except in the case of salvage
3 vehicles and manufactured homes, register the vehicle within thirty
4 (30) days of change of ownership and pay a transfer fee of Fifteen
5 Dollars (\$15.00) in addition to any other fees provided for in this
6 act. No new decal shall be issued to the registrant. Thereafter,
7 the owner shall register the vehicle annually on the anniversary
8 date of its initial registration in this state and shall pay the
9 fees provided in subsection A of this section and receive a decal
10 evidencing such payment. Provided, used motor vehicle dealers shall
11 be exempt from the provisions of this section.

12 F. In the event a new or used vehicle is not registered, titled
13 and tagged within thirty (30) days from the date of transfer of
14 ownership, the penalty for the failure of the owner of the vehicle
15 to register the vehicle within thirty (30) days shall be One Dollar
16 (\$1.00) per day, provided that in no event shall the penalty exceed
17 One Hundred Dollars (\$100.00). No penalty shall be waived by the
18 Oklahoma Tax Commission or any motor license agent except as
19 provided in subsection C of Section 1127 of this title. Of each
20 dollar penalty collected pursuant to this subsection:

21 1. Twenty-one cents (\$0.21) shall be apportioned as provided in
22 Section 1104 of this title;

23 2. Twenty-one cents (\$0.21) shall be retained by the motor
24 license agent; and

1 3. Fifty-eight cents (\$0.58) shall be deposited in the General
2 Revenue Fund.

3 G. 1. The owner of a vehicle which is required to be
4 registered under the provisions of paragraph 1 or 4 of subsection B
5 of Section 1115 of this title may register such vehicle on a
6 biennial basis. The registration fee for such a biennial
7 registration shall be equal to the sum of all annual registration
8 fees provided for in this title that would have otherwise been
9 applicable if such vehicle were registered on an annual basis for
10 the two-year period covered by the biennial registration.

11 2. Each application for a biennial registration authorized by
12 this subsection shall be subject to a convenience fee of Fifteen
13 Dollars and eighty-five cents (\$15.85).

14 3. Each convenience fee collected pursuant to the provisions of
15 this subsection shall be distributed as follows:

16 a. Five Dollars and eighty-six cents (\$5.86) shall be
17 deposited in the State Treasury to the credit of the
18 State Transportation Fund created by Section 1501.1 of
19 Title 69 of the Oklahoma Statutes,

20 b. Five Dollars and eighty-six cents (\$5.86) shall be
21 distributed to the various counties of the state for
22 deposit into the County Bridge and Road Improvement
23 Fund of each county based on a formula developed by
24 the Department of Transportation and approved by the

1 Department of Transportation County Advisory Board
2 created pursuant to Section 302.1 of Title 69 of the
3 Oklahoma Statutes to be used for the purposes set
4 forth in the County Bridge and Road Improvement Act.
5 The formula shall be similar to the formula currently
6 used for the distribution of monies in the County
7 Bridge Program funds, but shall also take into
8 consideration the effect of the terrain and traffic
9 volume as related to county road improvement and
10 maintenance costs,

11 c. Three Dollars and seventy-eight cents (\$3.78) shall be
12 retained by the collecting motor license agent,
13 pursuant to Section 1141.1 of this title, and

14 d. thirty-five cents (\$0.35) shall be deposited in the
15 State Treasury to the credit of the Oklahoma Tax
16 Commission Fund created by Section 221 of Title 62 of
17 the Oklahoma Statutes.

18 SECTION 4. AMENDATORY 47 O.S. 2011, Section 1141.1, as
19 amended by Section 4, Chapter 158, O.S.L. 2012 (47 O.S. Supp. 2016,
20 Section 1141.1), is amended to read as follows:

21 Section 1141.1 A. Each motor license agent shall be entitled
22 to retain the following amounts from the taxes and fees collected by
23 such agent to be used to fund the operation of the office of such
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1 motor license agent subject to the provisions of Sections 1140
2 through 1147 of this title:

3 1. Beginning July 1, 2005, Two Dollars and eighty-one cents
4 (\$2.81) for each vehicle registered and for each special license
5 plate issued pursuant to the Oklahoma Vehicle License and
6 Registration Act. Beginning July 1, 2006, and thereafter, Three
7 Dollars and fifty-six cents (\$3.56) for each vehicle registered and
8 for each special license plate issued pursuant to the Oklahoma
9 Vehicle License and Registration Act;

10 2. One Dollar and twenty-five cents (\$1.25) for each
11 certificate of title issued for boats and motors pursuant to the
12 Oklahoma Statutes;

13 3. For each certificate of registration issued for boats and
14 motors pursuant to the Oklahoma Statutes, an amount determined
15 pursuant to the provisions of subsection B of this section;

16 4. Two Dollars and twenty-five cents (\$2.25) for each
17 certificate of title issued pursuant to the Oklahoma Vehicle License
18 and Registration Act. Provided, the fee retention amount for
19 certificates of title issued pursuant to the provisions of
20 subsection H of Section 1105 of this title, in which an insurer pays
21 the optional twenty-two-dollar-fee amount, is Four Dollars and fifty
22 cents (\$4.50);

23 5. Beginning October 1, 2000, three percent (3%) of the vehicle
24 excise tax collected pursuant to Section 2103 of Title 68 of the

1 Oklahoma Statutes. Beginning July 1, 2001, each motor license agent
2 shall be entitled to retain three and one hundred twenty-five one-
3 thousandths percent (3.125%) of the vehicle excise tax collected
4 pursuant to Section 2103 of Title 68 of the Oklahoma Statutes.

5 Beginning July 1, 2002, and for all subsequent years, each motor
6 license agent shall be entitled to retain three and twenty-five one-
7 hundredths percent (3.25%) of the vehicle excise tax collected
8 pursuant to Section 2103 of Title 68 of the Oklahoma Statutes.

9 However, beginning July 1, 2003, the Legislature shall annually
10 review the percentage to be retained by the motor license agents
11 pursuant to this paragraph to determine whether such percentage
12 should be adjusted;

13 6. Four percent (4%) of the excise tax collected on the
14 transfer of boats and motors pursuant to the Oklahoma Statutes;

15 7. Two Dollars (\$2.00) for each driver license, endorsement,
16 identification license, or renewal or duplicate issued pursuant to
17 Section 6-101 et seq. of this title;

18 8. Two Dollars (\$2.00) for the recording of security interests
19 as provided in Section 1110 of this title;

20 9. Two Dollars (\$2.00) for each inspection conducted pursuant
21 to subsection L of Section 1105 of this title;

22 10. Three Dollars (\$3.00) for each inspection conducted
23 pursuant to subsection M of Section 1105 of this title;

1 11. One Dollar (\$1.00) for each certificate of ownership filed
2 pursuant to subsection R of Section 1105 of this title;

3 12. One Dollar (\$1.00) for each temporary permit issued
4 pursuant to Section 1124 of this title;

5 13. One Dollar and fifty cents (\$1.50) for processing each
6 proof of financial responsibility, driver license information,
7 insurance verification information, and other additional information
8 as provided in Section 7-602 of this title;

9 14. The mailing fees and registration fees provided in Sections
10 1131 and 1140 of this title;

11 15. The notary fee provided in Section 1143 of this title;

12 16. Three Dollars (\$3.00) for each lien entry form completed
13 and recorded on a certificate of title pursuant to subsection G of
14 Section 1105 of this title;

15 17. Seven Dollars (\$7.00) for each notice of transfer as
16 provided by subsection B of Section 1107.4 of this title;

17 18. Seven Dollars (\$7.00) for each certificate of title or each
18 certificate of registration issued for repossessed vehicles pursuant
19 to Section 1126 of this title;

20 19. Any amount specifically authorized by law to be retained by
21 the motor license agent for the furnishing of a summary of a traffic
22 record; ~~and~~

23 20. Beginning July 1, 2009, each motor license agent shall also
24 be entitled to a portion of the penalties for delinquent

1 registration or payment of excise tax as provided for in subsection
2 C of Section 1115, subsection F of Section 1132 and subsection C of
3 Section 1151 of this title and of subsection A of Section 2103 of
4 Title 68 of the Oklahoma Statutes; and

5 21. Three Dollars and seventy-eight cents (\$3.78) of any
6 biennial registration convenience fee, collected pursuant to Section
7 1132 of this title.

8 The balance of the funds collected shall be remitted to the
9 Oklahoma Tax Commission as provided in Section 1142 of this title to
10 be apportioned pursuant to Section 1104 of this title.

11 B. For each certificate of registration issued for boats and
12 motors, each motor license agent shall be entitled to retain the
13 greater of One Dollar and twenty-five cents (\$1.25) or an amount to
14 be determined by the Tax Commission according to the provisions of
15 this subsection. At the end of fiscal year 1997 and each fiscal
16 year thereafter, the Tax Commission shall compute the average amount
17 of registration fees for all boats and motors registered in this
18 state during the fiscal year and shall multiply the result by six
19 and twenty-two one-hundredths percent (6.22%). The resulting
20 product shall be the amount which may be retained by each motor
21 license agent for each certificate of registration for boats and
22 motors issued during the following calendar year.

SECTION 5. This act shall become effective January 1, 2018.

56-1-6821 JM 02/09/17