

1 ENGROSSED SENATE
2 BILL NO. 516

By: Bice of the Senate

3 and

4 Fetgatter of the House

5
6 An Act relating to the Oklahoma Vehicle License and
7 Registration Act; amending 47 O.S. 2011, Section
8 1111, as amended by Section 3, Chapter 158, O.S.L.
9 2012 (47 O.S. Supp. 2018, Section 1111), which
10 relates to titling requirements; correcting
11 reference; repealing 47 O.S. 2011, Section 1105.4,
12 which relates to requirement that Oklahoma Tax
13 Commission provide certain informational
14 publications; and providing an effective date.

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

16 SECTION 1. AMENDATORY 47 O.S. 2011, Section 1111, as
17 amended by Section 3, Chapter 158, O.S.L. 2012 (47 O.S. Supp. 2018,
18 Section 1111), is amended to read as follows:

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

20 1. "Loss" means the cost, in dollars, to repair or replace a
21 vehicle which has been damaged by collision or other occurrence.

22 The amount paid by an insurer to a holder of the certificate of
23 title for repair of a damaged vehicle shall be prima facie evidence
24 of the amount of the loss. The amount paid by an insurer to a
holder of the certificate of title for replacement of a damaged

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

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

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

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

12 5. "Vehicle" means a vehicle, as defined in paragraph ~~29~~ 40 of
13 Section 1102 of this title, manufactured within the last ~~seven (7)~~
14 ten (10) model years.

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

1 provide alternate documentation within thirty (30) days pursuant to
2 subsection P of Section 1105 of this title. The Tax Commission
3 shall cancel the certificate of title to the vehicle used for junk
4 or parts and shall preserve the vehicle identification numbers on
5 the certificate of title in the computer files for at least five (5)
6 years. No certificate of title may be reissued on a junked vehicle
7 as defined in Section 1105 of this title, unless reissued pursuant
8 to paragraph 3 of subsection C of this section. The Tax Commission
9 shall transfer ownership of a stolen vehicle, not recovered from
10 theft at the time of transfer, by salvage or unrecovered-theft title
11 to the insurer. The Tax Commission shall transfer ownership of a
12 vehicle damaged by flooding or other occurrence to the insurer by an
13 original title, salvage title, or junked title, as may be
14 appropriate, based upon an estimate of the amount of loss submitted
15 by the insurer. All license plates surrendered to the Tax
16 Commission shall be destroyed.

17 C. 1. If an insurance company pays a claim for a loss which is
18 less than a total loss but the cost of repairing the vehicle for
19 safe operation on the highway exceeds sixty percent (60%) of the
20 fair market value of the vehicle, or if any vehicle not insured is
21 damaged to the extent that the cost of repair for safe operation on
22 the highway exceeds sixty percent (60%) of the fair market value of
23 the vehicle, any holder of the certificate of title for the vehicle
24 shall return the certificate of title to the Tax Commission or a

1 motor license agent within thirty (30) days from receipt of payment
2 for the loss.

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

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

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

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

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

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

1 2. All vehicle damage shall be repaired before the examination
2 is conducted. The following paperwork shall be presented to the
3 motor license agent: the salvage title and original receipts for
4 all parts placed on the vehicle. Components such as doors, motor,
5 and transmission shall indicate the serial number or the vehicle
6 identification number (VIN) of the auto the part was purchased from
7 or removed from.

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

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

21 H. The fee for the examination by the motor license agent shall
22 be Twenty-five Dollars (\$25.00), which shall be paid at the time of
23 issuance of the certificate of title for the rebuilt vehicle. The
24 motor license agent shall retain Five Dollars (\$5.00) and shall

1 remit Twenty Dollars (\$20.00) to the Tax Commission which shall
2 retain Ten Dollars (\$10.00) and transmit Ten Dollars (\$10.00) to the
3 State Treasurer for deposit in the Department of Public Safety
4 Revolving Fund. The motor license agent and its employees and
5 agents may not be sued for and shall not be liable for any damages
6 allegedly arising out of the inspection of a vehicle or any acts or
7 omissions in the performance of the inspection. The motor license
8 agent may be held liable for any damages to the vehicle caused by
9 the negligent acts or omissions in the performance of the
10 inspection. Any person may be liable for any damages to a vehicle
11 caused by the intentional acts or omissions in the performance of
12 the inspection.

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

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

1 K. When the insurance company pays a loss on a vehicle which is
2 registered at the time of mishap, accident, burning, or flooding,
3 the appropriate certificate of title shall be issued without the
4 payment of additional registration fees or excise taxes, upon the
5 submission of a police report or insurance adjuster's report and a
6 declaration by the insurer that the vehicle is held for sale to a
7 dealer. If the owner of the vehicle or other insured retains
8 ownership of the damaged vehicle, the Tax Commission shall notify
9 the owner or insured of the requirements of this section.

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

1 issuance of the appropriate title based on the amount of loss. The
2 Tax Commission shall reissue the appropriate title with the words
3 "Flood Damaged" on the face of the title in the case of a flood-
4 damaged vehicle; provided, no insurance company shall pay a claim
5 for less than the amount to which the holder of the certificate of
6 title is rightfully entitled in order to avoid compliance with this
7 section.

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

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

1 (\$5,000.00) for the second or subsequent offense, or by imprisonment
2 in the county jail for a term not exceeding six (6) months, or by
3 both such fine and imprisonment.

4 O. Any owner of a salvage or junked vehicle shall submit the
5 certificate of title to the Tax Commission or motor license agent
6 for issuance of an appropriate title. Any holder of a certificate
7 of title issued by this state, to a vehicle which no longer exists,
8 shall surrender the certificate of title to the Tax Commission for
9 cancellation. The vehicle identification number on the canceled
10 certificate of title shall be preserved in the computer of the Tax
11 Commission for at least five (5) years.

12 Nothing in this section shall be construed to prevent the
13 transfer of ownership of a vehicle by assignment of the title to a
14 used car dealer, wholesale used car dealer, or a licensed automotive
15 dismantler or parts recycler.

16 SECTION 2. REPEALER 47 O.S. 2011, Section 1105.4, is
17 hereby repealed.

18 SECTION 3. This act shall become effective November 1, 2019.
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1 Passed the Senate the 19th day of February, 2019.

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3 _____
4 Presiding Officer of the Senate

5 Passed the House of Representatives the ____ day of _____,
6 2019.

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8 _____
9 Presiding Officer of the House
10 of Representatives