

STATE OF OKLAHOMA

1st Session of the 57th Legislature (2019)

SENATE BILL 474

By: Quinn

AS INTRODUCED

An Act relating to the Oklahoma Vehicle License and Registration Act; amending 47 O.S. 2011, Section 1111, as amended by Section 3, Chapter 158, O.S.L. 2012 (47 O.S. Supp. 2018, Section 1111), which relates to a salvage title; modifying definition; and providing an effective date.

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

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

Section 1111. A. As used in this section:

1. "Loss" means the cost, in dollars, to repair or replace a vehicle which has been damaged by collision or other occurrence. The amount paid by an insurer to a holder of the certificate of title for repair of a damaged vehicle shall be prima facie evidence 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 vehicle less the resale value of the damaged vehicle shall be prima facie evidence of the amount of the loss;

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

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

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

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

13       B. Any insurance company that pays a total loss on a claim for  
14 any vehicle including, but not limited to, a flood-damaged vehicle  
15 or recovered-theft vehicle, any junk dealer who receives a motor  
16 vehicle which is to be used for junk or for parts, or any other  
17 person permanently dismantling or junking a vehicle shall receive  
18 the certificate of title from the current holder of the certificate  
19 of title, shall detach the license plate from the vehicle, and shall  
20 return the license plate and the certificate of title to the  
21 Oklahoma Tax Commission or a motor license agent within thirty (30)  
22 days from receipt of the certificate, or insurance companies may  
23 provide alternate documentation within thirty (30) days pursuant to  
24 subsection P of Section 1105 of this title. The Tax Commission

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

15 C. 1. If an insurance company pays a claim for a loss which is  
16 less than a total loss but the cost of repairing the vehicle for  
17 safe operation on the highway exceeds sixty percent (60%) of the  
18 fair market value of the vehicle, or if any vehicle not insured is  
19 damaged to the extent that the cost of repair for safe operation on  
20 the highway exceeds sixty percent (60%) of the fair market value of  
21 the vehicle, any holder of the certificate of title for the vehicle  
22 shall return the certificate of title to the Tax Commission or a  
23 motor license agent within thirty (30) days from receipt of payment  
24 for the loss.

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

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

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

Commission by the owner, or by the motor license agent if the motor license agent issues the rebuilt title. A visual inspection shall also be made of any out-of-state vehicle to be registered and titled in this state if the vehicle is within the class of vehicles for which a rebuilt title is required and a similar inspection has not been conducted by another state. The certificate of title for the rebuilt vehicle shall be stamped with the words, "This Rebuilt Vehicle Has Been Inspected By The Appropriate State Official".

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

- a. comparison of the vehicle identification numbers with the number recorded on the ownership records,
- b. inspection of the vehicle identification numbers and the VIN plate to detect possible alteration or other fraud,
- c. interpretation of the vehicle identification number recorded on the ownership documents to assure that it accurately describes the motor vehicle in question, and
- d. inspection of the odometer of the vehicle to detect rollback or alteration.

2. All vehicle damage shall be repaired before the examination is conducted. The following paperwork shall be presented to the motor license agent: the salvage title and original receipts for

1 all parts placed on the vehicle. Components such as doors, motor,  
2 and transmission shall indicate the serial number or the vehicle  
3 identification number (VIN) of the auto the part was purchased from  
4 or removed from.

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

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

18 H. The fee for the examination by the motor license agent shall  
19 be Twenty-five Dollars (\$25.00), which shall be paid at the time of  
20 issuance of the certificate of title for the rebuilt vehicle. The  
21 motor license agent shall retain Five Dollars (\$5.00) and shall  
22 remit Twenty Dollars (\$20.00) to the Tax Commission which shall  
23 retain Ten Dollars (\$10.00) and transmit Ten Dollars (\$10.00) to the  
24 State Treasurer for deposit in the Department of Public Safety

1 Revolving Fund. The motor license agent and its employees and  
2 agents may not be sued for and shall not be liable for any damages  
3 allegedly arising out of the inspection of a vehicle or any acts or  
4 omissions in the performance of the inspection. The motor license  
5 agent may be held liable for any damages to the vehicle caused by  
6 the negligent acts or omissions in the performance of the  
7 inspection. Any person may be liable for any damages to a vehicle  
8 caused by the intentional acts or omissions in the performance of  
9 the inspection.

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

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

22 K. When the insurance company pays a loss on a vehicle which is  
23 registered at the time of mishap, accident, burning, or flooding,  
24 the appropriate certificate of title shall be issued without the

1 payment of additional registration fees or excise taxes, upon the  
2 submission of a police report or insurance adjuster's report and a  
3 declaration by the insurer that the vehicle is held for sale to a  
4 dealer. If the owner of the vehicle or other insured retains  
5 ownership of the damaged vehicle, the Tax Commission shall notify  
6 the owner or insured of the requirements of this section.

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



1 damaged vehicle; provided, no insurance company shall pay a claim  
2 for less than the amount to which the holder of the certificate of  
3 title is rightfully entitled in order to avoid compliance with this  
4 section.

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

11 N. Any owner of a titled vehicle who has knowledge that the  
12 title is not the proper type for the vehicle and, with intent to  
13 misrepresent the vehicle, fails to make the appropriate title  
14 changes, shall be guilty of a misdemeanor. Any person who has  
15 knowledge that the title is not the proper type for the vehicle, and  
16 with intent to misrepresent the vehicle, buys or receives any  
17 vehicle for which the appropriate title changes have not been made  
18 as required by this act shall be guilty of a misdemeanor. Any  
19 person found guilty in accordance with the provisions of this  
20 subsection shall be punished by a fine of not more than One Thousand  
21 Dollars (\$1,000.00) for the first offense or Five Thousand Dollars  
22 (\$5,000.00) for the second or subsequent offense, or by imprisonment  
23 in the county jail for a term not exceeding six (6) months, or by  
24 both such fine and imprisonment.

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

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

13       SECTION 2. This act shall become effective November 1, 2019.

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