

COMMITTEE AMENDMENT

HOUSE OF REPRESENTATIVES

State of Oklahoma

SPEAKER:

CHAIR:

I move to amend SB1819 _____
Of the printed Bill
Page _____ Section _____ Lines _____
Of the Engrossed Bill

By striking the Title, the Enacting Clause, the entire bill, and by
inserting in lieu thereof the following language:

AMEND TITLE TO CONFORM TO AMENDMENTS

Amendment submitted by: Robert Manger

Adopted: _____

Reading Clerk

STATE OF OKLAHOMA

2nd Session of the 58th Legislature (2022)

PROPOSED
COMMITTEE SUBSTITUTE
FOR ENGROSSED
SENATE BILL NO. 1819

By: Howard of the Senate

and

Kendrix of the House

PROPOSED COMMITTEE SUBSTITUTE

An Act relating to excise tax; amending 68 O.S. 2021, Section 2105, as last amended by Section 11, Chapter 229, O.S.L. 2017, which relates to excise tax on vehicles; defining term; updating statutory language; providing for transfer on death procedures for vessels or motors; requiring notice; prescribing content of notice; authorizing revocation; providing for affidavit by transferee; providing for codification; and providing an effective date.

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

SECTION 1. AMENDATORY 68 O.S. 2021, Section 2105, as last amended by Section 11, Chapter 229, O.S.L. 2017, is amended to read as follows:

Section 2105. An original or a transfer certificate of title shall be issued without the payment of the excise tax levied by Section 2101 et seq. of this title for:

1 1. Any vehicle owned by a nonresident person who operates
2 principally in some other state but who is in Oklahoma only
3 occasionally;

4 2. Any vehicle brought into this state by a person formerly
5 living in another state, who has owned and registered the vehicle in
6 such other state of residence at least sixty (60) days prior to the
7 time it is required to be registered in this state; provided,
8 however, this paragraph shall not apply to businesses engaged in
9 renting cars without a driver;

10 3. Any vehicle registered by ~~the State of Oklahoma~~ this state,
11 by any of the political subdivisions thereof, or by a fire
12 department organized pursuant to Section 592 of Title 18 of the
13 Oklahoma Statutes to be used for the purposes of the fire
14 department, or a vehicle which is the subject of a lease or lease-
15 purchase agreement executed between the person seeking an original
16 or transfer certificate of title for the vehicle and a municipality,
17 county, school district, or fire protection district. The person
18 seeking an original or transfer certificate of title shall provide
19 adequate proof that the vehicle is subject to a lease or lease-
20 purchase agreement with a municipality, county, school district, or
21 fire protection district at the time the excise tax levied would
22 otherwise be payable. The Oklahoma Tax Commission shall have the
23 authority to determine what constitutes adequate proof as required
24 by this section;

1 4. Any vehicle, the legal ownership of which is obtained by the
2 applicant for a certificate of title by inheritance. For the
3 purposes of this section, "inheritance" means any transfer from a
4 deceased individual to the direct successor-in-interest of the
5 decedent without consideration, whether through probate,
6 administration, inter vivos trust, transfer on death designation, or
7 joint ownership;

8 5. Any used motor vehicle, travel trailer, or commercial
9 trailer which is owned and being offered for sale by a person
10 licensed as a dealer to sell the same, under the provisions of the
11 Oklahoma Vehicle License and Registration Act:

- 12 a. if such vehicle, travel trailer, or commercial trailer
13 has been registered in Oklahoma and the excise tax
14 paid thereon, or
- 15 b. when such vehicle, travel trailer, or commercial
16 trailer has been registered in some other state but is
17 not the latest manufactured model.

18 Provided, the provisions of this paragraph shall not be
19 construed as allowing an exemption to any person not licensed as a
20 dealer of used motor vehicles, travel trailers, or commercial
21 trailers, or as an automotive dismantler and parts recycler in this
22 state;

23 6. Any vehicle which was purchased by a person licensed to sell
24 new or used motor vehicles in another state if:

- 1 a. ~~if~~ such vehicle is not purchased for operation or
2 resale in this state, and
3 b. the state from which the dealer is licensed offers
4 reciprocal privileges to a dealer licensed in this
5 state, pursuant to a reciprocal agreement between the
6 duly authorized agent of the Tax Commission and the
7 licensing state;

8 7. Any vehicle, the ownership of which was obtained by the
9 lienholder or mortgagee under or by foreclosure of a lien or
10 mortgage in the manner provided by law or to the insurer under
11 subrogated rights arising by reason of loss under an insurance
12 contract;

13 8. Any vehicle which is taxed on an ad valorem basis;

14 9. Any vehicle or motor vehicle, the legal ownership of which
15 is obtained by transfers:

- 16 a. from one corporation to another corporation pursuant
17 to a reorganization. As used in this subsection the
18 term "reorganization" means:
19 (1) a statutory merger or consolidation, or
20 (2) the acquisition by a corporation of substantially
21 all of the properties of another corporation when
22 the consideration is solely all or a part of the
23 voting stock of the acquiring corporation, or of
24 its parent or subsidiary corporation,

- 1 b. in connection with the winding up, dissolution, or
2 liquidation of a corporation only when there is a
3 distribution in kind to the shareholders of the
4 property of such corporation,
- 5 c. to a corporation where the former owners of the
6 vehicle or motor vehicle transferred are, immediately
7 after the transfer, in control of the corporation, and
8 the stock or securities received by each is
9 substantially in proportion to the interest in the
10 vehicle or motor vehicle prior to the transfer,
- 11 d. to a partnership if the former owners of the vehicle
12 or motor vehicle transferred are, immediately after
13 the transfer, members of such partnership and the
14 interest in the partnership received by each is
15 substantially in proportion to the interest in the
16 vehicle or motor vehicle prior to the transfer,
- 17 e. from a partnership to the members thereof when made in
18 the dissolution of such partnership,
- 19 f. to a limited liability company if the former owners of
20 the vehicle or motor vehicle transferred are,
21 immediately after the transfer, members of the limited
22 liability company and the interest in the limited
23 liability company received by each is substantially in
24

1 proportion to the interest in the vehicle or motor
2 vehicle prior to the transfer, or

- 3 g. from a limited liability company to the members
4 thereof when made in the dissolution of such
5 partnership;

6 10. Any vehicle which is purchased by a person to be used by a
7 business engaged in renting motor vehicles without a driver,
8 provided:

- 9 a. the vehicle shall not be rented to the same person for
10 a period exceeding ninety (90) days,
11 b. any such vehicle exempted from the excise tax by these
12 provisions shall not be placed under any type of lease
13 agreement,
14 c. on any such vehicle exempted from the excise tax by
15 this subsection that is reregistered in this state,
16 without a prior sale or transfer to the persons
17 specified in divisions (1) and (2) of this
18 subparagraph, at any time prior to the expiration of
19 twelve (12) months from the date of issuance of the
20 original title, the seller shall pay immediately the
21 amount of excise tax which would have been due had
22 this exemption not been granted plus a penalty of
23 twenty percent (20%). No such excise tax or penalty
24 shall become due and payable if the vehicle is sold or

1 transferred in a condition either physical or
2 mechanical which would render it eligible for a
3 salvage title pursuant to law or if the vehicle is
4 sold and transferred in this state at any time prior
5 to the expiration of twelve (12) months:

6 (1) to the manufacturer of the vehicle or its
7 controlled financing arm, or

8 (2) to a factory authorized franchised new motor
9 vehicle dealer which holds a franchise of the
10 same line-make of the vehicle being purchased, or

11 d. when this exemption is claimed, the Tax Commission
12 shall issue a special title which shall restrict the
13 transfer of the title only within this state prior to
14 the expiration of twelve (12) months unless:

15 (1) payment of the excise tax plus penalty as
16 provided in this section is made,

17 (2) the sale is made to a person specified in
18 division (1) or (2) of subparagraph c of this
19 paragraph, or

20 (3) the vehicle is eligible for a salvage title.

21 For all other tax purposes vehicles herein exempted shall be
22 treated as though the excise tax has been paid;

23 11. Any vehicle of the latest manufactured model, registered
24 from a title in the name of the original manufacturer or assigned to

1 the original manufacturer and issued by any state and transferred to
2 a licensed, franchised Oklahoma motor vehicle dealer, as defined by
3 Section 1102 of Title 47 of the Oklahoma Statutes, which holds a
4 franchise of the same line-make as the vehicle being registered;

5 12. Any new motor vehicle, registered in the name of a
6 manufacturer or dealer of new motor vehicles, for which a license
7 plate has been issued pursuant to Section 1116.1 of Title 47 of the
8 Oklahoma Statutes, if such vehicle is authorized by the manufacturer
9 or dealer for personal use by an individual. The authorization for
10 such use shall not exceed four (4) months which shall not be renewed
11 or the exemption provided by this subsection shall not be
12 applicable. The exemption provided by this subsection shall not be
13 applicable to a transfer of ownership or registration subsequent to
14 the first registration of the vehicle by a manufacturer or dealer;

15 13. Any vehicle, travel trailer, or commercial trailer of the
16 latest manufacturer model purchased by a franchised Oklahoma dealer
17 licensed to sell the same which holds a franchise of the same line-
18 make as the vehicle, travel trailer, or commercial trailer being
19 registered;

20 14. Any vehicle which is the subject of a lease or lease-
21 purchase agreement and which the ownership of such vehicle is being
22 obtained by the lessee, if the vehicle excise tax was paid at the
23 time of the initial lease or lease-purchase agreement;

24 15. Any vehicle which:

- 1 a. is purchased by a private, nonprofit organization
2 which is exempt from taxation pursuant to the
3 provisions of Section 501(c)(3) of the Internal
4 Revenue Code, 26 U.S.C., Section 501(c)(3), and which
5 is primarily funded by a fraternal or civic service
6 organization with at least one hundred local chapters
7 or clubs, and
- 8 b. is designed and used to provide mobile health
9 screening services to the general public at no cost to
10 the recipient, and for which no reimbursement of any
11 kind is received from any health insurance provider,
12 health maintenance organization, or governmental
13 program;

14 16. Any vehicle which is purchased by an individual who has
15 been honorably discharged from active service in any branch of the
16 Armed Forces of the United States or Oklahoma National Guard and who
17 has been certified by the United States Department of Veterans
18 Affairs, its successor, or the Armed Forces of the United States to
19 be a disabled veteran in receipt of compensation at the one-hundred-
20 percent rate for a permanent disability sustained through military
21 action or accident resulting from disease contracted while in such
22 active service and registered with the veterans registry created by
23 the Oklahoma Department of Veterans Affairs; provided, that if the
24 veteran has previously received exemption pursuant to this

paragraph, no registration with the veterans registry shall be required. This exemption may not be claimed by an individual for more than one vehicle in a consecutive three-year period, unless the vehicle is a replacement for a vehicle which was destroyed and declared by the insurer to be a total loss claim. The Tax Commission shall promulgate any rules necessary to implement the provisions of this section; or

17. Any vehicle on which ownership is transferred by a reposessor directly back to the owner or owners from whom the vehicle was repossessed; provided, ownership shall be assigned by the reposessor within thirty (30) days of issuance of the repossession title and shall be identical to that reflected in the vehicle title record immediately prior to the repossession.

SECTION 2. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 4012.1 of Title 63, unless there is created a duplication in numbering, reads as follows:

A. The title of a vessel or motor that is not subject to any lien or other encumbrance may be transferred in transfer-on-death form by filing with the Oklahoma Tax Commission a written notice of transfer signed by the transferor and designating the transferee. Such notice shall transfer ownership of the vessel or motor to the transferee upon the death of the transferor. The notice shall include:

1. The identification number of the vessel;

1 2. The serial number, make, and year of a motor;

2 3. The full name and address of the transferor;

3 4. The full name and address of the transferee; and

4 5. The signature of the transferor. The signature or consent
5 of or notice to the transferee shall not be required for any purpose
6 during the lifetime of the transferor.

7 B. A designation of the transferee may be revoked or changed at
8 any time prior to the death of the transferor by filing an amended
9 notice with the Tax Commission.

10 C. To accept a certificate of title of a vessel or motor
11 pursuant to notice filed under subsection A of this section, the
12 designated transferee shall execute an affidavit verifying the death
13 of the transferor owner and submit it to the Tax Commission. After
14 the date of the transfer of the vessel or motor as evidenced by the
15 submitted affidavit and the records of the Commission, the
16 Commission shall issue a title reflecting the transfer of ownership.

17 SECTION 3. This act shall become effective November 1, 2022.

18
19 58-2-11227 MAH 04/01/22
20
21
22
23
24