

An Act

ENROLLED SENATE
BILL NO. 1276

By: Standridge of the Senate

and

Pfeiffer of the House

An Act relating to certificates of title; amending 47 O.S. 2021, Section 1105A, which relates to the program to permit electronic filing, storage, and delivery; modifying application of certain provisions; requiring that certain electronic documents be presumed valid; requiring the Oklahoma Tax Commission to implement a program for electronic certificates of title and associated liens; updating statutory language; providing for codification; providing an effective date; and declaring an emergency.

SUBJECT: Certificates of title

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

SECTION 1. AMENDATORY 47 O.S. 2021, Section 1105A, is amended to read as follows:

Section 1105A. A. On or before July 1, 2022, the Oklahoma Tax Commission shall implement a program which will permit the electronic filing, storage, and delivery of motor vehicle

certificates of title and allow a lienholder to perfect, assign and release a lien on a motor vehicle in lieu of submission and maintenance of paper documents as otherwise provided in the provisions of Section 1101 et seq. of Title 47 of the Oklahoma Statutes. The Tax Commission shall enter into a competitive contract with a qualified third-party service provider (System Developer), subject to the provisions of the Oklahoma Central Purchasing Act, Section 85.1 et seq. of Title 74 of the Oklahoma Statutes, to provide necessary hardware, software and services facilitating the interconnection between motor license agents and electronic title service providers described in subsection B of this section for a certificate of title and for filing or releasing a lien pursuant to the procedures prescribed by the Oklahoma Tax Commission. The provisions of this section shall apply to ~~applications for~~ certificates of title issued and liens filed after June 30, 2022. The Tax Commission shall promulgate rules to implement the provisions of this section.

B. The program authorized under subsection A of this section shall include, but not be limited to, procedures:

1. For the delivery of a certificate of title, on a paper document or in an electronic format, to the secured party having the primary perfected security interest in a vehicle in lieu of delivery to the record owner, notwithstanding the provisions of Section 1101 et seq. of Title 47 of the Oklahoma Statutes. Provided, when electronic transmission of liens and lien satisfactions is used, a certificate of title need not be issued or printed until the last lien is satisfied and a clear certificate of title is issued to the owner of the vehicle at their request;

2. Establishing qualifications for third-party electronic title service providers offering electronic lien services. The vendor selected in subsection A of this section shall not be considered an electronic title service provider and shall not operate or own an electronic title service provider;

3. Establishing reasonable fees, if necessary, to be charged by service providers or contractors for the establishment, maintenance and operation of the electronic lien title program;

4. Providing access to the electronic certificate of title records including liens on record, for licensed motor vehicle dealers and lienholders who participate in the program notwithstanding the provisions of Section 1109 of Title 47 of the Oklahoma Statutes;

5. Allowing motor license agents to participate in the electronic lien title program. Participating motor license agents shall receive all fees provided by the Oklahoma Vehicle License and Registration Act unless otherwise provided in Section 1132A of Title 47 of the Oklahoma Statutes; and

6. For the acceptance and use of electronic or digital signatures.

C. As used in this section and Section 1101 et seq. of Title 47 of the Oklahoma Statutes:

1. "Deliver" or "delivery" means, with respect to a certificate of title or lien, either the physical delivery of a paper document or the electronic delivery of a document in an electronic format;

2. "Electronic format" means an electronic or digital format or medium of any document, record or other information; and

3. "Possess" or "possession" means, with respect to a certificate of title or lien, to hold or otherwise exercise control over a document which is in either a physical or electronic format.

D. Any documents created, stored, or delivered under the electronic lien title program as provided in this section shall be ~~considered~~ presumed valid including any signatures which are generated electronically or contained on a scanned copy. A certified copy of the Oklahoma Tax Commission's electronic record of a motor vehicle certificate of title or lien is admissible in any civil, criminal, or administrative proceeding in this state as evidence of the existence and contents of the certificate of title or lien.

E. The Tax Commission is authorized to expend funds necessary for the implementation of the program provided in subsection A of this section from available monies in the Oklahoma Tax Commission

and Office of Management and Enterprise Services Joint Computer Enhancement Fund created pursuant to Section 265 of Title 68 of the Oklahoma Statutes.

F. In the development of the program provided in subsection A of this section, the Oklahoma Tax Commission shall consult interested parties including, but not limited to, representatives of the Oklahoma Automobile Dealers Association, the Oklahoma Bankers Association, the ~~Oklahoma~~ Credit Union Association of Oklahoma, and the ~~Oklahoma~~ Tag Agent Coalition.

SECTION 2. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 4003A of Title 63, unless there is created a duplication in numbering, reads as follows:

On or before July 1, 2022, the Oklahoma Tax Commission shall implement a program which will permit the electronic filing, storage, and delivery of boat and motor certificates of title and allow a lienholder to perfect, assign, and release a lien on a boat or motor in lieu of submission and maintenance of paper documents as otherwise provided in the provisions of Section 4008 et seq. of Title 63 of the Oklahoma Statutes. The provisions of this section shall apply to certificates of title issued and liens filed after June 30, 2022. The Tax Commission shall promulgate rules to implement the provisions of this section.

SECTION 3. This act shall become effective July 1, 2022.

SECTION 4. It being immediately necessary for the preservation of the public peace, health or safety, an emergency is hereby declared to exist, by reason whereof this act shall take effect and be in full force from and after its passage and approval.

Passed the Senate the 28th day of February, 2022.

Presiding Officer of the Senate

Passed the House of Representatives the 28th day of April, 2022.

Presiding Officer of the House
of Representatives

OFFICE OF THE GOVERNOR

Received by the Office of the Governor this _____

day of _____, 20_____, at _____ o'clock _____ M.

By: _____

Approved by the Governor of the State of Oklahoma this _____

day of _____, 20_____, at _____ o'clock _____ M.

Governor of the State of Oklahoma

OFFICE OF THE SECRETARY OF STATE

Received by the Office of the Secretary of State this _____

day of _____, 20_____, at _____ o'clock _____ M.

By: _____