

1 **SENATE FLOOR VERSION**

2 February 8, 2022

3 COMMITTEE SUBSTITUTE
4 FOR

5 SENATE BILL NO. 1276

6 By: Standridge

7
8
9 An Act relating to certificates of title; amending 47
10 O.S. 2021, Section 1105A, which relates to the
11 program to permit electronic filing, storage, and
12 delivery; modifying application of certain
13 provisions; requiring that certain electronic
14 documents be presumed valid; requiring the Oklahoma
15 Tax Commission to implement a program for electronic
16 certificates of title and associated liens; updating
17 statutory language; providing for codification;
18 providing an effective date; and declaring an
19 emergency.

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

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

23 Section 1105A. A. On or before July 1, 2022, the Oklahoma Tax
24 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

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

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

19 1. For the delivery of a certificate of title, on a paper
20 document or in an electronic format, to the secured party having the
21 primary perfected security interest in a vehicle in lieu of delivery
22 to the record owner, notwithstanding the provisions of Section 1101
23 et seq. of Title 47 of the Oklahoma Statutes. Provided, when
24 electronic transmission of liens and lien satisfactions is used, a

1 certificate of title need not be issued or printed until the last
2 lien is satisfied and a clear certificate of title is issued to the
3 owner of the vehicle at their request;

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

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

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

17 5. Allowing motor license agents to participate in the
18 electronic lien title program. Participating motor license agents
19 shall receive all fees provided by the Oklahoma Vehicle License and
20 Registration Act unless otherwise provided in Section 1132A of Title
21 47 of the Oklahoma Statutes; and

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

24

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

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

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

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

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

20 E. The Tax Commission is authorized to expend funds necessary
21 for the implementation of the program provided in subsection A of
22 this section from available monies in the Oklahoma Tax Commission
23 and Office of Management and Enterprise Services Joint Computer
24

1 Enhancement Fund created pursuant to Section 265 of Title 68 of the
2 Oklahoma Statutes.

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

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

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

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

23 SECTION 4. It being immediately necessary for the preservation
24 of the public peace, health or safety, an emergency is hereby

1 declared to exist, by reason whereof this act shall take effect and
2 be in full force from and after its passage and approval.

3 COMMITTEE REPORT BY: COMMITTEE ON FINANCE
4 February 8, 2022 - DO PASS AS AMENDED
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24