

BILL SUMMARY
2nd Session of the 58th Legislature

Bill No.:	HB 3965
Version:	Introduced
Request Number:	9394
Author:	Rep. Burns
Date:	2/14/2022
Impact:	\$0

Research Analysis

HB 3965 creates the Oklahoma Commercial Auction and Consignment Dealers Act, and directs the Oklahoma Tax Commission and the Oklahoma Department of Agriculture, Food, and Forestry to promulgate rules to carry out provisions of the act. OTC shall issue sales tax permits to dealers and maintain a list of dealers; ODAFF shall create a commercial auction and commercial consignment dealer license and online reporting tool.

In addition, the act requires that:

1. Dealers document seller identification, date and place of transaction, transaction number, detailed description and digital photograph of the commercial goods; and
2. Dealers document vehicle tag number or VIN, if the commercial goods were transported by vehicle; and
3. Dealers have written consent and declaration of ownership from a parent or guardian when purchasing commercial goods from a anyone under 16 years of age; and
4. Dealers produce records within 48 hours of request by law enforcement; and
5. Used vehicles, tractors, construction equipment, and trailers have additional documentation requirements: title, notarized power of attorney from the title holder authorizing sale, or statement of ownership; and
6. Cash transactions are less than \$1,000.

The measure creates penalties for violations of the act:

1. A dealer convicted of operating without a license or sales tax permit is guilty of a misdemeanor with a maximum fine of \$500 per day.

All other violations:

1. First offense is a misdemeanor with a maximum fine of \$2,500 per offense.
2. Second offense is a misdemeanor with a maximum fine of \$5,000 per offense or less than 6 months jail time or both.
3. Third offense is a felony and a maximum fine of \$10,000 per offense and a 2-year maximum prison sentence or both.
4. The Oklahoma Tax Commission can suspend or revoke the sales tax permit from any dealer who violates the act, although the dealer has the opportunity to show cause.

Prepared By: Tricia Hines

Fiscal Analysis

At this time the Oklahoma Department of Agriculture, Food and Forestry does not believe this measure will create a fiscal impact on the agency.

Prepared By: Mariah Searock

Other Considerations

None.

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