

STATE OF OKLAHOMA

1st Session of the 58th Legislature (2021)

HOUSE BILL 1153

By: Osburn

AS INTRODUCED

An Act relating to motor vehicles; amending 47 O.S. 2011, Section 581, as last amended by Section 3, Chapter 79, O.S.L. 2019 (47 O.S. Supp. 2020, Section 581), which relates to definitions; modifying definitions; amending 47 O.S. 2011, Section 583, as last amended by Section 24, Chapter 161, O.S.L. 2020 (47 O.S. Supp. 2020, Section 583), which relates to required licensure; requiring bond for certain dealers; requiring certain service for manufactured homes in use in the state; requiring certain transactions go through licensed dealers; amending 47 O.S. 2011, Section 1110, as amended by Section 1, Chapter 224, O.S.L. 2015 (47 O.S. Supp. 2020, Section 1110), which relates to perfection of security interest; requiring certain certificate of title be surrendered; amending 68 O.S. 2011, Section 2812, which relates to manufactured homes; clarifying language; and providing an effective date.

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

SECTION 1. AMENDATORY 47 O.S. 2011, Section 581, as last amended by Section 3, Chapter 79, O.S.L. 2019 (47 O.S. Supp. 2020, Section 581), is amended to read as follows:

Section 581. As used in Section 581 et seq. of this title:

1. "Commission" means the Oklahoma Used Motor Vehicle and Parts Commission;

1 2. "Compensation" means anything of value including money,
2 merchandise, rebates on purchases, trading stamps or any other thing
3 of value;

4 3. "Consignment sale" means the sale of used motor vehicles
5 belonging to another by a used motor vehicle dealer, whether or not
6 title is transferred from the consignor to the used motor vehicle
7 dealer;

8 4. "Factory" means a manufacturer, distributor, factory branch,
9 distributor branch, factory representative or distributor
10 representative, which manufactures or distributes vehicle products;

11 5. "Manufactured home" means a residential dwelling in one or
12 more sections built in accordance with the National Manufactured
13 Housing Construction and Safety Standards Act of 1974, 42 U.S.C.,
14 Section 5401~~7~~ et seq. and rules promulgated pursuant thereto;

15 6. a. "Manufactured home dealer" means any person who~~7~~:

16 (1) works for a commission or with intent to make a
17 profit or gain of money or other thing of value,
18 sells, offers to sell, or attempts to negotiate a
19 sale or exchange of interest in, new or used
20 manufactured homes, ~~or that~~

21 (2) is engaged wholly or in part in the business of
22 selling any new and unused, or used, or both new
23 and used manufactured homes~~7~~.

1 (3) is engaged wholly or in part in the business of
2 leasing any new and unused, or used, or both new
3 and used manufactured homes, that are considered
4 personal property, with an option to purchase or
5 own in any form at any time after beginning of
6 the lease term,

7 A valid franchise letter as proof of authorization to
8 sell any new manufactured home product line or lines
9 shall be attached to the application for a dealer
10 license to sell manufactured homes. "Manufactured
11 home dealer" shall include a manufactured home
12 auction. A manufactured home auction shall mean any
13 person selling more than ~~twenty-five~~ five manufactured
14 homes in an auction or liquidation format. Only
15 licensed manufactured home dealers shall be authorized
16 to purchase manufactured homes at such auctions.

17 b. "Manufactured home dealer" shall not include any
18 person who sells or contracts for the sale of a
19 personally titled manufactured home or homes which
20 they have used as their personal residence, or any
21 person acting as an auctioneer who has been engaged by
22 a seller to direct, conduct, control, or be
23 responsible for the sale of such manufactured homes as
24 a part of an auction or liquidation of an estate, or

1 any Oklahoma licensed real estate broker or sales
2 associate when buying or selling ~~used mobile~~
3 manufactured homes which have become real property as
4 a part of a real estate business. No person shall be
5 considered a manufactured home dealer as to any
6 manufactured home purchased or acquired by the person
7 for purposes other than resale or lease-purchase in
8 any form; provided, that the restriction set forth in
9 this sentence shall not prevent an otherwise qualified
10 person from utilizing a single manufactured home as a
11 sales office.

12 c. A holder of a lien on a personally titled manufactured
13 home may ~~sell, exchange, or transfer by lease-purchase~~
14 the repossessed manufactured home and shall not be
15 required to be licensed pursuant to this chapter. ~~if~~
16 Any person other than a bona fide full-time employee
17 of the lienholder contracts with a person or company
18 ~~to sell~~ who participates in the sale of the
19 repossessed manufactured home ~~and the person or~~
20 ~~company is not an employee, officer or principal of~~
21 ~~the lienholder, such person or company~~ shall be
22 licensed as a manufactured home dealer pursuant to
23 this ~~chapter~~ title.
24

1 d. "Manufactured home dealer" shall not include ~~any~~
2 ~~person who sells mobile or manufactured homes located~~
3 ~~in a mobile or~~ a restricted manufactured home park ~~or~~
4 ~~community~~ dealer;

5 7. "Manufactured home salesperson" means any person who has
6 been engaged by a manufactured home dealer or restricted
7 manufactured home park dealer to buy, sell, exchange, negotiate, or
8 act as an agent for the purchase, sale, or exchange of an interest
9 in a manufactured home;

10 8. "Manufactured home installer" means a person who is engaged
11 in the business of installing or setting up manufactured homes
12 and/or mobile homes as defined herein;

13 9. "Manufactured home manufacturer" means a person who
14 manufactures, assembles, ~~and~~ sells or distributes new manufactured
15 homes, whether directly or indirectly, to new manufactured home
16 retailers or a restricted manufactured home park dealer for resale
17 or use in this state;

18 10. "Mobile home" means a residential dwelling fabricated in an
19 off-site manufacturing facility, designed to be a permanent
20 residence, but which is still transportable, that was built prior to
21 the enacting of the National Manufactured Housing Construction and
22 Safety Standards Act of 1974, 42 U.S.C., Section 5401 et seq.;

23 11. "Person" means an individual, business, corporation,
24 partnership, association, limited liability corporation, trust,

1 firm, or company or legal entity, but does not include any political
2 subdivision;

3 12. "Ready for occupancy" means a mobile or manufactured home
4 which is installed and anchored properly by a manufactured home
5 installer licensed in this state and has utilities connected to
6 service;

7 13. "Rebuilder" means a used motor vehicle dealer who is
8 engaged in the business of rebuilding repairable motor vehicles and
9 who has paid the fee for and been issued a rebuilder certificate as
10 provided by Section 591.5 of this title;

11 14. "Restricted manufactured home park dealer" means any person
12 operating a mobile or manufactured home park who, for a commission
13 or with intent to make a profit or gain of money or other thing of
14 value, sells, offers to sell, or attempts to negotiate a sale or
15 exchange of interest in, new or used manufactured homes, or that is
16 engaged wholly or in part in the business of selling or leasing
17 manufactured homes which are personal property with an option to
18 purchase or own in any form at any time after the beginning of the
19 lease term any new and unused, or used, or both new and used
20 manufactured homes;

21 Provided, every mobile or manufactured home sold pursuant to a
22 restricted manufactured home park dealer license shall be located in
23 the licensed mobile or manufactured home park and ready for
24 occupancy;

1 15. "Retail implement dealer" means a business engaged
2 primarily in the sale of farm tractors as defined in Section 1-118
3 of this title or implements of husbandry as defined in Section 1-125
4 of this title or a combination thereof;

5 16. "Sale" or "sell" means the act of selling, brokering,
6 exchanging, exchanging of an interest in, or renting with the option
7 ~~of purchasing~~ to purchase or own in any form at any time after the
8 beginning of the lease term, a new or used manufactured home for
9 commission, profit, ~~or~~ gain of money or other thing of value;

10 17. "Used motor vehicle" means any motor vehicle, as that term
11 is defined in the Oklahoma Vehicle License and Registration Act, but
12 not including any all-terrain vehicles, utility vehicles, and
13 motorcycles used exclusively for off-road use which are sold by a
14 retail implement dealer, which has been sold, bargained, exchanged,
15 given away or the title thereto transferred from the person who
16 first took title from the manufacturer, importer, or dealer or agent
17 of the manufacturer or importer, or so used as to have become what
18 is commonly known as a "secondhand motor vehicle". In the event of
19 transfer, on the statement of origin, from the original franchised
20 dealer to any other dealer or individual other than a franchised
21 dealer of the same make of vehicle, the vehicle shall be considered
22 a used motor vehicle and must be titled in the new owner's name;

23 18. "Used motor vehicle auction" means any business other than
24 salvage pools which regularly engages in the sale or trade, or

1 negotiates the sale or trade, of used motor vehicles by auction,
2 whether by open or closed bid or by sale to or purchase by used
3 motor vehicle dealers or individuals;

4 19. a. "Used motor vehicle dealer" means any person who, for
5 a commission or with intent to make a profit or gain
6 of money or other thing of value, sells, brokers,
7 exchanges, rents with option to purchase, or offers or
8 attempts to negotiate a sale or exchange of an
9 interest in used motor vehicles, or who is engaged
10 wholly or in part in the business of selling used
11 motor vehicles, whether or not such motor vehicles are
12 owned by the person.

13 b. "Used motor vehicle dealer" shall not include:

14 (1) receivers, trustees, administrators, executors,
15 guardians, or other persons appointed by or
16 acting pursuant to the judgment or order of any
17 court,

18 (2) public officers while performing their official
19 duties,

20 (3) employees of persons enumerated in the definition
21 of "used motor vehicle dealer" when engaged in
22 the specific performance of their duties as such
23 employees,
24

- 1 (4) mortgagees or secured parties as to sales of
2 motor vehicles constituting collateral on a
3 mortgage or security agreement, if the mortgagees
4 or secured parties shall not realize for their
5 own account from such sales any monies in excess
6 of the outstanding balance secured by such
7 mortgage or security agreement, plus the costs of
8 collection,
- 9 (5) any person acting as an auctioneer who has been
10 engaged by a seller to direct, conduct, control,
11 or be responsible for the sale of used motor
12 vehicles as part of an estate auction or
13 liquidation,
- 14 (6) any person, firm, corporation, or other legal
15 entity who sells, or contracts for the sale of,
16 the vehicles of the person, firm, corporation, or
17 other legal entity when such vehicles are sold in
18 liquidation, and any person, firm, corporation,
19 or other legal entity who serves as an agent in
20 such sale. The exclusion provided in this
21 paragraph shall not extend to any person, firm,
22 corporation, or other legal entity whose business
23 is the purchase, sale, or rental with option to
24

1 purchase, of motor vehicles, or to a location
2 used for such purposes,

3 (7) any person acting as an auctioneer who has been
4 engaged by a seller to direct, conduct, control,
5 or be responsible for the sale of used motor
6 vehicles as part of an auction held at a licensed
7 used motor vehicle dealer location. The
8 exclusion provided in this division shall not
9 extend to a person who auctions five or more used
10 motor vehicles in a nonliquidation sale held at a
11 licensed used motor vehicle dealer location which
12 is not regularly used as a vehicle auction, or

13 (8) any retail implement dealer that sells all-
14 terrain vehicles, utility vehicles, and
15 motorcycles used exclusively for off-road use;

16 20. "Used motor vehicle salesperson" means a person employed by
17 a licensed used motor vehicle dealer to sell, broker, exchange, or
18 negotiate a purchase, sale, or rental with option to purchase, used
19 motor vehicles or an interest in used motor vehicles. The term
20 "used motor vehicle salesperson" shall not include any person who:

- 21 a. uses the person's own funds for such transactions, or
- 22 b. operates independently as a used motor vehicle dealer
- 23 using a licensed used motor vehicle dealer's license
- 24 number; and

1 21. "Wholesale used motor vehicle dealer" means any person who,
2 for a commission or with intent to make a profit or gain of money or
3 other thing of value, sells, brokers, exchanges, rents with option
4 to purchase, or offers or attempts to negotiate a sale or exchange
5 of interest in used motor vehicles exclusively to used motor vehicle
6 dealers, or who is engaged in the business of selling used motor
7 vehicles exclusively to used motor vehicle dealers, whether or not
8 such motor vehicles are owned by the person.

9 SECTION 2. AMENDATORY 47 O.S. 2011, Section 583, as last
10 amended by Section 24, Chapter 161, O.S.L. 2020 (47 O.S. Supp. 2020,
11 Section 583), is amended to read as follows:

12 Section 583. A. 1. It shall be unlawful and constitute a
13 misdemeanor for any person to engage in business as, or serve in the
14 capacity of, or act as a used motor vehicle dealer, wholesale used
15 motor vehicle dealer, manufactured home dealer, restricted
16 manufactured home park dealer, manufactured home installer, or
17 manufactured home manufacturer selling directly to a licensed
18 manufactured home dealer in this state without first obtaining a
19 license or following other requirements therefor as provided in this
20 section.

21 2. a. Any person engaging, acting, or serving in the
22 capacity of a used motor vehicle dealer, a
23 manufactured home dealer, restricted manufactured home
24 park dealer, a manufactured home installer, or a

1 manufactured home manufacturer, or having more than
2 one place where any such business, or combination of
3 businesses, is carried on or conducted shall be
4 required to obtain and hold a current license for each
5 such business, in which engaged.

6 b. If after a hearing in accordance with the provisions
7 of Section 585 of this title, the Oklahoma Used Motor
8 Vehicle and Parts Commission shall find any person
9 installing a mobile or manufactured home to be in
10 violation of any of the provisions of this act, such
11 person may be subject to an administrative fine of not
12 more than Five Hundred Dollars (\$500.00) for each
13 violation. Each day a person is in violation of this
14 act may constitute a separate violation. All
15 administrative fines collected pursuant to the
16 provisions of this subparagraph shall be deposited in
17 the fund established in Section 582 of this title.
18 Administrative fines imposed pursuant to this
19 subparagraph may be enforceable in the district courts
20 of this state.

21 3. Any person, except persons penalized by administrative fine,
22 violating the provisions of this section shall, upon conviction, be
23 punished by a fine not to exceed Five Hundred Dollars (\$500.00). A
24 second or subsequent conviction shall be punished by a fine not to

1 exceed One Thousand Dollars (\$1,000.00); provided that each day such
2 unlicensed person violates this section shall constitute a separate
3 offense, and any vehicle involved in a violation of this subsection
4 shall be considered a separate offense.

5 B. 1. Applications for licenses required to be obtained under
6 the provisions of the Oklahoma Used Motor Vehicle and Parts
7 Commission shall be verified by the oath or affirmation of the
8 applicant and shall be on forms prescribed by the Commission and
9 furnished to the applicants, and shall contain such information as
10 the Commission deems necessary to enable it to fully determine the
11 qualifications and eligibility of the several applicants to receive
12 the license or licenses applied for. The Commission shall require
13 in the application, or otherwise, information relating to:

- 14 a. the applicant's financial standing,
- 15 b. the applicant's business integrity,
- 16 c. whether the applicant has an established place of
17 business and is engaged in the pursuit, avocation, or
18 business for which a license, or licenses, is applied
19 for,
- 20 d. whether the applicant is able to properly conduct the
21 business for which a license, or licenses, is applied
22 for, and

1 e. such other pertinent information consistent with the
2 safeguarding of the public interest and the public
3 welfare.

4 2. All applications for license or licenses shall be
5 accompanied by the appropriate fee or fees in accordance with the
6 schedule hereinafter provided. In the event any application is
7 denied and the license applied for is not issued, the entire license
8 fee shall be returned to the applicant.

9 3. All bonds and licenses issued under the provisions of this
10 act shall expire on December 31, following the date of issue and
11 shall be nontransferable. All applications for renewal of licenses
12 shall be submitted by November 1 of each year of expiration, and
13 licenses for completed renewals received by November 1 shall be
14 issued by January 10. If applications have not been made for
15 renewal of licenses, such licenses shall expire on December 31 and
16 it shall be illegal for any person to represent himself or herself
17 and act as a dealer thereafter. Tag agents shall be notified not to
18 accept dealers' titles until such time as licenses have been issued.
19 Beginning January 1, 2016, all licenses shall be issued for a period
20 of two (2) years and the appropriate fees shall be assessed. The
21 Commission shall adopt rules necessary to implement the two-year
22 licensing provisions.

1 C. The schedule of license fees to be charged and received by
2 the Commission for the licenses issued hereunder shall be as
3 follows:

4 1. For each used motor vehicle dealer's license and each
5 wholesale used motor vehicle dealer's license, Six Hundred Dollars
6 (\$600.00). If a used motor vehicle dealer or a wholesale used motor
7 vehicle dealer has once been licensed by the Commission in the
8 classification for which he or she applies for a renewal of the
9 license, the fee for each subsequent renewal shall be Three Hundred
10 Dollars (\$300.00); provided, if an applicant holds a license to
11 conduct business as an automotive dismantler and parts recycler
12 issued pursuant to Section 591.1 et seq. of this title, the initial
13 fee shall be Two Hundred Dollars (\$200.00) and the renewal fee shall
14 be Two Hundred Dollars (\$200.00). If an applicant is applying
15 simultaneously for a license under this paragraph and a license
16 under paragraph 1 of Section 591.5 of this title, the initial
17 application fee shall be Four Hundred Dollars (\$400.00). For the
18 reinstatement of a used motor vehicle dealer's license after
19 revocation for cancellation or expiration of insurance pursuant to
20 subsection F of this section, the fee shall be Two Hundred Dollars
21 (\$200.00);

22 2. For a used motor vehicle dealer's license, for each place of
23 business in addition to the principal place of business, Two Hundred
24 Dollars (\$200.00);

1 3. For each holder who possesses a valid new motor vehicle
2 dealer's license from the Oklahoma Motor Vehicle Commission, Two
3 Hundred Dollars (\$200.00) shall be the initial fee for a used motor
4 vehicle license and the fee for each subsequent renewal shall be Two
5 Hundred Dollars (\$200.00);

6 4. a. For each manufactured home dealer's license or a
7 restricted manufactured home park dealer's license,
8 Six Hundred Dollars (\$600.00), and for each place of
9 business in addition to the principal place of
10 business, Four Hundred Dollars (\$400.00), and

11 b. For each renewal of a manufactured home dealer's
12 license or a restricted manufactured home park
13 dealer's license, and renewal for each place of
14 business in addition to the principal place of
15 business, Three Hundred Dollars (\$300.00);

16 5. a. For each manufactured home installer's license, Four
17 Hundred Dollars (\$400.00), and

18 b. For each renewal of a manufactured home installer's
19 license, Four Hundred Dollars (\$400.00);

20 6. a. For each manufactured home manufacturer selling
21 directly to a licensed manufactured home dealer in
22 this state, One Thousand Five Hundred Dollars
23 (\$1,500.00), and
24

b. For each renewal of a manufactured home manufacturer's license, One Thousand Five Hundred Dollars (\$1,500.00);

7. Any manufactured home manufacturer who sells a new manufactured home to be shipped to or sited in the State of Oklahoma shall pay an installation inspection fee of Seventy-five Dollars (\$75.00) for each new single-wide manufactured home and One Hundred Twenty-five Dollars (\$125.00) for each new multi-floor manufactured home; and

8. A used manufactured home inspection fee of Seventy-five Dollars (\$75.00) shall be paid by the installer at or before the time of installation of any used manufactured home sited and installed in the State of Oklahoma.

D. 1. The license issued to each used motor vehicle dealer, each wholesale used motor vehicle dealer, each restricted manufactured home park dealer and each manufactured home dealer shall specify the location of the place of business. If the business location is changed, the Oklahoma Used Motor Vehicle and Parts Commission shall be notified immediately of the change and the Commission may endorse the change of location on the license. The fee for a change of location shall be One Hundred Dollars (\$100.00), and the fee for a change of name, Twenty-five Dollars (\$25.00). The license of each licensee shall be posted in a conspicuous place in the place or places of business of the licensee.

1 2. The license issued to each manufactured home installer, and
2 each manufactured home manufacturer shall specify the location of
3 the place of business. If the business location is changed, the
4 Oklahoma Used Motor Vehicle and Parts Commission shall be notified
5 immediately of the change and the Commission may endorse the change
6 of location on the license without charge. The license of each
7 licensee shall be posted in a conspicuous place in the place or
8 places of business of the licensee.

9 3. Every manufactured home installer shall have the license
10 available for inspection at the primary place of business of the
11 licensee. This license shall be valid for the licensee and all of
12 the employees of the licensee. Any person who is not an employee of
13 the licensee must obtain a separate manufactured home installer
14 license regardless of whether such person is acting in the capacity
15 of a contractor or subcontractor.

16 E. 1. a. Each applicant for a used motor vehicle dealer's
17 license shall procure and file with the Commission a
18 good and sufficient bond in the amount of Twenty-five
19 Thousand Dollars (\$25,000.00). Each new applicant for
20 a used motor vehicle dealer's license for the purpose
21 of conducting a used motor vehicle auction shall
22 procure and file with the Commission a good and
23 sufficient bond in the amount of Fifty Thousand
24 Dollars (\$50,000.00). An applicant who intends to

1 conduct a used motor vehicle auction who provides
2 proof that the applicant has check and title insurance
3 in an amount not less than Fifty Thousand Dollars
4 (\$50,000.00) shall only be required to have a bond in
5 the amount of Twenty-five Thousand Dollars
6 (\$25,000.00) .

7 b. Each new applicant for a used motor vehicle dealer
8 license for the purpose of conducting a used motor
9 vehicle business which will consist primarily of non-
10 auction consignment sales which are projected to equal
11 Five Hundred Thousand Dollars (\$500,000.00) or more in
12 gross annual sales shall procure and file with the
13 Commission a good and sufficient bond in the amount of
14 Fifty Thousand Dollars (\$50,000.00). The Commission
15 shall prescribe by rule the method of operation of the
16 non-auction consignment dealer in order to properly
17 protect the interests of all parties to the
18 transaction and to provide sanctions against dealers
19 who fail to comply with the rules.

20 c. Each applicant for a wholesale used motor vehicle
21 dealer's license shall procure and file with the
22 Commission a good and sufficient bond in the amount of
23 Twenty-five Thousand Dollars (\$25,000.00) .
24

1 d. Any used motor vehicle dealer who, for the purpose of
2 being a rebuilder, applies for a rebuilder
3 certificate, as provided in Section 591.5 of this
4 title, whether as a new application or renewal, shall
5 procure and file with the Commission a good and
6 sufficient bond in the amount of Fifteen Thousand
7 Dollars (\$15,000.00), in addition to any other bonds
8 required.

9 e. Each applicant for a manufactured home dealer's
10 license or a restricted manufactured home park
11 dealer's license shall procure and file with the
12 Commission a good and sufficient bond in the amount of
13 Thirty Thousand Dollars (\$30,000.00).

14 f. Each manufactured home manufacturing facility selling
15 directly to a licensed manufactured home dealer or
16 restricted manufactured home park dealer in this state
17 shall procure and file with the Commission a good and
18 sufficient bond in the amount of Thirty Thousand
19 Dollars (\$30,000.00). In addition to all other
20 conditions and requirements set forth herein, the bond
21 shall require the availability of prompt and full
22 warranty service by the manufacturer to comply with
23 all warranties expressed or implied in connection with
24 each manufactured home which is manufactured for

1 resale or use in this state. A manufacturer may not
2 sell, exchange, or lease-purchase with an option to
3 own in any form a manufactured home to a person in
4 this state directly or indirectly through a
5 distributor or third party who is not a licensed
6 manufactured home dealer.

7 g. The bond shall be approved as to form by the Attorney
8 General and conditioned that the applicant shall not
9 practice fraud, make any fraudulent representation, or
10 violate any of the provisions of this act in the
11 conduct of the business for which the applicant is
12 licensed. One of the purposes of the bond is to
13 provide reimbursement for any loss or damage suffered
14 by any person by reason of issuance of a certificate
15 of title by a used motor vehicle dealer, a wholesale
16 used motor vehicle dealer, a restricted manufactured
17 home park dealer or a manufactured home dealer.

18 2. The bonds as required by this section shall be maintained
19 throughout the period of licensure. Should the bond be canceled for
20 any reason, the license shall be revoked as of the date of
21 cancellation unless a new bond is furnished prior to such date.

22 F. Any used motor vehicle dealer or wholesale used motor
23 vehicle dealer is required to furnish and keep in force a minimum of
24 Twenty-five Thousand Dollars (\$25,000.00) of single liability

1 insurance coverage on all vehicles offered for sale or used in any
2 other capacity in demonstrating or utilizing the streets and
3 roadways in accordance with the financial responsibility laws of
4 this state.

5 G. Any manufactured home dealer or restricted manufactured home
6 park dealer is required to furnish and keep in force a minimum of
7 One Hundred Thousand Dollars (\$100,000.00) of garage liability or
8 general liability with products and completed operations insurance
9 coverage.

10 H. Any manufactured home installer is required to furnish and
11 keep in force a minimum of Twenty-five Thousand Dollars (\$25,000.00)
12 of general liability with products and completed operations
13 insurance coverage.

14 SECTION 3. AMENDATORY 47 O.S. 2011, Section 1110, as
15 amended by Section 1, Chapter 224, O.S.L. 2015 (47 O.S. Supp. 2020,
16 Section 1110), is amended to read as follows:

17 Section 1110. A. 1. Except for a security interest in
18 vehicles held by a dealer for sale or lease, a vehicle registered by
19 a federally recognized Indian tribe as provided in subsection G of
20 this section, and a vehicle being registered in this state which was
21 previously registered in another state and which title contains the
22 name of a secured party on the face of the other state certificate
23 or title, and except as otherwise provided in subsection B of
24 Section 1105 of this title, a security interest in a vehicle as to

1 which a certificate of title may be properly issued by the Oklahoma
2 Tax Commission shall be perfected only when a lien entry form, and
3 the existing certificate of title, if any, or application for a
4 certificate of title and manufacturer's certificate of origin
5 containing the name and address of the secured party and the date of
6 the security agreement and the required fee are delivered to the Tax
7 Commission or to a motor license agent. As used in this section,
8 the term "dealer" shall be defined as provided in Section 1-112 of
9 this title and the term "security interest" shall be defined as
10 provided in paragraph (35) of Section 1-201 of Title 12A of the
11 Oklahoma Statutes. When a vehicle title is presented to a motor
12 license agent for transferring or registering and the documents
13 reflect a ~~lien holder~~ lienholder, the motor license agent shall
14 perfect the lien pursuant to subsection G of Section 1105 of this
15 title. For the purposes of this section, the term "vehicle" shall
16 not include special mobilized machinery, machinery used in highway
17 construction or road material construction and rubber-tired road
18 construction vehicles including rubber-tired cranes. The filing and
19 duration of perfection of a security interest, pursuant to the
20 provisions of Title 12A of the Oklahoma Statutes, including, but not
21 limited to, Section 1-9-311 of Title 12A of the Oklahoma Statutes,
22 shall not be applicable to perfection of security interests in
23 vehicles as to which a certificate of title may be properly issued
24 by the Tax Commission, except as to vehicles held by a dealer for

1 sale or lease and except as provided in subsection D of this
2 section. In all other respects Title 12A of the Oklahoma Statutes
3 shall be applicable to such security interests in vehicles as to
4 which a certificate of title may be properly issued by the Tax
5 Commission.

6 2. Whenever a person creates a security interest in a vehicle,
7 the person shall surrender to the secured party the certificate of
8 title or the signed application for a new certificate of title, on
9 the form prescribed by the Tax Commission, and the manufacturer's
10 certificate of origin. The secured party shall deliver the lien
11 entry form and the required lien filing fee within twenty-five (25)
12 days as provided hereafter with certificate of title or the
13 application for certificate of title and the manufacturer's
14 certificate of origin to the Tax Commission or to a motor license
15 agent. If the lien entry form, the lien filing fee and the
16 certificate of title or application for certificate of title and the
17 manufacturer's certificate of origin are delivered to the Tax
18 Commission or to a motor license agent within twenty-five (25) days
19 after the date of the lien entry form, perfection of the security
20 interest shall begin from the date of the execution of the lien
21 entry form, but otherwise, perfection of the security interest shall
22 begin from the date of the delivery to the Tax Commission or to a
23 motor license agent.

24

1 3. a. For each security interest recorded on a certificate
2 of title, or manufacturer's certificate of origin,
3 such person shall pay a fee of Ten Dollars (\$10.00),
4 which shall be in addition to other fees provided for
5 in the Oklahoma Vehicle License and Registration Act.
6 Upon the receipt of the lien entry form and the
7 required fees with either the certificate of title or
8 an application for certificate of title and
9 manufacturer's certificate of origin, a motor license
10 agent shall, by placement of a clearly distinguishing
11 mark, record the date and number shown in a
12 conspicuous place, on each of these instruments. Of
13 the ten-dollar fee, the motor license agent shall
14 retain Two Dollars (\$2.00) for recording the security
15 interest lien.

16 b. It shall be unlawful for any person to solicit, accept
17 or receive any gratuity or compensation for acting as
18 a messenger and for acting as the agent or
19 representative of another person in applying for the
20 recording of a security interest or for the
21 registration of a motor vehicle and obtaining the
22 license plates or for the issuance of a certificate of
23 title therefor unless the Tax Commission has appointed
24 and approved the person to perform such acts; and

1 before acting as a messenger, any such person shall
2 furnish to the Tax Commission a surety bond in such
3 amount as the Tax Commission shall determine
4 appropriate.

5 4. The certificate of title or the application for certificate
6 of title and manufacturer's certificate of origin with the record of
7 the date of receipt clearly marked thereon shall be returned to the
8 debtor together with a notice that the debtor is required to
9 register and pay all additional fees and taxes due within thirty
10 (30) days from the date of purchase of the vehicle.

11 5. Any person creating a security interest in a vehicle that
12 has been previously registered in the debtor's name and on which all
13 taxes due the state have been paid shall surrender the certificate
14 of ownership to the secured party. The secured party shall have the
15 duty to record the security interest as provided in this section and
16 shall, at the same time, obtain a new certificate of title which
17 shall show the secured interest on the face of the certificate of
18 title.

19 6. The lien entry form with the date and assigned number
20 thereof clearly marked thereon shall be returned to the secured
21 party. If the lien entry form is received and authenticated, as
22 herein provided, by a motor license agent, the agent shall make a
23 report thereof to the Tax Commission upon the forms and in the
24 manner as may be prescribed by the Tax Commission.

1 7. The Tax Commission shall have the duty to record the lien
2 upon the face of the certificate of title issued at the time of
3 registering and paying all fees and taxes due on the vehicle.

4 B. 1. A secured party shall, within seven (7) business days
5 after the satisfaction of the security interest, furnish directly or
6 by mail a release of a security interest to the Tax Commission and
7 mail a copy thereof to the last-known address of the debtor. If the
8 security interest has been satisfied by payment from a licensed used
9 motor vehicle dealer to whom the motor vehicle has been transferred,
10 the secured party shall also, within seven (7) business days after
11 such satisfaction, mail an additional copy of the release to the
12 dealer. If the secured party fails to furnish the release as
13 required, the secured party shall be liable to the debtor for a
14 penalty of One Hundred Dollars (\$100.00). Following the seven (7)
15 business days after satisfaction of the lien and upon receipt by the
16 lienholder of written communication demanding the release of the
17 lien, thereafter the penalty shall increase to One Hundred Dollars
18 (\$100.00) per day for each additional day beyond seven (7) business
19 days until accumulating to One Thousand Five Hundred Dollars
20 (\$1,500.00) or the value of the vehicle, whichever is less, and, in
21 addition, any loss caused to the debtor by such failure.

22 2. Upon release of a security interest the owner may obtain a
23 new certificate of title omitting reference to the security
24

1 interest, by submitting to the Tax Commission or to a motor license
2 agent:

- 3 a. a release signed by the secured party, an application
4 for new certificate of title and the proper fees, or
- 5 b. by submitting to the Tax Commission or the motor
6 license agent an affidavit, supported by such
7 documentation as the Tax Commission may require, by
8 the owner on a form prescribed by the Tax Commission
9 stating that the security interest has been satisfied
10 and stating the reasons why a release cannot be
11 obtained, an application for a new certificate of
12 title and the proper fees.

13 Upon receiving such affidavit that the security interest has been
14 satisfied, the Tax Commission shall issue a new certificate of title
15 eliminating the satisfied security interest and the name and address
16 of the secured parties who have been paid and satisfied. The Tax
17 Commission shall accept a release of a security interest in any form
18 that identifies the debtor, the secured party, and the vehicle, and
19 contains the signature of the secured party. The Tax Commission
20 shall not require any particular form for the release of a security
21 interest.

22 The words "security interest" when used in the Oklahoma Vehicle
23 License and Registration Act do not include liens dependent upon
24 possession.

1 C. The Tax Commission shall file and index certificates of
2 title so that at all times it will be possible to trace a
3 certificate of title to the vehicle designated therein, identify the
4 lien entry form, and the names and addresses of secured parties, or
5 their assignees, so that all or any part of such information may be
6 made readily available to those who make legitimate inquiry of the
7 Tax Commission as to the existence or nonexistence of security
8 interest in the vehicle.

9 D. 1. Any security interest in a vehicle properly perfected
10 prior to July 1, 1979, may be continued as to its effectiveness or
11 duration as provided by Sections 1-9-~~501~~ 510 and 1-9-515 of Title
12 12A of the Oklahoma Statutes, or may be terminated, assigned or
13 released as provided by Sections 1-9-512, 1-9-513 and 1-9-514 of
14 Title 12A of the Oklahoma Statutes, as fully as if this section had
15 not been enacted, or, at the option of the secured party, may also
16 be perfected under this section, and, if so perfected, the time of
17 perfection under this section shall be the date the security
18 interest was originally perfected under the prior law.

19 2. Upon request of the secured party, the debtor or any other
20 holder of the certificate of title shall surrender the certificate
21 of title to the secured party and shall do such other acts as may be
22 required to perfect the security interest under this section.

23 E. If a manufactured home is permanently affixed to real
24 estate, ~~the original document~~ an Oklahoma certificate of title may

1 be surrendered to the Tax Commission or a motor license agent for
2 cancellation. When the document of title is surrendered, the owner
3 shall provide the legal description or the appropriate tract or
4 parcel number of the real estate and other information as may be
5 required on a form provided by the Tax Commission. The Tax
6 Commission may not cancel a document of title if a lien has been
7 registered or recorded. The Tax Commission or motor license agent
8 shall notify the owner and any lienholder that the title has been
9 surrendered to the Tax Commission and that the Tax Commission may
10 not cancel the title until the lien is released. Such notification
11 shall include a description of the lien and such notification to the
12 owner shall be accompanied by the return of title surrendered.
13 Permanent attachment to real estate does not affect the validity of
14 a lien recorded or registered with the Tax Commission before the
15 document of title is ~~cancelled~~ canceled pursuant to this section.
16 The rights of a prior lienholder pursuant to a security agreement or
17 the provisions of a credit transaction and the rights of the state
18 pursuant to a tax lien are preserved. The Tax Commission or motor
19 license agent shall forward the information to the county assessor
20 of the county where the real estate is located and indicate whether
21 the original document of title has been canceled. A fee of Five
22 Dollars (\$5.00) shall accompany the application for cancellation of
23 title. When the fee is paid by a person making an application
24 directly with the Tax Commission, the fee shall be deposited in the

Oklahoma Tax Commission Revolving Fund. A fee paid to a motor license agent shall be retained by the agent. The owner of a manufactured home, upon which the document of title has been properly surrendered, may apply to the Tax Commission for issuance of a new original certificate of title upon submission of:

~~(1) an~~ 1. An attestation from the homeowner indicating ownership of the manufactured home and the nonexistence of any security interest or lien of record in the manufactured home~~;~~i and ~~(2) a~~

2. A title opinion by a licensed attorney, determining that the owner of the manufactured home has marketable title to the real property upon which the manufactured home is located and that no documents filed of record in the county clerk's office concerning the real property contain a mortgage, recorded financial statement, judgment, or lien of record. Persons or entities to whom the title opinion is addressed may rely on the title opinion. A security interest in a manufactured home perfected pursuant to this section shall have priority over a conflicting interest of a mortgagee or other lien encumbrancer, or the owner of the real property upon which the manufactured home became affixed or otherwise permanently attached. The holder of the security interest in the manufactured home, upon default, may remove the manufactured home from such real property. The holder of the security interest in the manufactured home shall reimburse the owner of the real property who is not the

1 debtor and who has not otherwise agreed to access the real property
2 for the cost of repair of any physical injury to the real property,
3 but shall not be liable for any diminution in value to the real
4 property caused by the removal of the manufactured home, trespass,
5 or any other damages caused by the removal. The debtor shall notify
6 the holder of the security interest in the manufactured home of the
7 street address, if any, and the legal description of the real
8 property upon which the manufactured home is affixed or otherwise
9 permanently attached and shall sign such other documents, including
10 any appropriate mortgage, as may reasonably be requested by the
11 holder of such security interest.

12 F. In the case of motor vehicles or trailers, notwithstanding
13 any other provision of law, a transaction does not create a sale or
14 security interest merely because it provides that the rental price
15 is permitted or required to be adjusted under the agreement either
16 upward or downward by reference to the amount realized upon sale or
17 other disposition of the motor vehicle or trailer.

18 G. A security interest in vehicles registered by a federally
19 recognized Indian tribe shall be deemed valid under Oklahoma law if
20 validly perfected under the applicable tribal law and the lien is
21 noted on the face of the tribal certificate of title.

22 SECTION 4. AMENDATORY 68 O.S. 2011, Section 2812, is
23 amended to read as follows:
24

1 Section 2812. A. Subject to the provisions of subsection B of
2 Section 2813 of this title, a manufactured home which is located on
3 land owned by the owner of the manufactured home shall be listed and
4 assessed in the county in which it is located for ad valorem
5 taxation as ~~is~~ real property pursuant to the provisions of the Ad
6 Valorem Tax Code. The person owning and residing in such
7 manufactured home may apply for homestead exemption. The county
8 assessor shall approve the application of such person if all
9 requirements of law for such exemption have been met.

10 B. A manufactured home which is located on land not owned by
11 the owner of the manufactured home shall be listed and assessed in
12 the county in which it is located for ad valorem taxation as ~~is~~
13 personal property pursuant to the provisions of the Ad Valorem Tax
14 Code.

15 C. Each year that a manufactured home is subject to ad valorem
16 taxes as provided by law, the county assessor and the county
17 treasurer shall transmit the information relating to ad valorem tax
18 payment to the Oklahoma Tax Commission, which shall identify the
19 manufactured home and record the payment in the computer data system
20 provided for by Section 1113 of Title 47 of the Oklahoma Statutes.
21 The county assessor and treasurer of each county shall provide such
22 information as may be required in order to implement the provisions
23 of this section.

SECTION 5. This act shall become effective November 1, 2021.

58-1-5113 JBH 12/21/20