

STATE OF OKLAHOMA

1st Session of the 59th Legislature (2023)

COMMITTEE SUBSTITUTE  
FOR

HOUSE BILL NO. 1073

By: Smith

COMMITTEE SUBSTITUTE

An Act relating to motor vehicles; amending 47 O.S. 2021, Section 1111, as amended by Section 123, Chapter 282, O.S.L. 2022 (47 O.S. Supp. 2022, Section 1111), which relates to salvage titles; requiring notification of penalty; requiring Service Oklahoma to cancel certain certificates of title; requiring issuance of certain certificate of title; requiring the mailing of certain documents; and providing an effective date.

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

SECTION 1. AMENDATORY 47 O.S. 2021, Section 1111, as amended by Section 123, Chapter 282, O.S.L. 2022 (47 O.S. Supp. 2022, Section 1111), is amended to read as follows:

Section 1111. A. As used in this section:

1. "Loss" means the cost, in dollars, to repair or replace a vehicle which has been damaged by collision or other occurrence. The amount paid by an insurer to a holder of the certificate of title for repair of a damaged vehicle shall be prima facie evidence

1 of the amount of the loss. The amount paid by an insurer to a  
2 holder of the certificate of title for replacement of a damaged  
3 vehicle less the resale value of the damaged vehicle shall be prima  
4 facie evidence of the amount of the loss;

5 2. "Fair market value" means the value of a vehicle as listed  
6 in the current National Auto Dealers Association guidebook or other  
7 similar guidebook or the actual cash value, whichever is greater;

8 3. "Resale value" means the amount, in dollars, paid to the  
9 holder of a certificate of title by a willing buyer for a vehicle  
10 damaged by collision or other occurrence or recovered from theft;

11 4. "Total loss" means a loss which is equal to the fair market  
12 value of the vehicle immediately prior to the damage to or theft of  
13 the vehicle; and

14 5. "Vehicle" means a vehicle, as defined in paragraph ~~40~~ 41 of  
15 Section 1102 of this title, manufactured within the last ten (10)  
16 model years.

17 B. Any insurance company that pays a total loss on a claim for  
18 any vehicle including, but not limited to, a flood-damaged vehicle  
19 or recovered-theft vehicle, any junk dealer who receives a motor  
20 vehicle which is to be used for junk or for parts, or any other  
21 person permanently dismantling or junking a vehicle shall receive  
22 the certificate of title from the current holder of the certificate  
23 of title, shall detach the license plate from the vehicle, and shall  
24 return the license plate and the certificate of title to Service

1 Oklahoma or a licensed operator within thirty (30) days from receipt  
2 of the certificate, or insurance companies may provide alternate  
3 documentation within thirty (30) days pursuant to subsection P of  
4 Section 1105 of this title. Service Oklahoma shall cancel the  
5 certificate of title to the vehicle used for junk or parts and shall  
6 preserve the vehicle identification numbers on the certificate of  
7 title in the computer files for at least five (5) years. No  
8 certificate of title may be reissued on a junked vehicle as defined  
9 in Section 1105 of this title, unless reissued pursuant to paragraph  
10 3 of subsection C of this section. Service Oklahoma shall transfer  
11 ownership of a stolen vehicle, not recovered from theft at the time  
12 of transfer, by salvage or unrecovered-theft title to the insurer.  
13 Service Oklahoma shall transfer ownership of a vehicle damaged by  
14 flooding or other occurrence to the insurer by an original title,  
15 salvage title, or junked title, as may be appropriate, based upon an  
16 estimate of the amount of loss submitted by the insurer. All  
17 license plates surrendered to Service Oklahoma shall be destroyed.

18 C. 1. If an insurance company pays a claim for a loss which is  
19 less than a total loss but the cost of repairing the vehicle for  
20 safe operation on the highway exceeds sixty percent (60%) of the  
21 fair market value of the vehicle, or if any vehicle not insured is  
22 damaged to the extent that the cost of repair for safe operation on  
23 the highway exceeds sixty percent (60%) of the fair market value of  
24 the vehicle, any holder of the certificate of title for the vehicle

1 shall return the certificate of title to Service Oklahoma or a  
2 licensed operator within thirty (30) days from receipt of payment  
3 for the loss.

4 2. Upon receipt of the certificate, Service Oklahoma or the  
5 licensed operator shall issue a salvage title for the vehicle. The  
6 title for any vehicle damaged by flooding shall be stamped with the  
7 words "Flood Damaged", and for any such vehicle which was recovered  
8 from a theft, the salvage title or rebuilt title shall be stamped  
9 with the words "Recovered Theft". A licensed dealer subject to the  
10 provisions of the Automotive Dismantlers and Parts Recycler Act,  
11 Section 591.1 et seq. of this title, shall not be required to pay  
12 registration fees, excise taxes, back taxes, or penalties on a  
13 vehicle as a prerequisite to obtaining a salvage title.

14 3. If the actual documented cost of repairing the vehicle for  
15 safe operation on the highway does not exceed sixty percent (60%) of  
16 the fair market value of the vehicle as defined in this section, the  
17 certificate of title shall be reissued to the holder and the vehicle  
18 shall not be subject to inspection as required under this section.  
19 The actual documented cost of repairing the vehicle pursuant to this  
20 paragraph shall be certified by the insurance company paying the  
21 loss.

22 D. If a motor vehicle with a salvage title is placed in  
23 operative condition, application shall be made to Service Oklahoma  
24 or a licensed operator for a rebuilt title. A visual inspection of

1 the vehicle and examination of the vehicle identification numbers  
2 shall be conducted prior to the issuance of a rebuilt title. At the  
3 time of issuance, the salvage title shall be returned to Service  
4 Oklahoma by the owner, or by the licensed operator if the licensed  
5 operator issues the rebuilt title. A visual inspection shall also  
6 be made of any out-of-state vehicle to be registered and titled in  
7 this state if the vehicle is within the class of vehicles for which  
8 a rebuilt title is required and a similar inspection has not been  
9 conducted by another state. The certificate of title for the  
10 rebuilt vehicle shall be stamped with the words, "This Rebuilt  
11 Vehicle Has Been Inspected by the Appropriate State Official."

12 E. 1. The visual inspections and examination of vehicle  
13 identification numbers shall include, but not be limited to:

- 14 a. comparison of the vehicle identification numbers with  
15 the number recorded on the ownership records,
- 16 b. inspection of the vehicle identification numbers and  
17 the VIN plate to detect possible alteration or other  
18 fraud,
- 19 c. interpretation of the vehicle identification number  
20 recorded on the ownership documents to assure that it  
21 accurately describes the motor vehicle in question,  
22 and
- 23 d. inspection of the odometer of the vehicle to detect  
24 rollback or alteration.

1        2. All vehicle damage shall be repaired before the examination  
2 is conducted. The following paperwork shall be presented to the  
3 licensed operator: the salvage title and original receipts for all  
4 parts placed on the vehicle. Components such as doors, motor, and  
5 transmission shall indicate the serial number or the vehicle  
6 identification number (VIN) of the auto the part was purchased from  
7 or removed from.

8        F. The visual inspection and vehicle identification numbers  
9 examination shall be performed by a licensed operator at the  
10 location designated by the licensed operator. If the location of  
11 the inspection is not the place of business of the rebuilder, the  
12 licensed operator shall issue a permit authorizing the applicant to  
13 operate the vehicle upon the public streets, roads, and highways in  
14 route to and from the designated location for the inspection. The  
15 inspection and examination shall be performed within ten (10)  
16 working days after the owner of the vehicle requests the inspection  
17 and examination. Requests shall be made by completing the request  
18 form prescribed and provided by Service Oklahoma.

19        G. Inspection and examination of a rebuilt vehicle shall be  
20 performed by a person employed by a licensed operator.

21        H. The fee for the examination by the licensed operator shall  
22 be Twenty-five Dollars (\$25.00), which shall be paid at the time of  
23 issuance of the certificate of title for the rebuilt vehicle. The  
24 licensed operator shall retain Five Dollars (\$5.00) and shall remit

1 Twenty Dollars (\$20.00) to the Tax Commission which shall retain Ten  
2 Dollars (\$10.00) and transmit Ten Dollars (\$10.00) to the State  
3 Treasurer for deposit in the Department of Public Safety Revolving  
4 Fund through December 31, 2022. Beginning January 1, 2023, the  
5 licensed operator shall retain Five Dollars (\$5.00) and shall remit  
6 Twenty Dollars (\$20.00) to the Tax Commission which shall retain Ten  
7 Dollars (\$10.00) and transmit Ten Dollars (\$10.00) to the State  
8 Treasurer for deposit in the Service Oklahoma Revolving Fund. The  
9 licensed operator and its employees and agents may not be sued for  
10 and shall not be liable for any damages allegedly arising out of the  
11 inspection of a vehicle or any acts or omissions in the performance  
12 of the inspection. The licensed operator may be held liable for any  
13 damages to the vehicle caused by the negligent acts or omissions in  
14 the performance of the inspection. Any person may be liable for any  
15 damages to a vehicle caused by the intentional acts or omissions in  
16 the performance of the inspection.

17 I. The rebuilt title and any subsequent transfers of such title  
18 shall also reflect that the vehicle was a salvage vehicle, flood-  
19 damaged vehicle or recovered-theft vehicle, if applicable, and also  
20 shall include the salvage date.

21 J. Any title for a motor vehicle issued pursuant to the laws of  
22 any other state which reflects that such vehicle is a salvage  
23 vehicle, a rebuilt vehicle or a junked vehicle or has any other  
24 brand or classification notation by that state shall be retained on

1 the new title issued by Service Oklahoma unless the actual  
2 documented cost of repairing the vehicle for safe operation on the  
3 highway does not exceed sixty percent (60%) of the fair market value  
4 of the vehicle as provided by this section.

5 K. When the insurance company pays a loss on a vehicle which is  
6 registered at the time of mishap, accident, burning, or flooding,  
7 the appropriate certificate of title shall be issued without the  
8 payment of additional registration fees or excise taxes, upon the  
9 submission of a police report or insurance adjuster's report and a  
10 declaration by the insurer that the vehicle is held for sale to a  
11 dealer. If the owner of the vehicle or other insured retains  
12 ownership of the damaged vehicle, Service Oklahoma shall notify the  
13 owner or insured of the requirements of this section.

14 L. Any insurance company that pays a claim for a loss where the  
15 cost of repairing the vehicle for safe operation on the highway  
16 exceeds sixty percent (60%) of the market value of the vehicle or  
17 pays a claim for a flood-damaged vehicle as defined in Section 1105  
18 of this title shall notify, in writing, the holder of the  
19 certificate of title of the requirements of this section and shall  
20 notify Service Oklahoma of the payment of such claim. The notice  
21 shall include the estimated total damage percentage determination of  
22 the actual cash value made by the insurance company to repair the  
23 vehicle for safe operation on the highway. The insurance company  
24 shall also send a copy of the notification to the holder of the



1 title. Service Oklahoma shall provide notice to the owner of the  
2 vehicle, in writing, requiring the owner to surrender the title  
3 along with the fee to Service Oklahoma or one of its licensed  
4 operators within thirty (30) days from the receipt of notice for the  
5 issuance of the appropriate title based on the amount of loss and  
6 shall advise the owner of the penalty for failing to do so. If the  
7 owner fails to surrender the certificate of title within thirty (30)  
8 days, Service Oklahoma shall cancel the certificate of title and  
9 shall issue the appropriate certificate of title for the loss  
10 incurred and mail it to the owner or lienholder of the certificate  
11 of title along with a statement of the fees due for the transfer.  
12 Service Oklahoma shall reissue the appropriate title with the words  
13 "Flood Damaged" on the face of the title in the case of a flood-  
14 damaged vehicle; provided, no insurance company shall pay a claim  
15 for less than the amount to which the holder of the certificate of  
16 title is rightfully entitled in order to avoid compliance with this  
17 section.

18 M. Except as provided for in subsection N of this section, any  
19 person, firm, corporation, or other legal entity convicted of  
20 violating any provision of this section shall be guilty of a  
21 misdemeanor and shall be punished by a fine of not less than Three  
22 Hundred Dollars (\$300.00) or by incarceration in the county jail for  
23 not more than six (6) months, or by both the fine and incarceration.

1       N. Any owner of a titled vehicle who has knowledge that the  
2 title is not the proper type for the vehicle and, with intent to  
3 misrepresent the vehicle, fails to make the appropriate title  
4 changes, shall be guilty of a misdemeanor. Any person who has  
5 knowledge that the title is not the proper type for the vehicle, and  
6 with intent to misrepresent the vehicle, buys or receives any  
7 vehicle for which the appropriate title changes have not been made  
8 as required by this act shall be guilty of a misdemeanor. Any  
9 person found guilty in accordance with the provisions of this  
10 subsection shall be punished by a fine of not more than One Thousand  
11 Dollars (\$1,000.00) for the first offense or Five Thousand Dollars  
12 (\$5,000.00) for the second or subsequent offense, or by imprisonment  
13 in the county jail for a term not exceeding six (6) months, or by  
14 both such fine and imprisonment.

15       O. Any owner of a salvage or junked vehicle shall submit the  
16 certificate of title to Service Oklahoma or the licensed operator  
17 for issuance of an appropriate title. Any holder of a certificate  
18 of title issued by this state, to a vehicle which no longer exists,  
19 shall surrender the certificate of title to Service Oklahoma for  
20 cancellation. The vehicle identification number on the canceled  
21 certificate of title shall be preserved in the computer of Service  
22 Oklahoma for at least five (5) years.

23       Nothing in this section shall be construed to prevent the  
24 transfer of ownership of a vehicle by assignment of the title to a

1 used car dealer, wholesale used car dealer, or a licensed automotive  
2 dismantler or parts recycler.

3 SECTION 2. This act shall become effective November 1, 2023.

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5 59-1-7838 LRB 02/28/23

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