

STATE OF OKLAHOMA

1st Session of the 59th Legislature (2023)

SENATE BILL 576

By: Montgomery

AS INTRODUCED

An Act relating to motor vehicles; amending 68 O.S. 2021, Section 2105, which relates to motor vehicle excise tax exemptions; creating exemption for vehicles approved for issuance of foreign export title; amending 47 O.S. 2021, Section 1105, as last amended by Section 110, Chapter 282, O.S.L. 2022 (47 O.S. Supp. 2022, Section 1105), which relates to certificates of title; defining term; creating foreign export title; requiring the Oklahoma Tax Commission to prescribe certain form; requiring the Commission to issue title upon approval; clarifying statutory language; providing fee for certain title; providing for deposit of fee; providing exception for certain inspection requirement; providing an effective date; and declaring an emergency.

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

SECTION 1. AMENDATORY 68 O.S. 2021, Section 2105, is amended to read as follows:

Section 2105. An original or a transfer certificate of title or a foreign export certificate of title, as provided for in Section 1105 of Title 47 of the Oklahoma Statutes, shall be issued without the payment of the excise tax levied by Section 2101 et seq. of this title for:

1 1. Any vehicle owned by a nonresident person who operates
2 principally in some other state but who is in Oklahoma only
3 occasionally;

4 2. Any vehicle brought into this state by a person formerly
5 living in another state, who has owned and registered the vehicle in
6 such other state of residence at least sixty (60) days prior to the
7 time it is required to be registered in this state; provided,
8 however, this paragraph shall not apply to businesses engaged in
9 renting cars without a driver;

10 3. Any vehicle registered by the State of Oklahoma, by any of
11 the political subdivisions thereof, or by a fire department
12 organized pursuant to Section 592 of Title 18 of the Oklahoma
13 Statutes to be used for the purposes of the fire department, or a
14 vehicle which is the subject of a lease or lease-purchase agreement
15 executed between the person seeking an original or transfer
16 certificate of title for the vehicle and a municipality, county,
17 school district, or fire protection district. The person seeking an
18 original or transfer certificate of title shall provide adequate
19 proof that the vehicle is subject to a lease or lease-purchase
20 agreement with a municipality, county, school district, or fire
21 protection district at the time the excise tax levied would
22 otherwise be payable. The Oklahoma Tax Commission shall have the
23 authority to determine what constitutes adequate proof as required
24 by this section;

1 4. Any vehicle, the legal ownership of which is obtained by the
2 applicant for a certificate of title by inheritance;

3 5. Any used motor vehicle, travel trailer, or commercial
4 trailer which is owned and being offered for sale by a person
5 licensed as a dealer to sell the same, under the provisions of the
6 Oklahoma Vehicle License and Registration Act:

7 a. if such vehicle, travel trailer, or commercial trailer
8 has been registered in Oklahoma and the excise tax
9 paid thereon, or

10 b. when such vehicle, travel trailer, or commercial
11 trailer has been registered in some other state but is
12 not the latest manufactured model.

13 Provided, the provisions of this paragraph shall not be
14 construed as allowing an exemption to any person not licensed as a
15 dealer of used motor vehicles, travel trailers, or commercial
16 trailers, or as an automotive dismantler and parts recycler in this
17 state;

18 6. Any vehicle which was purchased by a person licensed to sell
19 new or used motor vehicles in another state:

20 a. if such vehicle is not purchased for operation or
21 resale in this state, and

22 b. the state from which the dealer is licensed offers
23 reciprocal privileges to a dealer licensed in this
24 state, pursuant to a reciprocal agreement between the
25

1 duly authorized agent of the Tax Commission and the
2 licensing state;

3 7. Any vehicle, the ownership of which was obtained by the
4 lienholder or mortgagee under or by foreclosure of a lien or
5 mortgage in the manner provided by law or to the insurer under
6 subrogated rights arising by reason of loss under an insurance
7 contract;

8 8. Any vehicle which is taxed on an ad valorem basis;

9 9. Any vehicle or motor vehicle, the legal ownership of which
10 is obtained by transfers:

11 a. from one corporation to another corporation pursuant
12 to a reorganization. As used in this subsection the
13 term "reorganization" means:

14 (1) a statutory merger or consolidation, or

15 (2) the acquisition by a corporation of substantially
16 all of the properties of another corporation when
17 the consideration is solely all or a part of the
18 voting stock of the acquiring corporation, or of
19 its parent or subsidiary corporation,

20 b. in connection with the winding up, dissolution, or
21 liquidation of a corporation only when there is a
22 distribution in kind to the shareholders of the
23 property of such corporation,

- 1 c. to a corporation where the former owners of the
2 vehicle or motor vehicle transferred are, immediately
3 after the transfer, in control of the corporation, and
4 the stock or securities received by each is
5 substantially in proportion to the interest in the
6 vehicle or motor vehicle prior to the transfer,
- 7 d. to a partnership if the former owners of the vehicle
8 or motor vehicle transferred are, immediately after
9 the transfer, members of such partnership and the
10 interest in the partnership received by each is
11 substantially in proportion to the interest in the
12 vehicle or motor vehicle prior to the transfer,
- 13 e. from a partnership to the members thereof when made in
14 the dissolution of such partnership,
- 15 f. to a limited liability company if the former owners of
16 the vehicle or motor vehicle transferred are,
17 immediately after the transfer, members of the limited
18 liability company and the interest in the limited
19 liability company received by each is substantially in
20 proportion to the interest in the vehicle or motor
21 vehicle prior to the transfer, or
- 22 g. from a limited liability company to the members
23 thereof when made in the dissolution of such
24 partnership;

1 10. Any vehicle which is purchased by a person to be used by a
2 business engaged in renting motor vehicles without a driver,
3 provided:

- 4 a. the vehicle shall not be rented to the same person for
5 a period exceeding ninety (90) days,
- 6 b. any such vehicle exempted from the excise tax by these
7 provisions shall not be placed under any type of lease
8 agreement,
- 9 c. on any such vehicle exempted from the excise tax by
10 this subsection that is reregistered in this state,
11 without a prior sale or transfer to the persons
12 specified in divisions (1) and (2) of this
13 subparagraph, at any time prior to the expiration of
14 twelve (12) months from the date of issuance of the
15 original title, the seller shall pay immediately the
16 amount of excise tax which would have been due had
17 this exemption not been granted plus a penalty of
18 twenty percent (20%). No such excise tax or penalty
19 shall become due and payable if the vehicle is sold or
20 transferred in a condition either physical or
21 mechanical which would render it eligible for a
22 salvage title pursuant to law or if the vehicle is
23 sold and transferred in this state at any time prior
24 to the expiration of twelve (12) months:

- (1) to the manufacturer of the vehicle or its controlled financing arm, or
 - (2) to a factory authorized franchised new motor vehicle dealer which holds a franchise of the same line-make of the vehicle being purchased, or
- d. when this exemption is claimed, the Tax Commission shall issue a special title which shall restrict the transfer of the title only within this state prior to the expiration of twelve (12) months unless:
- (1) payment of the excise tax plus penalty as provided in this section is made,
 - (2) the sale is made to a person specified in division (1) or (2) of subparagraph c of this paragraph, or
 - (3) the vehicle is eligible for a salvage title.

For all other tax purposes vehicles herein exempted shall be treated as though the excise tax has been paid;

11. Any vehicle of the latest manufactured model, registered from a title in the name of the original manufacturer or assigned to the original manufacturer and issued by any state and transferred to a licensed, franchised Oklahoma motor vehicle dealer, as defined by Section 1102 of Title 47 of the Oklahoma Statutes, which holds a franchise of the same line-make as the vehicle being registered;

1 12. Any new motor vehicle, registered in the name of a
2 manufacturer or dealer of new motor vehicles, for which a license
3 plate has been issued pursuant to Section 1116.1 of Title 47 of the
4 Oklahoma Statutes, if such vehicle is authorized by the manufacturer
5 or dealer for personal use by an individual. The authorization for
6 such use shall not exceed four (4) months which shall not be renewed
7 or the exemption provided by this subsection shall not be
8 applicable. The exemption provided by this subsection shall not be
9 applicable to a transfer of ownership or registration subsequent to
10 the first registration of the vehicle by a manufacturer or dealer;

11 13. Any vehicle, travel trailer, or commercial trailer of the
12 latest manufacturer model purchased by a franchised Oklahoma dealer
13 licensed to sell the same which holds a franchise of the same line-
14 make as the vehicle, travel trailer, or commercial trailer being
15 registered;

16 14. Any vehicle which is the subject of a lease or lease-
17 purchase agreement and which the ownership of such vehicle is being
18 obtained by the lessee, if the vehicle excise tax was paid at the
19 time of the initial lease or lease-purchase agreement;

20 15. Any vehicle which:

- 21 a. is purchased by a private, nonprofit organization
22 which is exempt from taxation pursuant to the
23 provisions of Section 501(c)(3) of the Internal
24 Revenue Code, 26 U.S.C., Section 501(c)(3), and which

1 is primarily funded by a fraternal or civic service
2 organization with at least one hundred local chapters
3 or clubs, and

4 b. is designed and used to provide mobile health
5 screening services to the general public at no cost to
6 the recipient, and for which no reimbursement of any
7 kind is received from any health insurance provider,
8 health maintenance organization, or governmental
9 program;

10 16. Any vehicle which is purchased by an individual who has
11 been honorably discharged from active service in any branch of the
12 Armed Forces of the United States or Oklahoma National Guard and who
13 has been certified by the United States Department of Veterans
14 Affairs, its successor, or the Armed Forces of the United States to
15 be a disabled veteran in receipt of compensation at the one-hundred-
16 percent rate for a permanent disability sustained through military
17 action or accident resulting from disease contracted while in such
18 active service and registered with the veterans registry created by
19 the Oklahoma Department of Veterans Affairs; provided, that if the
20 veteran has previously received exemption pursuant to this
21 paragraph, no registration with the veterans registry shall be
22 required. This exemption may not be claimed by an individual for
23 more than one vehicle in a consecutive three-year period, unless the
24 vehicle is a replacement for a vehicle which was destroyed and

1 declared by the insurer to be a total loss claim. The Tax
2 Commission shall promulgate any rules necessary to implement the
3 provisions of this section; ~~or~~

4 17. Any vehicle on which ownership is transferred by a
5 reposessor directly back to the owner or owners from whom the
6 vehicle was repossessed; provided, ownership shall be assigned by
7 the reposessor within thirty (30) days of issuance of the
8 repossession title and shall be identical to that reflected in the
9 vehicle title record immediately prior to the repossession; or

10 18. Any vehicle approved by the Oklahoma Tax Commission for the
11 issuance of a foreign export certificate of title, as provided in
12 Section 1105 of Title 47 of the Oklahoma Statutes.

13 SECTION 2. AMENDATORY 47 O.S. 2021, Section 1105, as
14 last amended by Section 110, Chapter 282, O.S.L. 2022 (47 O.S. Supp.
15 2022, Section 1105), is amended to read as follows:

16 Section 1105. A. As used in the Oklahoma Vehicle License and
17 Registration Act:

18 1. "Salvage vehicle" means any vehicle which is within the last
19 ten (10) model years and which has been damaged by collision or
20 other occurrence to the extent that the cost of repairing the
21 vehicle for safe operation on the highway exceeds sixty percent
22 (60%) of its fair market value, as defined by Section 1111 of this
23 title, immediately prior to the damage. For purposes of this
24 section, actual repair costs shall only include labor and parts for

1 actual damage to the suspension, motor, transmission, frame or
2 unibody and designated structural components;

3 2. "Rebuilt vehicle" means any salvage vehicle which has been
4 rebuilt and inspected for the purpose of registration and title;

5 3. "Flood-damaged vehicle" means a salvage or rebuilt vehicle
6 which was damaged by flooding or a vehicle which was submerged at a
7 level to or above the dashboard of the vehicle and on which an
8 amount of loss was paid by the insurer;

9 4. "Unrecovered-theft vehicle" means a vehicle which has been
10 stolen and not yet recovered;

11 5. "Recovered-theft vehicle" means a vehicle, including a
12 salvage or rebuilt vehicle, which was recovered from a theft; ~~and~~

13 6. "Junked vehicle" means any vehicle which is incapable of
14 operation or use on the highway, has no resale value except as a
15 source of parts or scrap and has an eighty percent (80%) loss in
16 fair market value; and

17 7. "Foreign export vehicle" means any motor vehicle purchased
18 by an individual or entity doing business in this state if the
19 vehicle is contracted to be shipped to a destination outside of the
20 United States or its territories or its tribal lands, as defined in
21 25 U.S.C., Section 3001(15), within one hundred twenty (120) days of
22 purchase.

23 B. The owner of every vehicle in this state shall possess a
24 certificate of title as proof of ownership of such vehicle, except

1 those vehicles registered pursuant to Section 1120 of this title and
2 trailers registered pursuant to Section 1133 of this title,
3 previously titled by anyone in another state and engaged in
4 interstate commerce, and except as provided in subsection M of this
5 section. Except for owners that possess an agricultural exemption
6 permit pursuant to Section 1358.1 of Title 68 of the Oklahoma
7 Statutes, the owner of an all-terrain vehicle or a motorcycle used
8 exclusively off roads or highways in this state which is purchased
9 or the ownership of which is transferred on or after July 1, 2005,
10 and the owner of a utility vehicle used exclusively off roads and
11 highways in this state which is purchased or the ownership of which
12 is transferred on or after July 1, 2008, shall possess a certificate
13 of title as proof of ownership. Any person possessing an
14 agricultural exemption permit and owning an all-terrain vehicle or a
15 motorcycle used exclusively off roads or highways in this state
16 which is purchased or the ownership of which is transferred on or
17 after July 1, 2008, shall possess a certificate of title as proof of
18 ownership. Upon receipt of proper application information by such
19 owner, Service Oklahoma shall issue an original or transfer
20 certificate of title. Until July 1, 2008, any security interest in
21 an all-terrain vehicle that attached and was perfected before July
22 1, 2005, and that has not otherwise terminated shall remain
23 perfected, and shall take priority over any subsequently perfected
24 security interest in the same all-terrain vehicle, notwithstanding

1 that a certificate of title may have been issued with respect to the
2 same all-terrain vehicle on or after July 1, 2005, and that a lien
3 may have been recorded on ~~said~~ the certificate of title. There
4 shall be ~~eight~~ nine types of certificates of title:

5 1. Original title for any motor vehicle which is not a
6 remanufactured, salvage, unrecovered-theft, rebuilt, rebodied,
7 foreign export, or junked vehicle;

8 2. Salvage title for any motor vehicle which is a salvage
9 vehicle or is specified as a salvage vehicle or the equivalent
10 thereof on a certificate of title from another state;

11 3. Rebuilt title for any motor vehicle which is a rebuilt
12 vehicle;

13 4. Junked title for any motor vehicle which is a junked vehicle
14 or is specified as a junked vehicle or the equivalent thereof on a
15 certificate of title from another state;

16 5. Classic title for any motor vehicle, except a junked
17 vehicle, which is twenty-five (25) model years or older;

18 6. Remanufactured title for any vehicle which is a
19 remanufactured vehicle;

20 7. Unrecovered-theft title for any motor vehicle which has been
21 stolen and not recovered; ~~and~~

22 8. Rebodied title for any motor vehicle which is a rebodied
23 vehicle; and

1 9. Foreign export title for any foreign export vehicle. The
2 Oklahoma Tax Commission shall prescribe a form to be completed and
3 submitted under oath together with the purchase contract for the
4 vehicle and proof of commitment to ship the vehicle by common
5 carrier vessel, air, rail, or any other common carrier for hire.
6 Upon approval by the Commission and payment of the required
7 certificate of title fee, the Commission shall issue a foreign
8 export certificate of title.

9 Application for a certificate of title, whether the initial
10 certificate of title or a duplicate, may be made to Service Oklahoma
11 or any licensed operator. When application is made with a licensed
12 operator, the application information shall be transmitted either
13 electronically or by mail to Service Oklahoma by the licensed
14 operator. If the application information is transmitted
15 electronically, the licensed operator shall forward the required
16 application along with evidence of ownership, where required, by
17 mail. Where the transmission of application information cannot be
18 performed electronically, Service Oklahoma is authorized to provide
19 postage paid envelopes to licensed operators for the purpose of
20 mailing the application along with evidence of ownership, where
21 required. Service Oklahoma shall upon receipt of proper application
22 information issue an Oklahoma certificate of title. The
23 certificates may be mailed to the applicant. Upon issuance of a
24

1 certificate of title, Service Oklahoma shall provide the appropriate
2 licensed operator with confirmation of such issuance.

3 C. 1. The application for certificate of title shall be upon a
4 blank form furnished by Service Oklahoma, containing:

- 5 a. a full description of the vehicle,
- 6 b. the manufacturer's serial or other identification
7 number,
- 8 c. the motor number and the date on which first sold by
9 the manufacturer or dealer to the owner,
- 10 d. any distinguishing marks,
- 11 e. a statement of the applicant's source of title,
- 12 f. any security interest upon the vehicle, and
- 13 g. such other information as Service Oklahoma may
14 require.

15 2. The application for a certificate of title for a vehicle
16 which is within the last seven (7) model years shall require a
17 declaration as to whether the vehicle has been damaged by collision
18 or other occurrence and whether the vehicle has been recovered from
19 theft and the extent of the damage to the vehicle. The declaration
20 shall be made by the owner of a vehicle if:

- 21 a. the vehicle has been damaged or stolen,
 - 22 b. the owner did or did not receive any payment for the
23 loss from an insurer, or
- 24
25

1 c. the vehicle is titled or registered in a state that
2 does not classify the vehicle or brand the title
3 because of damage to or loss of the vehicle similar to
4 the classifications or brands utilized by this state.

5 The declaration shall be based upon the best information and
6 knowledge of the owner and shall be in addition to the requirements
7 specified in paragraph 1 of this subsection. Service Oklahoma shall
8 not issue a certificate of title for a vehicle which is subject to
9 the provisions of this paragraph without the required declaration,
10 completed and signed by the owner of the vehicle. Upon receipt of
11 an application without the properly completed declaration, Service
12 Oklahoma shall return the application to the applicant with notice
13 that the title may not be issued without the required declaration.
14 Nothing in this paragraph shall prohibit Service Oklahoma from
15 recognizing the type of or brand on a title or other ownership
16 document issued by another state or the inspection conducted in
17 another state and issuing the appropriate certificate of title for
18 the vehicle.

19 3. The certificate of title shall have the following security
20 features:

- 21 a. intaglio printing or security thread, with or without
22 watermark,
23 b. latent images,
24 c. fluorescent inks,

- d. micro print,
- e. void background, and
- f. color coding.

4. Each title issued pursuant to the provisions of the Oklahoma Vehicle License and Registration Act shall be color coded as determined by Service Oklahoma.

5. The certificate of title shall be of such size and design and color as Service Oklahoma may direct pursuant to the provisions of this section. The title shall be on colored paper or other material as designated by Service Oklahoma and be of such intensity or hue as will allow easy identification as to whether the title is an original title, a salvage title, a rebuilt title, remanufactured title, rebodied title, foreign export title, or a junked title. The type of title shall be identified on the front of the certificate of title. The original title, rebuilt title, remanufactured title, an unrecovered-theft title, rebodied title, foreign export title, or classic title shall be identified by the word "Original", "Rebuilt", "Remanufactured", "Unrecovered Theft", "Rebodied", "Foreign Export", or "Classic" printed in the upper right quadrant of the certificate of title, in the space which is currently captioned "type of title". A rebodied title shall also identify on the front of the title the year, make and model of the originally manufactured vehicle which has been rebodied and display a notation that reads as follows:

1 "This vehicle has been assembled with new major components licensed
2 by the original manufacturer."

3 D. 1. To obtain an original certificate of title for a vehicle
4 that is being registered for the first time in this state which has
5 not been previously registered in any other state, the applicant
6 shall be required to deliver, as evidence of ownership, a
7 manufacturer's certificate of origin properly assigned by the
8 manufacturer, distributor, or dealer licensed in this or any other
9 state shown thereon to be the last transferee to the applicant upon
10 a form to be prescribed and approved by Service Oklahoma. A
11 manufacturer's certificate of origin shall contain:

- 12 a. the manufacturer's serial or other identification
13 number,
- 14 b. date on which first sold by the manufacturer to the
15 dealer,
- 16 c. any distinguishing marks including model and the year
17 same was made,
- 18 d. a statement of any security interests upon the
19 vehicle, and
- 20 e. such other information as Service Oklahoma may
21 require.

22 2. The manufacturer's certificate of origin shall have the
23 following security features:
24
25

- a. intaglio printing or security thread, with or without watermark,
- b. latent images,
- c. fluorescent inks,
- d. micro print, and
- e. void background.

E. In the absence of a dealer's or manufacturer's number, Service Oklahoma may assign such identifying number to the vehicle, which shall be permanently stamped, burned, or pressed or attached into the vehicle, and a certificate of title shall be delivered to the applicant upon payment of all fees and taxes, and the remaining copies shall be permanently filed and indexed by Service Oklahoma. Service Oklahoma shall assign an identifying number to any rebuilt vehicle if the vehicle identification number displayed on the rebuilt vehicle does not accurately describe the vehicle as rebuilt. The licensed operator, at the time of inspection of the rebuilt vehicle pursuant to Section 1111 of this title, shall identify the make, model, and year for the body to accurately describe the rebuilt vehicle. At the time of the inspection, an appropriate identifying number shall be permanently stamped, burned, pressed, or attached on the rebuilt vehicle. The assigned identifying number shall be recorded on the certificate of title for the rebuilt vehicle. The dealer's or manufacturer's vehicle identification

1 number on the rebuilt vehicle shall be preserved in the computer
2 files of Service Oklahoma for at least five (5) years.

3 F. When registering for the first time in this state a vehicle
4 which was not originally manufactured for sale in the United States,
5 to obtain a certificate of title, Service Oklahoma shall require the
6 applicant to deliver:

7 1. As evidence of ownership, if the vehicle has not previously
8 been titled in the United States, the documents constituting valid
9 proof of ownership in the country in which the vehicle was
10 originally purchased, together with a notarized translation of any
11 such documents; and

12 2. As evidence of compliance with federal law, copies of the
13 bond release letters for the vehicle issued by the United States
14 Environmental Protection Agency and the United States Department of
15 Transportation, together with a receipt issued by the Internal
16 Revenue Service indicating that the applicable federal gas guzzler
17 tax has been paid.

18 Service Oklahoma shall not issue a certificate of title for a
19 vehicle which is subject to the provisions of this paragraph without
20 the required documentation from agencies of the United States and
21 evidence of ownership. Upon receipt of an application without the
22 required documentation, Service Oklahoma shall return the
23 application to the applicant with notice that the certificate of
24 title may not be issued without the required documentation. Nothing

1 in this paragraph shall prohibit Service Oklahoma from issuing
2 certificates of title for antique or classic vehicles not driven
3 upon the public streets, roads, or highways, for mini-trucks
4 registered pursuant to Section 1151.3 of this title, or for medium-
5 speed electric vehicles.

6 G. When registering in this state a vehicle which was titled in
7 another state and which title contains the name of a secured party
8 on the face of the other state certificate of title, or such state
9 certificate is being held by the secured party in that state or any
10 other state, Service Oklahoma or the licensed operator shall
11 complete a lien entry form as prescribed by Service Oklahoma. The
12 owner of such vehicle shall file an affidavit with Service Oklahoma
13 or the licensed operator stating that title to the vehicle is being
14 held by a secured party, has not been issued pursuant to the laws of
15 the state where titled, and that there is an existing lien or
16 encumbrance on the vehicle. The current name and address of the
17 secured party or lienholder shall also be stated in the affidavit.
18 The form of the affidavit shall be prescribed by Service Oklahoma
19 and contain any other information deemed necessary by Service
20 Oklahoma. A statement of the lien or encumbrance shall be included
21 on the Oklahoma certificate of title and the lien or encumbrance
22 shall be deemed continuously perfected as though it had been
23 perfected pursuant to Section 1110 of this title. For completing
24 the lien entry form and recording the security interest on the

1 certificate of title, Service Oklahoma or the licensed operator
2 shall collect a fee of Three Dollars (\$3.00) which shall be in
3 addition to other fees provided by the Oklahoma Vehicle License and
4 Registration Act. The fee, if collected by the licensed operator
5 pursuant to this subsection, shall be retained by the licensed
6 operator.

7 H. The charge for each certificate of title issued, except for
8 junked titles and foreign export titles ~~as defined in paragraph 4 of~~
9 ~~subsection B of this section~~, shall be Eleven Dollars (\$11.00),
10 which charge shall be in addition to any other fees or taxes imposed
11 by law for such vehicle. One Dollar (\$1.00) of each such charge
12 shall be deposited in the ~~Oklahoma~~ Tax Commission Reimbursement Fund
13 through December 31, 2022, and beginning January 1, 2023, it shall
14 be deposited in the Service Oklahoma Reimbursement Fund. However,
15 the charge shall not apply to any vehicle which is to be registered
16 in this state pursuant to the provisions of Section 1120 or 1133 of
17 this title and which was registered in another state at least sixty
18 (60) days prior to the time it is required to be registered in this
19 state. When an insurer requests a salvage or junk title in the name
20 of the insurer resulting from the settlement of a total loss claim
21 and upon presentation of appropriate proof of loss documentation as
22 required by Service Oklahoma, such transfer may be processed as one
23 title transaction, without first requiring issuance of a replacement
24 certificate of title in the name of the vehicle owner. The fee

1 shall be Twenty-two Dollars (\$22.00). Two Dollars (\$2.00) of this
2 fee shall be deposited in the ~~Oklahoma~~ Tax Commission Reimbursement
3 Fund. The charge for a foreign export title shall be One Hundred
4 Dollars (\$100.00), which charge shall be in addition to any other
5 fees or taxes imposed by law for such vehicle. One Dollar (\$1.00)
6 of this fee shall be deposited in the Tax Commission Reimbursement
7 Fund.

8 I. The vehicle identification number of a junked vehicle shall
9 be preserved in the computer files of Service Oklahoma for a period
10 of not less than five (5) years. The charge of junked titles as
11 defined in paragraph 4 of subsection B of this section shall be Four
12 Dollars (\$4.00). The fee remitted to the Tax Commission shall be
13 deposited in the ~~Oklahoma~~ Tax Commission Reimbursement Fund through
14 December 31, 2022, and beginning January 1, 2023, this fee shall be
15 deposited in the Service Oklahoma Reimbursement Fund.

16 J. If a vehicle is sold to a resident of another state
17 destroyed, dismantled, or ceases to be used as a vehicle, the owner
18 shall immediately notify Service Oklahoma. Absent evidence to the
19 contrary, failure to notify Service Oklahoma shall be prima facie
20 evidence that the vehicle has been in continuous operation in this
21 state.

22 K. If a vehicle is stolen, the owner shall immediately notify
23 the appropriate law enforcement agency. Immediately after receiving
24

1 such notification, the law enforcement agency shall notify Service
2 Oklahoma.

3 L. Except for all-terrain vehicles, utility vehicles and
4 motorcycles used exclusively for off-road use, no title for an out-
5 of-state vehicle, except for foreign export titles or any commercial
6 truck or truck-tractor registered pursuant to Section 1120 of this
7 title which is engaged in interstate commerce or any trailer or
8 semitrailer registered pursuant to Section 1133 of this title which
9 is engaged in interstate commerce, shall be issued without an
10 inspection of such vehicle and payment of a fee of Four Dollars
11 (\$4.00) for such inspection; provided, Service Oklahoma may enter
12 into reciprocal agreements with other states for such inspections to
13 be performed at locations outside the boundaries of this state for
14 vehicles which:

- 15 1. Are offered for sale at auction;
- 16 2. Have been solely used as vehicles for rent under the
17 ownership of a licensed motor vehicle dealer or a person engaged in
18 the business of renting motor vehicles; or
- 19 3. Have not been registered in this or any other state for more
20 than one (1) year.

21 The inspection shall include a comparison of the vehicle
22 identification number on the vehicle with the number recorded on the
23 ownership records and the recording of the actual odometer reading
24 on the vehicle. The four-dollar fee shall be collected by the

1 licensed operator or Service Oklahoma when the title is issued. The
2 licensed operator shall retain Two Dollars (\$2.00). The remaining
3 Two Dollars (\$2.00) shall be deposited in the ~~Oklahoma~~ Tax
4 Commission Reimbursement Fund through December 31, 2022, and
5 beginning January 1, 2023, this fee shall be deposited in the
6 Service Oklahoma Reimbursement Fund.

7 Service Oklahoma may allow the inspection to be performed at a
8 location out-of-state by another state's department of motor
9 vehicles or state police.

10 M. No title for any out-of-state vehicle offered for sale at
11 salvage pools, salvage disposal sales, or an auction, or by a dealer
12 or a licensed automotive dismantler and parts recycler, shall be
13 issued without an inspection to compare the vehicle identification
14 number on the vehicle with the number recorded on the ownership
15 record and to record the actual odometer reading on the vehicle.
16 Upon request of the seller, person or entity conducting an auction,
17 dealer or licensed dismantler, the inspection shall be conducted at
18 the location or place of business of the sale, auction, dealer, or
19 the dismantler. The inspection shall be conducted by any licensed
20 operator or a duly authorized employee thereof; provided, if the
21 vehicle identification number on the vehicle offered for sale at
22 salvage pools, salvage disposal sales or a classic or antique
23 auction does not match the number recorded on the ownership record,
24 the inspection may be conducted at the location of or place of

1 business of such sale or auction by any state, county or city law
2 enforcement officer. Service Oklahoma may enter into reciprocal
3 agreements with other states for such inspections to be performed at
4 locations outside the boundaries of this state for vehicles which:

- 5 1. Are offered for sale at auction;
- 6 2. Have been solely used as vehicles for rent under the
7 ownership of a licensed motor vehicle dealer or a person engaged in
8 the business of renting motor vehicles; or
- 9 3. Have not been registered in this or any other state for more
10 than one (1) year.

11 The inspection shall be certified upon forms prescribed by Service
12 Oklahoma. The name and other identification of the authorized
13 person conducting the inspection shall be legibly printed or typed
14 on the form. Prior to any inspection by any employee of a licensed
15 operator, the licensed operator shall notify Service Oklahoma of the
16 name and any other identification information requested by Service
17 Oklahoma of the authorized person. A signature specimen of the
18 authorized person shall be submitted to Service Oklahoma by the
19 employing licensed operator. If the authorization to inspect
20 vehicles is withdrawn or the employer-employee relationship is
21 terminated, the licensed operator, immediately, shall notify Service
22 Oklahoma and return any remaining inspection forms to Service
23 Oklahoma. The fee for the inspection shall be Four Dollars (\$4.00).
24 The licensed operator shall retain Three Dollars (\$3.00) of the fee.

1 Fees received by a licensed operator or an authorized employee
2 thereof shall be handled and accounted for in the manner as
3 prescribed by law for any other fees paid to or received by a
4 licensed operator. Out-of-state vehicles brought into this state by
5 a person licensed in another state to sell new or used vehicles to
6 be sold within this state at a motor vehicle auction which is
7 limited to dealer-to-dealer transactions shall not be required to be
8 inspected, unless the vehicle is purchased by an Oklahoma dealer.
9 Any person licensed in another state to sell new or used motor
10 vehicles, who offers a motor vehicle for sale within this state at a
11 motor vehicle auction which is limited to dealer-to-dealer
12 transactions, shall not be within the definition of "owner" in
13 Section 1102 of this title, for purposes of Section 1101 et seq. of
14 this title.

15 N. A licensed motor vehicle dealer, upon payment of a fee of
16 Fifteen Dollars (\$15.00), may reassign an out-of-state certificate
17 of title to a used motor vehicle provided such dealer obtains the
18 appropriate inspection form required by either subsection L or M of
19 this section and attaches the form to the out-of-state certificate
20 of title. Licensed operators shall be allowed to retain Two Dollars
21 and twenty-five cents (\$2.25) of the fee plus an additional Two
22 Dollars (\$2.00) or Three Dollars (\$3.00) as provided in subsections
23 L and M of this section for performance of the inspection. Two
24 Dollars (\$2.00) of the fee shall be deposited in the Service

1 Oklahoma Reimbursement Fund. An out-of-state vehicle which has been
2 rebuilt shall be inspected pursuant to the provisions of Section
3 1111 of this title. Service Oklahoma shall train licensed operators
4 in interpreting vehicle identification numbers to assure that it
5 accurately describes the vehicle and to detect rollback or
6 alteration of the odometer. Failure of a licensed operator to
7 inspect the vehicle and make the required notations shall be a
8 misdemeanor punishable by a fine ~~of~~ not more than One Thousand
9 Dollars (\$1,000.00) for the first offense and Five Thousand Dollars
10 (\$5,000.00) for the second offense or subsequent offense, or by
11 imprisonment in the county jail for not more than six (6) months, or
12 by both such fine and imprisonment.

13 O. The ownership of any unrecovered vehicle which has been
14 declared a total loss by an insurer because of theft shall be
15 transferred to the insurer by an unrecovered-theft vehicle title;
16 provided, the ownership of any such vehicle which has been declared
17 a total loss by an insurer licensed by the Insurance Department of
18 ~~the State of Oklahoma~~ this state and maintaining a multi-state motor
19 vehicle salvage processing center in this state shall be transferred
20 to the insurer by a salvage or an unrecovered-theft title without
21 the requirement of a visual inspection of the vehicle identification
22 number by the insurer. Upon recovery of the vehicle, the ownership
23 shall be transferred by an original title, salvage title, or junked
24

1 title, as may be appropriate based upon an estimate of the amount of
2 loss submitted by the insurer.

3 P. When an insurance company makes a total loss settlement on a
4 total loss vehicle and the insurance company or a salvage pool
5 authorized by the insurance company is unable to obtain the properly
6 endorsed certificate of ownership or other evidence of ownership
7 acceptable to Service Oklahoma within thirty (30) days following
8 acceptance by the owner of an offer of an amount in settlement of a
9 total loss, that insurance company or salvage pool, on a form
10 provided by Service Oklahoma and signed under penalty of perjury,
11 may request Service Oklahoma to issue the applicable salvage title
12 for the vehicle. The request shall include information declaring
13 that the requester has made at least two written attempts to obtain
14 the certificate of ownership or other acceptable evidence of title.

15 Q. The owner of any vehicle which is incapable of operation or
16 use on the public roads and has no resale value, except as parts,
17 scrap, or junk, may deliver the certificate of title to the vehicle
18 to Service Oklahoma for cancellation. Upon verification that any
19 perfected lien against the vehicle has been released, the
20 certificate of title shall be canceled without any fee, charge, or
21 cost required from the owner. The vehicle identification numbers on
22 the certificates of title shall be preserved in the computer files
23 of Service Oklahoma for at least five (5) years from the date of
24 cancellation of the certificate of title. Service Oklahoma shall

1 prescribe and provide an affidavit form to be completed by the owner
2 of any vehicle for which the certificate of title is canceled. No
3 title or registration shall subsequently be issued for a vehicle for
4 which the certificate of title has been surrendered pursuant to this
5 subsection. Service Oklahoma shall prescribe a form for the
6 transfer of ownership of a vehicle for which the certificate of
7 title has been canceled.

8 R. The owner of a vehicle which is not within the last ten (10)
9 model years, not roadworthy and not capable of repair for operation
10 or use on the roads and highways, or a vehicle which is being sold
11 to a scrap metal dealer pursuant to Section 11-92 of Title 2 of the
12 Oklahoma Statutes, shall transfer the vehicle only upon a
13 certificate of ownership prescribed by Service Oklahoma, if the
14 certificate of title to the vehicle is lost, has been canceled, or
15 otherwise not available. The prescribed ownership form shall
16 include the names and addresses of the buyer and seller, the driver
17 license number or Social Security number of the seller, the make and
18 model of the vehicle, and the public vehicle identification number.
19 If there is no public vehicle identification number, the vehicle
20 shall be inspected by a law enforcement officer to verify the
21 absence of the number on the vehicle and the prescribed ownership
22 form shall include a signed statement, by such officer, verifying
23 the absence of the number.

1 The certificate of ownership shall be completed in triplicate.
2 The buyer and seller shall each retain a copy. Within thirty (30)
3 days of the transaction, the seller shall submit one copy to Service
4 Oklahoma or a licensed operator accompanied with a fee of Four
5 Dollars (\$4.00). One Dollar (\$1.00) shall be retained by the
6 licensed operator and Three Dollars (\$3.00) shall be deposited in
7 the ~~Oklahoma~~ Tax Commission Reimbursement Fund in the State Treasury
8 through December 31, 2022, and beginning January 1, 2023, this fee
9 shall be deposited in the Service Oklahoma Reimbursement Fund.

10 Upon receipt of the certificate, Service Oklahoma shall verify
11 that any perfected lien upon the vehicle has been released. If the
12 lien is not released, Service Oklahoma shall mail notice of the
13 transfer to the lienholder at the lienholder's last-known address.
14 If a certificate of title has been issued, it shall be canceled and
15 the vehicle identification number shall be preserved in the computer
16 of Service Oklahoma for at least five (5) years. The buyer of the
17 vehicle may not be sued and shall not be liable for monetary damages
18 to the lienholder⁷; however, the vehicle shall be subject to a valid
19 repossession by a lienholder.

20 S. Service Oklahoma shall notify the chief administrative
21 officer of the agency or department responsible for issuing motor
22 vehicle certificates of title in each state in the United States of
23 the types of motor vehicle certificate of title effective in
24 Oklahoma on and after January 1, 1989.

1 T. When registering for the first time in this state a
2 remanufactured vehicle which has not been registered in any other
3 state since its remanufacture, before issuing a certificate of
4 title, Service Oklahoma shall require the applicant to deliver a
5 statement of origin from the remanufacturer.

6 U. If a vehicle is sold to a foreign buyer pursuant to the
7 provisions of the Automotive Dismantlers and Parts Recycler Act, the
8 licensed seller shall stamp the title with: "EXPORT ONLY.
9 NONTRANSFERABLE IN THE UNITED STATES." The licensed seller shall
10 supply Service Oklahoma the title number, the vehicle identification
11 number and the foreign buyer's bid identification number on a form
12 prescribed by Service Oklahoma. Service Oklahoma shall cancel the
13 title, and the vehicle identification number shall be preserved in
14 the computer files of Service Oklahoma for a period of not less than
15 five (5) years.

16 V. Service Oklahoma shall not be considered a necessary party
17 to any lawsuit which is instigated for the purpose of determining
18 ownership of a vehicle, wherein Service Oklahoma's only involvement
19 would be to issue title, and the court shall issue an order
20 dismissing Service Oklahoma from the pending action. In the event
21 no other party or lienholder can be identified as to ownership or
22 claim, Service Oklahoma shall accept an affidavit of ownership from
23 the party claiming ownership and issue proper title thereon.

24 SECTION 3. This act shall become effective July 1, 2023.

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.

59-1-360 QD 1/17/2023 6:15:55 PM