

STATE OF OKLAHOMA

1st Session of the 60th Legislature (2025)

COMMITTEE SUBSTITUTE

FOR ENGROSSED

SENATE BILL NO. 527

By: Reinhardt of the Senate

and

Harris of the House

COMMITTEE SUBSTITUTE

An Act relating to certificates of title; amending 47 O.S. 2021, Section 1110, as last amended by Section 70, Chapter 452, O.S.L. 2024 (47 O.S. Supp. 2024, Section 1110), which relates to perfection of security interest; modifying certain time limit; modifying provisions related to mailing of certain release; updating statutory language; providing an effective date; and declaring an emergency.

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

SECTION 1. AMENDATORY 47 O.S. 2021, Section 1110, as last amended by Section 70, Chapter 452, O.S.L. 2024 (47 O.S. Supp. 2024, Section 1110), is amended to read as follows:

Section 1110. A. 1. Except for a security interest in vehicles held by a dealer for sale or lease, a vehicle registered by a federally recognized Indian tribe as provided in subsection G of this section, and a vehicle being registered in this state which was previously registered in another state and which title contains the

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

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

8       2. Whenever a person creates a security interest in a vehicle,  
9 the person shall surrender to the secured party the certificate of  
10 title or the signed application for a new certificate of title, on  
11 the form prescribed by Service Oklahoma, and the manufacturer's  
12 certificate of origin. The secured party shall deliver the lien  
13 entry form and the required lien filing fee within ~~twenty-five (25)~~  
14 forty-five (45) days as provided hereafter with certificate of title  
15 or the application for certificate of title and the manufacturer's  
16 certificate of origin to Service Oklahoma or to a licensed operator.  
17 If the lien entry form, the lien filing fee and the certificate of  
18 title or application for certificate of title and the manufacturer's  
19 certificate of origin are delivered to Service Oklahoma or to a  
20 licensed operator within ~~twenty-five (25)~~ forty-five (45) days after  
21 the date of the lien entry form, perfection of the security interest  
22 shall begin from the date of the execution of the lien entry form,  
23 but otherwise, perfection of the security interest shall begin from  
24

1 the date of the delivery to Service Oklahoma or to a licensed  
2 operator.

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

18       b.    It shall be unlawful for any person to solicit,  
19              accept, or receive any gratuity or compensation for  
20              acting as a messenger and for acting as the agent or  
21              representative of another person in applying for the  
22              recording of a security interest or for the  
23              registration of a motor vehicle and obtaining the  
24              license plates or for the issuance of a certificate of

1 title therefor unless Service Oklahoma has appointed  
2 and approved the person to perform such acts; and  
3 before acting as a messenger, any such person shall  
4 furnish to Service Oklahoma a surety bond in such  
5 amount as Service Oklahoma shall determine  
6 appropriate.

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

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

21 6. The lien entry form with the date and assigned number  
22 thereof clearly marked thereon shall be returned to the secured  
23 party. If the lien entry form is received and authenticated, as  
24 herein provided, by a licensed operator, the licensed operator shall

1 make a report thereof to Service Oklahoma upon the forms and in the  
2 manner as may be prescribed by Service Oklahoma.

3 7. Service Oklahoma shall have the duty to record the lien upon  
4 the face of the certificate of title issued at the time of  
5 registering and paying all fees and taxes due on the vehicle.

6 8. When there is an active lien from a commercial lender in  
7 place on a vehicle, licensed operators shall be prohibited from  
8 transferring the certificate of title on that vehicle until the lien  
9 is satisfied, except when the title is transferred:

10 a. to a person whose name is included on the loan for  
11 which the lien is placed pursuant to an agreement by  
12 the lender and any party to the title,

13 b. to a trust created by a person whose name is included  
14 on the loan for which the lien is placed, or

15 c. from a person who has died, upon the submission of a  
16 death certificate.

17 The provisions of this paragraph shall not be construed to release  
18 any lien or debt based solely upon a transfer of certificate of  
19 title.

20 B. 1. A secured party shall, within seven (7) business days  
21 after the satisfaction of the security interest, furnish directly or  
22 by mail a release of a security interest to Service Oklahoma and  
23 mail a copy thereof to the last-known address of the debtor. If the  
24 security interest has been satisfied by payment from a licensed used

1 motor vehicle dealer to whom the motor vehicle has been transferred,  
2 the secured party shall also, within seven (7) business days after  
3 ~~such satisfaction~~ receipt of a written request from such licensed  
4 used motor vehicle dealer, mail an additional copy of the release to  
5 the dealer. If the secured party fails to furnish the release as  
6 required, the secured party shall be liable to the debtor for a  
7 penalty of One Hundred Dollars (\$100.00). Following the seven (7)  
8 business days after satisfaction of the lien and upon receipt by the  
9 lienholder of written communication demanding the release of the  
10 lien, thereafter the penalty shall increase to One Hundred Dollars  
11 (\$100.00) per day for each additional day beyond seven (7) business  
12 days until accumulating to One Thousand Five Hundred Dollars  
13 (\$1,500.00) or the value of the vehicle, whichever is less, and, in  
14 addition, any loss caused to the debtor by such failure.

15 2. Upon release of a security interest the owner may obtain a  
16 new certificate of title omitting reference to the security  
17 interest, by submitting to Service Oklahoma or to a licensed  
18 operator:

- 19 a. a release signed by the secured party, an application  
20 for new certificate of title, and the proper fees, or
- 21 b. by submitting to Service Oklahoma or the licensed  
22 operator an affidavit, supported by such documentation  
23 as Service Oklahoma may require, by the owner on a  
24 form prescribed by Service Oklahoma stating that the

1 security interest has been satisfied and stating the  
2 reasons why a release cannot be obtained, an  
3 application for a new certificate of title and the  
4 proper fees.

5 Upon receiving such affidavit that the security interest has been  
6 satisfied, Service Oklahoma shall issue a new certificate of title  
7 eliminating the satisfied security interest and the name and address  
8 of the secured parties who have been paid and satisfied. Service  
9 Oklahoma shall accept a release of a security interest in any form  
10 that identifies the debtor, the secured party, and the vehicle, and  
11 contains the signature of the secured party. Service Oklahoma shall  
12 not require any particular form for the release of a security  
13 interest.

14 The words "security interest" when used in the Oklahoma Vehicle  
15 License and Registration Act do not include liens dependent upon  
16 possession.

17 C. Service Oklahoma shall file and index certificates of title  
18 so that at all times it will be possible to trace a certificate of  
19 title to the vehicle designated therein, identify the lien entry  
20 form, and the names and addresses of secured parties, or their  
21 assignees, so that all or any part of such information may be made  
22 readily available to those who make legitimate inquiry of Service  
23 Oklahoma as to the existence or nonexistence of security interest in  
24 the vehicle.



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

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

15       E. If a manufactured home is permanently affixed to real  
16 estate, an Oklahoma certificate of title may be surrendered to  
17 Service Oklahoma or a licensed operator for cancellation. When the  
18 document of title is surrendered, the owner shall provide the legal  
19 description or the appropriate tract or parcel number of the real  
20 estate and other information as may be required on a form provided  
21 by Service Oklahoma. Service Oklahoma may not cancel a document of  
22 title if a lien has been registered or recorded. Service Oklahoma  
23 or the licensed operator shall notify the owner and any lienholder  
24 that the title has been surrendered to Service Oklahoma and that

1 Service Oklahoma may not cancel the title until the lien is  
2 released. Such notification shall include a description of the lien  
3 and such notification to the owner shall be accompanied by the  
4 return of title surrendered. Permanent attachment to real estate  
5 does not affect the validity of a lien recorded or registered with  
6 Service Oklahoma before the document of title is canceled pursuant  
7 to this section. The rights of a prior lienholder pursuant to a  
8 security agreement or the provisions of a credit transaction and the  
9 rights of the state pursuant to a tax lien are preserved. Service  
10 Oklahoma or the licensed operator shall forward the information to  
11 the county assessor of the county where the real estate is located  
12 and indicate whether the original document of title has been  
13 canceled. A fee of Five Dollars (\$5.00) shall accompany the  
14 application for cancellation of title. When the fee is paid by a  
15 person making an application directly with Service Oklahoma, the fee  
16 shall be deposited in the Oklahoma Tax Commission ~~Revolving~~ Fund.  
17 Beginning January 1, 2023, the fee shall be deposited in the Service  
18 Oklahoma Revolving Fund. A fee paid to a licensed operator shall be  
19 retained by the licensed operator. The owner of a manufactured home  
20 upon which the document of title has been properly surrendered may  
21 apply to Service Oklahoma for issuance of a new original certificate  
22 of title upon submission of:

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1        1. An attestation from the homeowner indicating ownership of  
2 the manufactured home and the nonexistence of any security interest  
3 or lien of record in the manufactured home; and

4        2. A title opinion by a licensed attorney, determining that the  
5 owner of the manufactured home has marketable title to the real  
6 property upon which the manufactured home is located and that no  
7 documents filed of record in the county clerk's office concerning  
8 the real property contain a mortgage, recorded financial statement,  
9 judgment, or lien of record. Persons or entities to whom the title  
10 opinion is addressed may rely on the title opinion. A security  
11 interest in a manufactured home perfected pursuant to this section  
12 shall have priority over a conflicting interest of a mortgagee or  
13 other lien encumbrancer, or the owner of the real property upon  
14 which the manufactured home became affixed or otherwise permanently  
15 attached. The holder of the security interest in the manufactured  
16 home, upon default, may remove the manufactured home from such real  
17 property. The holder of the security interest in the manufactured  
18 home shall reimburse the owner of the real property who is not the  
19 debtor and who has not otherwise agreed to access the real property  
20 for the cost of repair of any physical injury to the real property,  
21 but shall not be liable for any diminution in value to the real  
22 property caused by the removal of the manufactured home, trespass,  
23 or any other damages caused by the removal. The debtor shall notify  
24 the holder of the security interest in the manufactured home of the

1 street address, if any, and the legal description of the real  
2 property upon which the manufactured home is affixed or otherwise  
3 permanently attached and shall sign such other documents, including  
4 any appropriate mortgage, as may reasonably be requested by the  
5 holder of such security interest.

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

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

16 SECTION 2. This act shall become effective July 1, 2025.

17 SECTION 3. It being immediately necessary for the preservation  
18 of the public peace, health or safety, an emergency is hereby  
19 declared to exist, by reason whereof this act shall take effect and  
20 be in full force from and after its passage and approval.

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