

1 STATE OF OKLAHOMA

2 2nd Session of the 60th Legislature (2026)

3 SENATE BILL 1920

By: Reinhardt

6 AS INTRODUCED

7 An Act relating to motor vehicle insurance; amending
8 47 O.S. 2021, Section 1111, as last amended by
9 Section 42, Chapter 171, O.S.L. 2025 (47 O.S. Supp.
10 2025, Section 1111), which relates to salvage;
increasing certain percent damage required for title
return; updating statutory language; updating
statutory reference; and providing an effective date.

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

13 SECTION 1. AMENDATORY 47 O.S. 2021, Section 1111, as
14 last amended by Section 42, Chapter 171, O.S.L. 2025 (47 O.S. Supp.
15 2025, Section 1111), is amended to read as follows:

16 Section 1111. A. As used in this section:

17 1. "Loss" means the cost, in dollars, to repair or replace a
18 vehicle which has been damaged by collision or other occurrence.
19 The amount paid by an insurer to a holder of the certificate of
20 title for repair of a damaged vehicle shall be *prima facie* evidence
21 of the amount of the loss. The amount paid by an insurer to a
22 holder of the certificate of title for replacement of a damaged
23 vehicle less the resale value of the damaged vehicle shall be *prima*
24 *facie* evidence of the amount of the loss;

1 2. "Fair market value" means the value of a vehicle as listed
2 in the current National ~~Auto~~ Automobile Dealers Association
3 guidebook or other similar guidebook or the actual cash value,
4 whichever is greater;

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

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

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

14 B. Any insurance company that pays a total loss on a claim for
15 any vehicle including, but not limited to, a flood-damaged vehicle
16 or recovered-theft vehicle, any junk dealer who receives a motor
17 vehicle which is to be used for junk or for parts, or any other
18 person permanently dismantling or junking a vehicle shall receive
19 the certificate of title from the current holder of the certificate
20 of title, shall detach the license plate from the vehicle, and shall
21 return the license plate and the certificate of title to Service
22 Oklahoma or a licensed operator within thirty (30) days from receipt
23 of the certificate, or insurance companies may provide alternate
24 documentation within thirty (30) days pursuant to subsection P of

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

16 C. 1. If an insurance company pays a claim for a loss which is
17 less than a total loss but the cost of repairing the vehicle for
18 safe operation on the highway exceeds ~~sixty percent (60%)~~ seventy
19 percent (70%) of the fair market value of the vehicle, or if any
20 vehicle not insured is damaged to the extent that the cost of repair
21 for safe operation on the highway exceeds ~~sixty percent (60%)~~
22 seventy percent (70%) of the fair market value of the vehicle, any
23 holder of the certificate of title for the vehicle shall return the
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1 certificate of title to Service Oklahoma or a licensed operator
2 within thirty (30) days from receipt of payment for the loss.

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

13 3. If the actual documented cost of repairing the vehicle for
14 safe operation on the highway does not exceed ~~sixty percent (60%)~~
15 seventy percent (70%) of the fair market value of the vehicle as
16 defined in this section, the certificate of title shall be reissued
17 to the holder and the vehicle shall not be subject to inspection as
18 required under this section. The actual documented cost of
19 repairing the vehicle pursuant to this paragraph shall be certified
20 by the insurance company paying the loss.

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

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

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

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

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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 Oklahoma Tax Commission which shall
2 retain Ten Dollars (\$10.00) and transmit Ten Dollars (\$10.00) to the
3 State Treasurer for deposit in the Department of Public Safety
4 Revolving Fund through December 31, 2022. Beginning January 1,
5 2023, through June 30, 2026, the licensed operator shall retain Five
6 Dollars (\$5.00) and shall remit Twenty Dollars (\$20.00) to the Tax
7 Commission which shall retain Ten Dollars (\$10.00) and transmit Ten
8 Dollars (\$10.00) to the State Treasurer for deposit in the Service
9 Oklahoma Revolving Fund. Beginning July 1, 2026, the licensed
10 operator shall retain Five Dollars (\$5.00) and shall remit Twenty
11 Dollars (\$20.00) to Service Oklahoma which shall retain Ten Dollars
12 (\$10.00) and transmit Ten Dollars (\$10.00) to the State Treasurer
13 for deposit in the Service Oklahoma Revolving Fund. The licensed
14 operator and its employees and agents may not be sued for and shall
15 not be liable for any damages allegedly arising out of the
16 inspection of a vehicle or any acts or omissions in the performance
17 of the inspection. The licensed operator may be held liable for any
18 damages to the vehicle caused by the negligent acts or omissions in
19 the performance of the inspection. Any person may be liable for any
20 damages to a vehicle caused by the intentional acts or omissions in
21 the performance of the inspection.

22 I. The rebuilt title and any subsequent transfers of such title
23 shall also reflect that the vehicle was a salvage vehicle, flood-

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1 damaged vehicle, or recovered-theft vehicle, if applicable, and also
2 shall include the salvage date.

3 J. Any title for a motor vehicle issued pursuant to the laws of
4 any other state which reflects that such vehicle is a salvage
5 vehicle, a rebuilt vehicle or a junked vehicle or has any other
6 brand or classification notation by that state shall be retained on
7 the new title issued by Service Oklahoma unless the actual
8 documented cost of repairing the vehicle for safe operation on the
9 highway does not exceed ~~sixty percent (60%)~~ seventy percent (70%) of
10 the fair market value of the vehicle as provided by this section.

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

20 L. Any insurance company that pays a claim for a loss where the
21 cost of repairing the vehicle for safe operation on the highway
22 exceeds ~~sixty percent (60%)~~ seventy percent (70%) of the market
23 value of the vehicle or pays a claim for a flood-damaged vehicle as
24 defined in Section 1105 of this title shall notify, in writing, the

1 holder of the certificate of title of the requirements of this
2 section and shall notify Service Oklahoma of the payment of such
3 claim. The notice shall include the estimated total damage
4 percentage determination of the actual cash value made by the
5 insurance company to repair the vehicle for safe operation on the
6 highway. The insurance company shall also send a copy of the
7 notification to the holder of the title. Service Oklahoma shall
8 provide notice to the owner of the vehicle in writing requiring the
9 owner to surrender the title along with the fee to Service Oklahoma
10 or one of its licensed operators within thirty (30) days from the
11 receipt of notice for the issuance of the appropriate title based on
12 the amount of loss. Service Oklahoma shall reissue the appropriate
13 title with the words "Flood Damaged" on the face of the title in the
14 case of a flood-damaged vehicle; provided, no insurance company
15 shall pay a claim for less than the amount to which the holder of
16 the certificate of title is rightfully entitled in order to avoid
17 compliance with this 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~~ imprisonment in the
23 county jail for not more than six (6) months, or by both the fine
24 and ~~incarceration~~ imprisonment.

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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 the Oklahoma Vehicle License and Registration Act
9 shall be guilty of a misdemeanor. Any person found guilty in
10 accordance with the provisions of this subsection shall be punished
11 by a fine of not more than One Thousand Dollars (\$1,000.00) for the
12 first offense or Five Thousand Dollars (\$5,000.00) for the second or
13 subsequent offense, or by imprisonment in the county jail for a term
14 not exceeding six (6) months, or by 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~~
22 electronically by Service 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, 2026.

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