

1 STATE OF OKLAHOMA

2 1st Session of the 59th Legislature (2023)

3 HOUSE BILL 1802

By: Osburn

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5
6 AS INTRODUCED

7 An Act relating to motor vehicles; amending 47 O.S.
8 2021, Section 1105A, as amended by Section 113,
9 Chapter 282, O.S.L. 2022 (47 O.S. Supp. 2022, Section
10 1105A), which relates to electronic filing, storage
11 and delivery of certificates of title; modifying name
12 of responsible agency; allowing certain delivery of
13 certificates of title to record owner for certain
14 vehicles; allowing submission of certain documents
15 without notarization; requiring Service Oklahoma
16 store certain documents; allowing submission of
17 certain documents through certain date; amending 47
18 O.S. 2021, Section 1107, as amended by Section 115,
19 Chapter 282, O.S.L. 2022 (47 O.S. Supp. 2022, Section
20 1107), which relates to sale or transfer of ownership
21 of a vehicle; modifying name of responsible agency;
22 and providing an effective date.

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

24 SECTION 1. AMENDATORY 47 O.S. 2021, Section 1105A, as
amended by Section 113, Chapter 282, O.S.L. 2022 (47 O.S. Supp.
2022, Section 1105A), is amended to read as follows:

Section 1105A. A. On or before July 1, 2022, the Oklahoma Tax
Commission shall implement a program which will permit the
electronic filing, storage and delivery of motor vehicle

1 certificates of title and allow a lienholder to perfect, assign and
2 release a lien on a motor vehicle in lieu of submission and
3 maintenance of paper documents as otherwise provided in the
4 provisions of Section 1101 et seq. of this title. The Tax
5 Commission shall enter into a competitive contract with a qualified
6 third-party service provider (System Developer), subject to the
7 provisions of the Oklahoma Central Purchasing Act, Section 85.1 et
8 seq. of Title 74 of the Oklahoma Statutes, to provide necessary
9 hardware, software and services facilitating the interconnection
10 between licensed operators and electronic title service providers
11 described in subsection B of this section for a certificate of title
12 and for filing or releasing a lien pursuant to the procedures
13 prescribed by ~~the Oklahoma Tax Commission~~ Service Oklahoma. The
14 provisions of this section shall apply to applications for
15 certificates of title and liens filed after June 30, 2022. ~~The Tax~~
16 ~~Commission~~ Service Oklahoma shall promulgate rules to implement the
17 provisions of this section.

18 B. The program authorized under subsection A of this section
19 shall include, but not be limited to, procedures:

20 1. For the delivery of a certificate of title, on a paper
21 document or in an electronic format, to the secured party having the
22 primary perfected security interest in a vehicle in lieu of delivery
23 to the record owner, notwithstanding the provisions of Section 1101
24 et seq. of this title. When there is no security interest, lien, or

1 other encumbrance on the vehicle, delivery of a certificate of title
2 on a paper document or in an electronic format shall be made to the
3 record owner. Provided, when electronic transmission of liens and
4 lien satisfactions is used, a certificate of title need not be
5 issued or printed until the last lien is satisfied and a clear
6 certificate of title is issued to the owner of the vehicle at their
7 request;

8 2. Establishing qualifications for third-party electronic title
9 service providers offering electronic lien services. The vendor
10 selected in subsection A of this section shall not be considered an
11 electronic title service provider and shall not operate or own an
12 electronic title service provider;

13 3. Establishing reasonable fees, if necessary, to be charged by
14 service providers or contractors for the establishment, maintenance
15 and operation of the electronic lien title program;

16 4. Providing access to the electronic certificate of title
17 records including liens on record, for licensed motor vehicle
18 dealers and lienholders who participate in the program
19 notwithstanding the provisions of Section 1109 of this title;

20 5. Allowing licensed operators to participate in the electronic
21 lien title program. Participating licensed operators shall receive
22 all fees provided by the Oklahoma Vehicle License and Registration
23 Act unless otherwise provided in Section 1132A of this title; and
24

1 6. For the acceptance and use of electronic or digital
2 signatures.

3 C. As used in this section and Section 1101 et seq. of this
4 title:

5 1. "Deliver" or "delivery" means, with respect to a certificate
6 of title or lien, either the physical delivery of a paper document
7 or the electronic delivery of a document in an electronic format;

8 2. "Electronic format" means an electronic or digital format or
9 medium of any document, record or other information; and

10 3. "Possess" or "possession" means, with respect to a
11 certificate of title or lien, to hold or otherwise exercise control
12 over a document which is in either a physical or electronic format.

13 D. Any documents created, stored or delivered under the
14 electronic lien title program as provided in this section shall be
15 considered valid including any signatures which are generated
16 electronically or contained on a scanned copy. A certified copy of
17 the ~~Oklahoma Tax Commission's~~ Service Oklahoma's electronic record
18 of a motor vehicle certificate of title or lien is admissible in any
19 civil, criminal or administrative proceeding in this state as
20 evidence of the existence and contents of the certificate of title
21 or lien.

22 E. The Tax Commission is authorized to expend funds necessary
23 for the implementation of the program provided in subsection A of
24 this section from available monies in the Oklahoma Tax Commission

1 and Office of Management and Enterprise Services Joint Computer
2 Enhancement Fund created pursuant to Section 265 of Title 68 of the
3 Oklahoma Statutes.

4 F. In the development of the program provided in subsection A
5 of this section, the Oklahoma Tax Commission shall consult
6 interested parties including, but not limited to, representatives of
7 the Oklahoma Automobile Dealers Association, the Oklahoma Bankers
8 Association, the Oklahoma Credit Union Association and the Oklahoma
9 Tag Agent Coalition.

10 G. All documents submitted electronically to Service Oklahoma
11 pursuant to this Section do not require notarization.

12 H. All documents submitted pursuant to this Section shall be
13 retained and stored by Service Oklahoma.

14 I. Submission and maintenance of paper documents as otherwise
15 provided in the provisions of Section 1101 et seq. of Title 47 of
16 the Oklahoma Statutes will be accepted through June 30, 2025.

17 SECTION 2. AMENDATORY 47 O.S. 2021, Section 1107, as
18 amended by Section 115, Chapter 282, O.S.L. 2022 (47 O.S. Supp.
19 2022, Section 1107), is amended to read as follows:

20 Section 1107. A. In the event of the sale or transfer of the
21 ownership of a vehicle for which a certificate of title has been
22 issued as provided by Section 1105 of this title, the holder of such
23 certificate shall endorse on the back of same a complete assignment
24 thereof with warranty of title in form printed thereon with a

1 statement of all liens or encumbrances on the vehicle, sworn to
2 before a notary public or some other person authorized by law to
3 take acknowledgments, and deliver same to the purchaser or
4 transferee at the time of delivery to the purchaser or transferee of
5 the vehicle; provided, a transfer of the ownership of a vehicle to
6 an insurer resulting from the settlement of a total loss claim shall
7 not require a notarized signature on the certificate of title. The
8 purchaser or transferee, unless such person is a bona fide used
9 motor vehicle dealer licensed by this state, a retail implement
10 dealer in connection with the purchase or transfer of off-road
11 vehicles or a charitable organization shall, within thirty (30) days
12 from the time of delivery to the purchaser or transferee of the
13 vehicle, present the assigned certificate of title and the insurance
14 security verification to the vehicle to Service Oklahoma, or one of
15 its licensed operators, accompanied by a fee of Eleven Dollars
16 (\$11.00), together with any motor vehicle excise tax or license fee
17 that may be due, whereupon a new certificate of title, shall be
18 issued to the assignee. One Dollar (\$1.00) of each fee shall be
19 deposited in the Oklahoma Tax Commission Reimbursement Fund through
20 December 31, 2022, and beginning January 1, 2023, this fee shall be
21 deposited in the Service Oklahoma Reimbursement Fund. Any
22 charitable organization utilizing the exemption authorized by this
23 subsection shall receive training as prescribed by the Oklahoma Used
24 Motor Vehicle and Parts Commission.

1 B. A licensed dealer, a retail implement dealer in connection
2 with the sale or disposal of off-road vehicles or a charitable
3 organization shall, on selling or otherwise disposing of a vehicle,
4 execute and deliver to the purchaser thereof the certificate of
5 title properly and completely reassigned. Thereupon, the purchaser
6 of the vehicle shall present the reassigned certificate to Service
7 Oklahoma, or a licensed operator, accompanied by a fee of Eleven
8 Dollars (\$11.00), and any motor vehicle excise tax or license fee
9 that may be due, whereupon a new certificate of title will be issued
10 to the purchaser. One Dollar (\$1.00) of each fee shall be deposited
11 in the Oklahoma Tax Commission Reimbursement Fund through December
12 31, 2022, and beginning January 1, 2023, this fee shall be deposited
13 in the Service Oklahoma Reimbursement Fund. The certificate, when
14 so assigned and returned to ~~the Commission~~ Service Oklahoma,
15 together with any subsequent assignment or reissue thereof, shall be
16 appropriately filed and indexed so that at all times it will be
17 possible to trace title to the vehicle designated therein.
18 Provided, when the ownership of any motor vehicle shall pass by
19 operation of law, the person owning the vehicle may, upon furnishing
20 satisfactory proof to ~~the Commission~~ Service Oklahoma of ownership,
21 procure a title to the motor vehicle, regardless of whether a
22 certificate of title has ever been issued. The dealer shall execute
23 and deliver to the purchaser bills of sale on forms prescribed by
24 ~~the Commission~~ Service Oklahoma for all new vehicles sold by the

1 dealer. On presentation of a bill of sale executed on forms
2 prescribed by ~~the Commission~~ Service Oklahoma, by a manufacturer or
3 dealer for a new vehicle sold in this state, accompanied by
4 remittance in the sum of Eleven Dollars (\$11.00), together with any
5 motor vehicle excise tax or license fee that may be due, a
6 certificate of title shall be issued in accordance with the
7 provisions of the Oklahoma Vehicle License and Registration Act.
8 One Dollar (\$1.00) of each fee shall be deposited in the Oklahoma
9 Tax Commission Reimbursement Fund through December 31, 2022, and
10 beginning January 1, 2023, this fee shall be deposited in the
11 Service Oklahoma Reimbursement Fund. For purposes of this
12 subsection, "charitable organization" shall mean any organization
13 which is exempt from taxation pursuant to the provisions of the
14 Internal Revenue Code, 26 U.S.C., Section 501(c)(3) and which is
15 registered as a charitable organization with the Oklahoma Secretary
16 of State and the Oklahoma Attorney General's office; "off-road
17 vehicles" means all-terrain vehicles, utility vehicles, and
18 motorcycles used exclusively for off-road use; "retail implement
19 dealer" means a business engaged primarily in the sale of farm
20 tractors as defined in Section 1-118 of this title or implements of
21 husbandry as defined in Section 1-125 of this title or a combination
22 thereof.

23 C. Any person violating the provisions of this section shall be
24 guilty of a misdemeanor and upon the first conviction thereof shall

1 be punished by a fine not to exceed Five Hundred Dollars (\$500.00),
2 with impoundment of the vehicle until all taxes and fees are paid.
3 A second or subsequent conviction shall be punished by a fine not to
4 exceed One Thousand Dollars (\$1,000.00), with impoundment of the
5 vehicle until all taxes and fees are paid. If a vehicle is
6 impounded pursuant to the provisions of this section, the vehicle
7 shall not be released to the owner until the owner provides proof of
8 security or an affidavit that the vehicle will not be used on public
9 highways or public streets, as required pursuant to Section 7-600 et
10 seq. of this title. Each vehicle involved in a violation of this
11 section shall be considered a separate offense.

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

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