

1 **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2 STATE OF OKLAHOMA

3 2nd Session of the 59th Legislature (2024)

4 COMMITTEE SUBSTITUTE
5 FOR
6 HOUSE BILL NO. 2195

By: Lowe (Dick) of the House

and

Paxton of the Senate

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11 COMMITTEE SUBSTITUTE

12 An Act relating to motor vehicles; 47 O.S. 2021,
13 Section 1107, as last amended by Section 2, Chapter
14 366, O.S.L. 2023 (47 O.S. Supp. 2023, Section 1107),
15 which relates to sale or transfer of ownership of a
16 vehicle; setting time limit on certain impoundment of
17 vehicles; allowing for dismissal of charges if
18 certain conditions are met; amending 47 O.S. 2021,
19 Sections 1137.1, as last amended by Section 1,
20 Chapter 262, O.S.L. 2023, and 1137.3, as last amended
21 by Section 2, Chapter 262, O.S.L. 2023 (47 O.S. Supp.
22 2023, Sections 1137.1 and 1137.3), which relate to
23 used dealer temporary plate and registration and
24 licensing of new motor vehicles; modifying
 description of certain length of time; and providing
 an effective date.

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

1 SECTION 1. AMENDATORY 47 O.S. 2021, Section 1107, as
2 last amended by Section 2, Chapter 366, O.S.L. 2023 (47 O.S. Supp.
3 2023, Section 1107), is amended to read as follows:

4 Section 1107. A. In the event of the sale or transfer of the
5 ownership of a vehicle for which a certificate of title has been
6 issued as provided by Section 1105 of this title, the holder of such
7 certificate shall endorse on the back of same a complete assignment
8 thereof with warranty of title in form printed thereon with a
9 statement of all liens or encumbrances on the vehicle, sworn to
10 before a notary public or some other person authorized by law to
11 take acknowledgments, and deliver same to the purchaser or
12 transferee at the time of delivery to the purchaser or transferee of
13 the vehicle; provided, a transfer of the ownership of a vehicle to
14 an insurer resulting from the settlement of a total loss claim shall
15 not require a notarized signature on the certificate of title. The
16 purchaser or transferee, unless such person is a bona fide used
17 motor vehicle dealer licensed by this state, a retail implement
18 dealer in connection with the purchase or transfer of off-road
19 vehicles or a charitable organization shall, within thirty (30) days
20 from the time of delivery to the purchaser or transferee of the
21 vehicle, present the assigned certificate of title and the insurance
22 security verification to the vehicle to Service Oklahoma, or one of
23 its licensed operators, accompanied by a fee of Eleven Dollars
24 (\$11.00), together with any motor vehicle excise tax or license fee

1 that may be due, whereupon a new certificate of title, shall be
2 issued to the assignee. One Dollar (\$1.00) of each fee shall be
3 deposited in the Oklahoma Tax Commission Reimbursement Fund through
4 December 31, 2022, and beginning January 1, 2023, this fee shall be
5 deposited in the Service Oklahoma Reimbursement Fund. Any
6 charitable organization utilizing the exemption authorized by this
7 subsection shall receive training as prescribed by the Oklahoma Used
8 Motor Vehicle and Parts Commission.

9 B. A licensed dealer, a retail implement dealer in connection
10 with the sale or disposal of off-road vehicles or a charitable
11 organization shall, on selling or otherwise disposing of a vehicle,
12 execute and deliver to the purchaser thereof the certificate of
13 title properly and completely reassigned. Thereupon, the purchaser
14 of the vehicle shall present the reassigned certificate to Service
15 Oklahoma, or a licensed operator, accompanied by a fee of Eleven
16 Dollars (\$11.00), and any motor vehicle excise tax or license fee
17 that may be due, whereupon a new certificate of title will be issued
18 to the purchaser. One Dollar (\$1.00) of each fee shall be deposited
19 in the Oklahoma Tax Commission Reimbursement Fund through December
20 31, 2022, and beginning January 1, 2023, this fee shall be deposited
21 in the Service Oklahoma Reimbursement Fund. The certificate, when
22 so assigned and returned to Service Oklahoma, together with any
23 subsequent assignment or reissue thereof, shall be appropriately
24 filed and indexed so that at all times it will be possible to trace

1 title to the vehicle designated therein. Provided, when the
2 ownership of any motor vehicle shall pass by operation of law, the
3 person owning the vehicle may, upon furnishing satisfactory proof to
4 Service Oklahoma of ownership, procure a title to the motor vehicle,
5 regardless of whether a certificate of title has ever been issued.
6 The dealer shall execute and deliver to the purchaser bills of sale
7 on forms prescribed by Service Oklahoma for all new vehicles sold by
8 the dealer. On presentation of a bill of sale executed on forms
9 prescribed by Service Oklahoma, by a manufacturer or dealer for a
10 new vehicle sold in this state, accompanied by remittance in the sum
11 of Eleven Dollars (\$11.00), together with any motor vehicle excise
12 tax or license fee that may be due, a certificate of title shall be
13 issued in accordance with the provisions of the Oklahoma Vehicle
14 License and Registration Act. One Dollar (\$1.00) of each fee shall
15 be deposited in the Oklahoma Tax Commission Reimbursement Fund
16 through December 31, 2022, and beginning January 1, 2023, this fee
17 shall be deposited in the Service Oklahoma Reimbursement Fund. For
18 purposes of this subsection, "charitable organization" shall mean
19 any organization which is exempt from taxation pursuant to the
20 provisions of the Internal Revenue Code, 26 U.S.C., Section
21 501(c) (3) and which is registered as a charitable organization with
22 the Oklahoma Secretary of State and the Oklahoma Attorney General's
23 office; "off-road vehicles" means all-terrain vehicles, utility
24 vehicles, and motorcycles used exclusively for off-road use; "retail

1 implement dealer" means a business engaged primarily in the sale of
2 farm tractors as defined in Section 1-118 of this title or
3 implements of husbandry as defined in Section 1-125 of this title or
4 a combination thereof.

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

18 D. Impoundment of vehicles as provided in subsection C of this
19 section shall not occur until the expiration of sixty (60) days from
20 the date any excise taxes and fees are due related to the transfer
21 of the registration of the vehicle. After issuance of a citation as
22 provided in subsection C of this section, if proof of payment of all
23 required excise taxes and fees, and transfer of the registration, is
24 provided within seventy-two (72) hours to the clerk of the court

1 where the charge is filed, the charge shall be dismissed upon the
2 payment of court costs.

3 SECTION 2. AMENDATORY 47 O.S. 2021, Section 1137.1, as
4 last amended by Section 1, Chapter 262, O.S.L. 2023 (47 O.S. Supp.
5 2023, Section 1137.1), is amended to read as follows:

6 Section 1137.1 A. Except for vehicles, travel trailers or
7 commercial trailers which display a current Oklahoma license tag,
8 upon the purchase or transfer of ownership of a used motor vehicle,
9 travel trailer or commercial trailer, including an out-of-state
10 purchase or transfer of the same, to a licensed used motor vehicle
11 dealer, wholesale used motor vehicle dealer, used travel trailer
12 dealer or used commercial trailer dealer, subsequently referred to
13 in this section as "dealer", the dealer shall affix a used dealer's
14 plate visible from the rear of the vehicle, travel trailer or
15 commercial trailer. Such license plate shall expire on December 31
16 of each year. When the vehicle, travel trailer or commercial
17 trailer is parked on the dealer's licensed place of business, it
18 shall not be required to have a license plate of any kind affixed.
19 A dealer shall obtain from Service Oklahoma at a cost of Ten Dollars
20 (\$10.00) a dealer license plate for demonstrating, transporting or
21 any other normal business of a dealer including use by an individual
22 holding a valid salesperson's license issued by the Oklahoma Used
23 Motor Vehicle and Parts Commission. Any dealer who operates a
24 wrecker or towing service licensed pursuant to Sections 951 through

1 957 of this title shall register each wrecker vehicle and display a
2 wrecker license plate on each vehicle as required by Section 1134.3
3 of this title. A dealer may obtain as many additional license
4 plates as may be desired upon the payment of Ten Dollars (\$10.00)
5 for each additional license plate. Use of the used dealer license
6 plate by a licensed dealer for other than the purposes as set forth
7 herein shall constitute grounds for revocation of the dealer's
8 license. Service Oklahoma shall design the official used dealer
9 license plate to include the used dealer's license number issued to
10 him or her each year by Service Oklahoma or the Used Motor Vehicle
11 and Parts Commission.

12 B. Upon the purchase or transfer of ownership of an out-of-
13 state used motor vehicle, travel trailer or commercial trailer to a
14 licensed dealer, the dealer shall make application for an Oklahoma
15 certificate of title pursuant to the Oklahoma Vehicle License and
16 Registration Act, Section 1101 et seq. of this title. Upon receipt
17 of the Oklahoma certificate of title, the dealer shall follow the
18 procedure as set forth in subsection A of this section. Provided,
19 nothing in this title shall be construed as requiring a dealer to
20 register a used motor vehicle, travel trailer or commercial trailer
21 purchased in another state which will not be operated or sold in
22 this state.

23 C. Upon sale or transfer of ownership of the used motor vehicle
24 or travel trailer, the dealer shall place upon the reassignment

1 portion of the certificate of title a tax stamp issued by the county
2 treasurer of the county in which the dealer has his or her primary
3 place of business. The tax stamp shall be issued upon payment of a
4 fee of Three Dollars and fifty cents (\$3.50) and shall be in lieu of
5 the dealer's ad valorem tax on the inventories of used motor
6 vehicles or travel trailers but shall not relieve any other property
7 of the dealer from ad valorem taxation.

8 D. Upon sale of a used motor vehicle or travel trailer to
9 another licensed dealer, the selling dealer shall place the tax
10 stamp required in subsection C of this section upon the certificate
11 of title. The used dealer license plate or wholesale dealer license
12 plate shall be removed by the selling dealer. The purchasing dealer
13 shall, at time of purchase, place his or her dealer license plate on
14 the used motor vehicle, travel trailer or commercial trailer as
15 provided in subsection A of this section; provided, for vehicles,
16 travel trailers or commercial trailers purchased by a licensed used
17 dealer at an auction, in lieu of such placement of the dealer
18 license plate, the auction may provide temporary documentation as
19 approved by the Director of the Motor Vehicle Division of Service
20 Oklahoma for the purpose of transporting such vehicle to the
21 purchaser's point of destination. Such temporary documentation
22 shall be valid for two (2) days following the date of sale.

23 E. The purchaser of every used motor vehicle, travel trailer or
24 commercial trailer, except as otherwise provided by law, shall

1 obtain registration and title for the vehicle or trailer within ~~two~~
2 ~~(2) months~~ sixty (60) days from the date of purchase of same. It
3 shall be the responsibility of the selling dealer to place a
4 temporary license plate, in size similar to the permanent Oklahoma
5 license plate but of a weatherproof plastic-impregnated substance
6 approved by the Used Motor Vehicle and Parts Commission, upon a used
7 motor vehicle, travel trailer or commercial trailer when a
8 transaction is completed for the sale of said vehicle. The
9 temporary license plate under this subsection shall be placed at the
10 location provided for the permanent motor vehicle license plate.
11 The temporary license plate shall show the license number which is
12 issued to the dealer each year by Service Oklahoma or the Used Motor
13 Vehicle and Parts Commission, the date the used motor vehicle,
14 travel trailer or commercial trailer was purchased and the company
15 name of the selling dealer. The Used Motor Vehicle and Parts
16 Commission is hereby directed to develop the temporary license plate
17 design to incorporate these requirements in a manner that will
18 permit law enforcement personnel to readily identify the dealer
19 license number and date of the vehicle purchase. The Used Motor
20 Vehicle and Parts Commission is hereby authorized to develop
21 additional requirements and parameters as deemed appropriate to
22 discourage or prevent illegal duplication and use of the temporary
23 license plate. Such temporary license plate shall be valid for a
24 period of ~~two (2) months~~ sixty (60) days from the date of purchase.

1 Use of the temporary license by a dealer for other than the purposes
2 set forth herein shall constitute grounds for revocation of the
3 dealer's license to conduct business. Purchasers of a commercial
4 trailer shall affix the temporary license plate to the rear of the
5 commercial trailer. The purchaser shall display the temporary
6 license plate for a period not to exceed ~~two (2) months~~ sixty (60)
7 days or until registration and title are obtained as provided in
8 this section.

9 The provisions of this subsection on temporary licenses shall
10 apply to nonresidents who purchase a used motor vehicle, travel
11 trailer or commercial trailer within this state that is to be
12 licensed in another state. The nonresident purchaser shall be
13 allowed to operate the vehicle or trailer within the state with a
14 temporary license plate for a period not to exceed ~~two (2) months~~
15 sixty (60) days from date of purchase. Any nonresident purchaser
16 found to be operating a used motor vehicle, travel trailer or
17 commercial trailer within this state after ~~two (2) months~~ sixty (60)
18 days shall be subject to the registration fees of this state upon
19 the same terms and conditions applying to residents of this state.

20 F. It shall be unlawful for any dealer to procure the
21 registration and licensing of any used motor vehicle, travel trailer
22 or commercial trailer sold by the dealer or to act as the agent for
23 the purchaser in the procurement of the registration and licensing
24 of the purchaser's used vehicle, travel trailer or commercial

1 trailer. A license of any dealer violating the provision of this
2 section may be revoked.

3 G. Dealers following the procedure set forth herein shall not
4 be required to register vehicles, travel trailers or commercial
5 trailers to which this section applies, nor will the registration
6 fee otherwise required be assessed. Provided, dealers shall not
7 purchase or trade for a used motor vehicle, travel trailer or
8 commercial trailer on which the registration therefor has been
9 expired for a period exceeding ~~two (2) months~~ sixty (60) days
10 without obtaining current registration therefor.

11 H. A nonprofit charitable organization which is exempt from
12 taxation pursuant to the provisions of the Internal Revenue Code, 26
13 U.S.C., Section 501(c)(3), and which accepts donations of used motor
14 vehicles previously titled in Oklahoma to be subsequently
15 transferred to another owner, upon the qualifying organization
16 providing sufficient documentation of its tax-exempt status, may
17 obtain from Service Oklahoma charitable nonprofit organization
18 license plates for demonstrating, transporting or test-driving
19 donated vehicles, provided that no organization shall possess or use
20 at any one time more than eight such plates. Service Oklahoma shall
21 design distinctive license plates for that purpose. The cost for
22 said plates shall be the same as provided in subsection A of this
23 section for dealer plates.

24

1 I. The transfer of ownership from the vehicle donor to the
2 qualifying nonprofit organization described in subsection H of this
3 section shall be made without the payment of motor vehicle excise
4 tax levied pursuant to Section 2103 of Title 68 of the Oklahoma
5 Statutes.

6 SECTION 3. AMENDATORY 47 O.S. 2021, Section 1137.3, as
7 last amended by Section 2, Chapter 262, O.S.L. 2023 (47 O.S. Supp.
8 2023, Section 1137.3), is amended to read as follows:

9 Section 1137.3 The purchaser of every new motor vehicle, travel
10 trailer or commercial trailer shall register or license the same
11 within ~~two (2) months~~ sixty (60) days from the date of purchase. It
12 shall be the responsibility of the selling dealer to place a
13 temporary license plate, in size similar to the permanent Oklahoma
14 license plate but of a weatherproof plastic-impregnated substance
15 approved by the Oklahoma Motor Vehicle Commission, upon a new motor
16 vehicle, travel trailer or commercial trailer when a transaction is
17 completed for the sale of said vehicle or trailer. Except for cab
18 and chassis trucks, the temporary license plate under this section
19 shall be placed at the location provided for the permanent motor
20 vehicle license plate. The purchaser of a new cab and chassis truck
21 may place the temporary license plate under this section in the rear
22 window. Said temporary license plate shall show the dealer's
23 license number which is issued to him or her each year by Service
24 Oklahoma, the date the new motor vehicle, travel trailer or

1 commercial trailer was purchased and the company name of the selling
2 dealer. The Oklahoma Motor Vehicle Commission is hereby directed to
3 develop a temporary license plate design to incorporate these
4 requirements in a manner that will permit law enforcement personnel
5 to readily identify the dealer license number and date of the
6 vehicle purchase. The Motor Vehicle Commission is further
7 authorized to develop additional requirements and parameters
8 designed to discourage or prevent illegal duplication and use of the
9 temporary license plate. On or before ~~two (2) months~~ sixty (60)
10 days from the date of purchase of a new motor vehicle, travel
11 trailer or commercial trailer, said temporary license plate shall be
12 removed and replaced with a permanent, current Oklahoma license
13 plate. Use of said temporary license plate by a licensed dealer for
14 other than the purpose of normally doing business shall constitute
15 grounds for revocation of the dealer's license.

16 It shall be unlawful for any licensed dealer of new motor
17 vehicles, travel trailers or commercial trailers to procure the
18 registration and licensing of any new motor vehicle, travel trailer
19 or commercial trailer sold by such licensed dealer or to act as the
20 agent for such purchaser in the procurement of said registration and
21 licensing. The license of any licensed dealer of new motor
22 vehicles, travel trailers or commercial trailers violating the
23 provisions of this section shall be revoked.

24

1 SECTION 4. This act shall become effective November 1, 2024.

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3 COMMITTEE REPORT BY: COMMITTEE ON JUDICIARY - CIVIL, dated
4 02/26/2024 - DO PASS, As Amended and Coauthored.
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