

1 STATE OF OKLAHOMA

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

3 HOUSE BILL 2338

By: Boatman

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5
6 AS INTRODUCED

7 An Act relating to revenue and taxation; amending 68
8 O.S. 2021, Section 2105, which relates to motor
9 vehicle excise tax exemptions; creating an exemption
10 for foreign exports; amending 47 O.S. 2021, Section
11 1105, as last amended by Section 1, Chapter 47,
12 O.S.L. 2022 (47 O.S. Supp. 2022, Section 1105), which
relates to certificate of titles; creating a foreign
export certificate of title; providing an effective
date; and declaring an emergency.

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

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

16 Section 2105. An original or a transfer certificate of title or
17 a foreign export certificate of title as provided for in paragraph
18 18 of this section shall be issued without the payment of the excise
19 tax levied by Section 2101 et seq. of this title for:

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

23 2. Any vehicle brought into this state by a person formerly
24 living in another state, who has owned and registered the vehicle in

1 such other state of residence at least sixty (60) days prior to the
2 time it is required to be registered in this state; provided,
3 however, this paragraph shall not apply to businesses engaged in
4 renting cars without a driver;

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

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

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

3 a. if such vehicle, travel trailer, or commercial trailer
4 has been registered in Oklahoma and the excise tax
5 paid thereon, or

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

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

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

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

18 b. the state from which the dealer is licensed offers
19 reciprocal privileges to a dealer licensed in this
20 state, pursuant to a reciprocal agreement between the
21 duly authorized agent of the Tax Commission and the
22 licensing state;

23 7. Any vehicle, the ownership of which was obtained by the
24 lienholder or mortgagee under or by foreclosure of a lien or

1 mortgage in the manner provided by law or to the insurer under
2 subrogated rights arising by reason of loss under an insurance
3 contract;

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

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

7 a. from one corporation to another corporation pursuant
8 to a reorganization. As used in this subsection the
9 term "reorganization" means:

10 (1) a statutory merger or consolidation, or

11 (2) the acquisition by a corporation of substantially
12 all of the properties of another corporation when
13 the consideration is solely all or a part of the
14 voting stock of the acquiring corporation, or of
15 its parent or subsidiary corporation,

16 b. in connection with the winding up, dissolution, or
17 liquidation of a corporation only when there is a
18 distribution in kind to the shareholders of the
19 property of such corporation,

20 c. to a corporation where the former owners of the
21 vehicle or motor vehicle transferred are, immediately
22 after the transfer, in control of the corporation, and
23 the stock or securities received by each is

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

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

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

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

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

22 12. Any new motor vehicle, registered in the name of a
23 manufacturer or dealer of new motor vehicles, for which a license
24 plate has been issued pursuant to Section 1116.1 of Title 47 of the

1 Oklahoma Statutes, if such vehicle is authorized by the manufacturer
2 or dealer for personal use by an individual. The authorization for
3 such use shall not exceed four (4) months which shall not be renewed
4 or the exemption provided by this subsection shall not be
5 applicable. The exemption provided by this subsection shall not be
6 applicable to a transfer of ownership or registration subsequent to
7 the first registration of the vehicle by a manufacturer or dealer;

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

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

17 15. Any vehicle which:

18 a. is purchased by a private, nonprofit organization
19 which is exempt from taxation pursuant to the
20 provisions of Section 501(c)(3) of the Internal
21 Revenue Code, 26 U.S.C., Section 501(c)(3), and which
22 is primarily funded by a fraternal or civic service
23 organization with at least one hundred local chapters
24 or clubs, and

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

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

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

7 18. Any vehicle which is purchased by an individual or entity
8 doing business in this state if the vehicle is contracted to be
9 shipped to a destination outside of the United States or its
10 territories or its tribal lands within one hundred twenty (120) days
11 of purchase. The Oklahoma Tax Commission shall prescribe a form to
12 be completed and submitted under oath together with the purchase
13 contract for the vehicle and proof of commitment to ship the vehicle
14 by common carrier vessel, air, rail, or any other common carrier for
15 hire. Upon approval for the exemption provided for by this section
16 and payment of the required certificate of title fee, the Tax
17 Commission shall issue a foreign export certificate of title.

18 SECTION 2. AMENDATORY 47 O.S. 2021, Section 1105, as
19 last amended by Section 1, Chapter 47, O.S.L. 2022 (47 O.S. Supp.
20 2022, Section 1105) is amended to read as follows:

21 Section 1105. A. As used in the Oklahoma Vehicle License and
22 Registration Act:

23 1. "Salvage vehicle" means any vehicle which is within the last
24 ten (10) model years and which has been damaged by collision or

1 other occurrence to the extent that the cost of repairing the
2 vehicle for safe operation on the highway exceeds sixty percent
3 (60%) of its fair market value, as defined by Section 1111 of this
4 title, immediately prior to the damage. For purposes of this
5 section, actual repair costs shall only include labor and parts for
6 actual damage to the suspension, motor, transmission, frame or
7 unibody and designated structural components;

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

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

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

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

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

22 B. The owner of every vehicle in this state shall possess a
23 certificate of title as proof of ownership of such vehicle, except
24 those vehicles registered pursuant to Section 1120 of this title and

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

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

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

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

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

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

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

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

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

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

23 9. Foreign export title for any motor vehicle which is
24 purchased by an individual or entity doing business in Oklahoma for

1 the sole purpose of exporting the vehicle outside of the United
2 States or its territories or its tribal lands.

3 Application for a certificate of title, whether the initial
4 certificate of title or a duplicate, may be made to the Tax
5 Commission or any motor license agent. When application is made
6 with a motor license agent, the application information shall be
7 transmitted either electronically or by mail to the Tax Commission
8 by the motor license agent. If the application information is
9 transmitted electronically, the motor license agent shall forward
10 the required application along with evidence of ownership, where
11 required, by mail. Where the transmission of application
12 information cannot be performed electronically, the Tax Commission
13 is authorized to provide postage paid envelopes to motor license
14 agents for the purpose of mailing the application along with
15 evidence of ownership, where required. The Tax Commission shall
16 upon receipt of proper application information issue an Oklahoma
17 certificate of title. The certificates may be mailed to the
18 applicant. Upon issuance of a certificate of title, the Tax
19 Commission shall provide the appropriate motor license agent with
20 confirmation of such issuance.

21 C. 1. The application for certificate of title shall be upon a
22 blank form furnished by the Tax Commission, containing:

23 a. a full description of the vehicle,
24

- b. the manufacturer's serial or other identification number,
- c. the motor number and the date on which first sold by the manufacturer or dealer to the owner,
- d. any distinguishing marks,
- e. a statement of the applicant's source of title,
- f. any security interest upon the vehicle, and
- g. such other information as the Tax Commission may require.

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

- a. the vehicle has been damaged or stolen,
- b. the owner did or did not receive any payment for the loss from an insurer, or
- c. the vehicle is titled or registered in a state that does not classify the vehicle or brand the title because of damage to or loss of the vehicle similar to the classifications or brands utilized by this state.

The declaration shall be based upon the best information and knowledge of the owner and shall be in addition to the requirements

1 specified in paragraph 1 of this subsection. The Tax Commission
2 shall not issue a certificate of title for a vehicle which is
3 subject to the provisions of this paragraph without the required
4 declaration, completed and signed by the owner of the vehicle. Upon
5 receipt of an application without the properly completed
6 declaration, the Tax Commission shall return the application to the
7 applicant with notice that the title may not be issued without the
8 required declaration. Nothing in this paragraph shall prohibit the
9 Tax Commission from recognizing the type of or brand on a title or
10 other ownership document issued by another state or the inspection
11 conducted in another state and issuing the appropriate certificate
12 of title for the vehicle.

13 3. The certificate of title shall have the following security
14 features:

- 15 a. intaglio printing or security thread, with or without
- 16 watermark,
- 17 b. latent images,
- 18 c. fluorescent inks,
- 19 d. micro print,
- 20 e. void background, and
- 21 f. color coding.

22 4. Each title issued pursuant to the provisions of the Oklahoma
23 Vehicle License and Registration Act shall be color coded as
24 determined by the Tax Commission.

1 5. The certificate of title shall be of such size and design
2 and color as the Tax Commission may direct pursuant to the
3 provisions of this section. The title shall be on colored paper or
4 other material as designated by the Tax Commission and be of such
5 intensity or hue as will allow easy identification as to whether the
6 title is an original title, a salvage title, a rebuilt title,
7 remanufactured title, rebodied title ~~or~~, a junked title, or a
8 foreign export title. The type of title shall be identified on the
9 front of the certificate of title. The original title, rebuilt
10 title, remanufactured title, an unrecovered-theft title, rebodied
11 title, foreign export title, or classic title shall be identified by
12 the word "Original", "Rebuilt", "Remanufactured", "Unrecovered
13 Theft", "Rebodied", "Foreign Export", or "Classic" printed in the
14 upper right quadrant of the certificate of title, in the space which
15 is currently captioned "type of title". A rebodied title shall also
16 identify on the front of the title the year, make and model of the
17 originally manufactured vehicle which has been rebodied and display
18 a notation that reads as follows: "This vehicle has been assembled
19 with new major components licensed by the original manufacturer".

20 D. 1. To obtain an original certificate of title for a vehicle
21 that is being registered for the first time in this state which has
22 not been previously registered in any other state, the applicant
23 shall be required to deliver, as evidence of ownership, a
24 manufacturer's certificate of origin properly assigned by the

1 manufacturer, distributor, or dealer licensed in this or any other
2 state shown thereon to be the last transferee to the applicant upon
3 a form to be prescribed and approved by the Tax Commission. A
4 manufacturer's certificate of origin shall contain:

- 5 a. the manufacturer's serial or other identification
6 number,
- 7 b. date on which first sold by the manufacturer to the
8 dealer,
- 9 c. any distinguishing marks including model and the year
10 same was made,
- 11 d. a statement of any security interests upon the
12 vehicle, and
- 13 e. such other information as the Tax Commission may
14 require.

15 2. The manufacturer's certificate of origin shall have the
16 following security features:

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

23 E. In the absence of a dealer's or manufacturer's number, the
24 Tax Commission may assign such identifying number to the vehicle,

1 which shall be permanently stamped, burned or pressed or attached
2 into the vehicle, and a certificate of title shall be delivered to
3 the applicant upon payment of all fees and taxes, and the remaining
4 copies shall be permanently filed and indexed by the Tax Commission.
5 The Tax Commission shall assign an identifying number to any rebuilt
6 vehicle if the vehicle identification number displayed on the
7 rebuilt vehicle does not accurately describe the vehicle as rebuilt.
8 The motor license agent, at the time of inspection of the rebuilt
9 vehicle pursuant to Section 1111 of this title, shall identify the
10 make, model, and year for the body to accurately describe the
11 rebuilt vehicle. At the time of the inspection, an appropriate
12 identifying number shall be permanently stamped, burned, pressed, or
13 attached on the rebuilt vehicle. The assigned identifying number
14 shall be recorded on the certificate of title for the rebuilt
15 vehicle. The dealer's or manufacturer's vehicle identification
16 number on the rebuilt vehicle shall be preserved in the computer
17 files of the Tax Commission for at least five (5) years.

18 F. When registering for the first time in this state a vehicle
19 which was not originally manufactured for sale in the United States,
20 to obtain a certificate of title, the Tax Commission shall require
21 the applicant to deliver:

22 1. As evidence of ownership, if the vehicle has not previously
23 been titled in the United States, the documents constituting valid
24 proof of ownership in the country in which the vehicle was

1 originally purchased, together with a notarized translation of any
2 such documents; and

3 2. As evidence of compliance with federal law, copies of the
4 bond release letters for the vehicle issued by the United States
5 Environmental Protection Agency and the United States Department of
6 Transportation, together with a receipt issued by the Internal
7 Revenue Service indicating that the applicable federal gas guzzler
8 tax has been paid.

9 The Tax Commission shall not issue a certificate of title for a
10 vehicle which is subject to the provisions of this paragraph without
11 the required documentation from agencies of the United States and
12 evidence of ownership. Upon receipt of an application without the
13 required documentation, the Tax Commission shall return the
14 application to the applicant with notice that the certificate of
15 title may not be issued without the required documentation. Nothing
16 in this paragraph shall prohibit the Tax Commission from issuing
17 certificates of title for antique or classic vehicles not driven
18 upon the public streets, roads, or highways, for mini-trucks
19 registered pursuant to Section 1151.3 of this title, or for medium-
20 speed electric vehicles.

21 G. When registering in this state a vehicle which was titled in
22 another state and which title contains the name of a secured party
23 on the face of the other state certificate of title, or such state
24 certificate is being held by the secured party in that state or any

1 other state, the Tax Commission or the motor license agent shall
2 complete a lien entry form as prescribed by the Tax Commission. The
3 owner of such vehicle shall file an affidavit with the Tax
4 Commission or the motor license agent stating that title to the
5 vehicle is being held by a secured party, has not been issued
6 pursuant to the laws of the state where titled, and that there is an
7 existing lien or encumbrance on the vehicle. The current name and
8 address of the secured party or lienholder shall also be stated in
9 the affidavit. The form of the affidavit shall be prescribed by the
10 Tax Commission and contain any other information deemed necessary by
11 the Tax Commission. A statement of the lien or encumbrance shall be
12 included on the Oklahoma certificate of title and the lien or
13 encumbrance shall be deemed continuously perfected as though it had
14 been perfected pursuant to Section 1110 of this title. For
15 completing the lien entry form and recording the security interest
16 on the certificate of title, the Tax Commission or the motor license
17 agent shall collect a fee of Three Dollars (\$3.00) which shall be in
18 addition to other fees provided by the Oklahoma Vehicle License and
19 Registration Act. The fee, if collected by the motor license agent
20 pursuant to this subsection, shall be retained by the motor license
21 agent.

22 H. The charge for each certificate of title issued, except for
23 junked and foreign export titles as defined in ~~paragraph 4 of~~
24 subsection B of this section, shall be Eleven Dollars (\$11.00),

1 which charge shall be in addition to any other fees or taxes imposed
2 by law for such vehicle. One Dollar (\$1.00) of each such charge
3 shall be deposited in the Oklahoma Tax Commission Reimbursement
4 Fund. However, the charge shall not apply to any vehicle which is
5 to be registered in this state pursuant to the provisions of Section
6 1120 or 1133 of this title and which was registered in another state
7 at least sixty (60) days prior to the time it is required to be
8 registered in this state. When an insurer requests a salvage or
9 junk title in the name of the insurer resulting from the settlement
10 of a total loss claim and upon presentation of appropriate proof of
11 loss documentation as required by the Commission, such transfer may
12 be processed as one title transaction, without first requiring
13 issuance of a replacement certificate of title in the name of the
14 vehicle owner. The fee shall be Twenty-two Dollars (\$22.00). Two
15 Dollars (\$2.00) of this fee shall be deposited in the Oklahoma Tax
16 Commission Reimbursement Fund. The charge for a foreign export
17 title shall be One Hundred Dollars (\$100.00), which charge shall be
18 in addition to any other fees or taxes imposed by law for such
19 vehicle. One Dollar (\$1.00) of this fee shall be deposited in the
20 Oklahoma Tax Commission Reimbursement Fund.

21 I. The vehicle identification number of a junked vehicle shall
22 be preserved in the computer files of the Tax Commission for a
23 period of not less than five (5) years. The charge of junked titles
24 as defined in paragraph 4 of subsection B of this section shall be

1 Four Dollars (\$4.00). The fee remitted to the Tax Commission shall
2 be deposited in the Oklahoma Tax Commission Reimbursement Fund.

3 J. If a vehicle is sold to a resident of another state
4 destroyed, dismantled, or ceases to be used as a vehicle, the owner
5 shall immediately notify the Tax Commission. Absent evidence to the
6 contrary, failure to notify the Tax Commission shall be prima facie
7 evidence that the vehicle has been in continuous operation in this
8 state.

9 K. If a vehicle is stolen, the owner shall immediately notify
10 the appropriate law enforcement agency. Immediately after receiving
11 such notification, the law enforcement agency shall notify the Tax
12 Commission.

13 L. Except for all-terrain vehicles, utility vehicles and
14 motorcycles used exclusively for off-road use, no title for an out-
15 of-state vehicle, except any commercial truck or truck-tractor
16 registered pursuant to Section 1120 of this title which is engaged
17 in interstate commerce or any trailer or semitrailer registered
18 pursuant to Section 1133 of this title which is engaged in
19 interstate commerce, or any vehicle titled as a foreign export,
20 shall be issued without an inspection of such vehicle and payment of
21 a fee of Four Dollars (\$4.00) for such inspection; provided, the Tax
22 Commission may enter into reciprocal agreements with other states
23 for such inspections to be performed at locations outside the
24 boundaries of this state for vehicles which:

1 1. Are offered for sale at auction;

2 2. Have been solely used as vehicles for rent under the
3 ownership of a licensed motor vehicle dealer or a person engaged in
4 the business of renting motor vehicles; or

5 3. Have not been registered in this or any other state for more
6 than one (1) year.

7 The inspection shall include a comparison of the vehicle
8 identification number on the vehicle with the number recorded on the
9 ownership records and the recording of the actual odometer reading
10 on the vehicle. An establishment engaged in vehicle rentals as
11 defined or classified in the NAICS Manual under Industry No. 532111,
12 shall be exempt from the inspection required pursuant to this
13 subsection; provided, the establishment shall be required to submit
14 payment of any fees required pursuant to this subsection when the
15 title is issued. The four-dollar fee shall be collected by the
16 motor license agent or Tax Commission when the title is issued. The
17 motor license agent shall retain Two Dollars (\$2.00). The remaining
18 Two Dollars (\$2.00) shall be deposited in the Oklahoma Tax
19 Commission Reimbursement Fund.

20 The Tax Commission may allow the inspection to be performed at a
21 location out-of-state by another state's department of motor
22 vehicles or state police.

23 M. No title for any out-of-state vehicle offered for sale at
24 salvage pools, salvage disposal sales, or an auction, or by a dealer

1 or a licensed automotive dismantler and parts recycler, shall be
2 issued without an inspection to compare the vehicle identification
3 number on the vehicle with the number recorded on the ownership
4 record and to record the actual odometer reading on the vehicle.
5 Upon request of the seller, person or entity conducting an auction,
6 dealer or licensed dismantler, the inspection shall be conducted at
7 the location or place of business of the sale, auction, dealer, or
8 the dismantler. The inspection shall be conducted by any motor
9 license agent or a duly authorized employee thereof; provided, if
10 the vehicle identification number on the vehicle offered for sale at
11 salvage pools, salvage disposal sales or a classic or antique
12 auction does not match the number recorded on the ownership record,
13 the inspection may be conducted at the location of or place of
14 business of such sale or auction by any state, county or city law
15 enforcement officer. The Tax Commission may enter into reciprocal
16 agreements with other states for such inspections to be performed at
17 locations outside the boundaries of this state for vehicles which:
18 1. Are offered for sale at auction;
19 2. Have been solely used as vehicles for rent under the
20 ownership of a licensed motor vehicle dealer or a person engaged in
21 the business of renting motor vehicles; or
22 3. Have not been registered in this or any other state for more
23 than one (1) year.

24

1 The inspection shall be certified upon forms prescribed by the Tax
2 Commission. The name and other identification of the authorized
3 person conducting the inspection shall be legibly printed or typed
4 on the form. Prior to any inspection by any employee of a motor
5 license agent, the motor license agent shall notify the Tax
6 Commission of the name and any other identification information
7 requested by the Tax Commission of the authorized person. A
8 signature specimen of the authorized person shall be submitted to
9 the Tax Commission by the employing motor license agent. If the
10 authorization to inspect vehicles is withdrawn or the employer-
11 employee relationship is terminated, the motor license agent,
12 immediately, shall notify the Tax Commission and return any
13 remaining inspection forms to the Tax Commission. The fee for the
14 inspection shall be Four Dollars (\$4.00). The motor license agent
15 shall retain Three Dollars (\$3.00) of the fee. Fees received by a
16 motor license agent or an authorized employee thereof shall be
17 handled and accounted for in the manner as prescribed by law for any
18 other fees paid to or received by a motor license agent. Out-of-
19 state vehicles brought into this state by a person licensed in
20 another state to sell new or used vehicles to be sold within this
21 state at a motor vehicle auction which is limited to dealer-to-
22 dealer transactions shall not be required to be inspected, unless
23 the vehicle is purchased by an Oklahoma dealer. Any person licensed
24 in another state to sell new or used motor vehicles, who offers a

1 motor vehicle for sale within this state at a motor vehicle auction
2 which is limited to dealer-to-dealer transactions, shall not be
3 within the definition of "owner" in Section 1102 of this title, for
4 purposes of Section 1101 et seq. of this title.

5 N. A licensed motor vehicle dealer, upon payment of a fee of
6 Fifteen Dollars (\$15.00), may reassign an out-of-state certificate
7 of title to a used motor vehicle provided such dealer obtains the
8 appropriate inspection form required by either subsection L or M of
9 this section and attaches the form to the out-of-state certificate
10 of title. Motor license agents shall be allowed to retain Two
11 Dollars and twenty-five cents (\$2.25) of the fee plus an additional
12 Two Dollars (\$2.00) or Three Dollars (\$3.00) as provided in
13 subsections L and M of this section for performance of the
14 inspection. Two Dollars (\$2.00) of the fee shall be deposited in
15 the Tax Commission Reimbursement Fund. An out-of-state vehicle
16 which has been rebuilt shall be inspected pursuant to the provisions
17 of Section 1111 of this title. The Tax Commission shall train motor
18 license agents in interpreting vehicle identification numbers to
19 assure that it accurately describes the vehicle and to detect
20 rollback or alteration of the odometer. Failure of a motor license
21 agent to inspect the vehicle and make the required notations shall
22 be a misdemeanor punishable by a fine of not more than One Thousand
23 Dollars (\$1,000.00) for the first offense and Five Thousand Dollars
24 (\$5,000.00) for the second offense or subsequent offense, or by

1 imprisonment in the county jail for not more than six (6) months, or
2 by both such fine and imprisonment.

3 O. The ownership of any unrecovered vehicle which has been
4 declared a total loss by an insurer because of theft shall be
5 transferred to the insurer by an unrecovered-theft vehicle title;
6 provided, the ownership of any such vehicle which has been declared
7 a total loss by an insurer licensed by the Insurance Department of
8 the State of Oklahoma and maintaining a multi-state motor vehicle
9 salvage processing center in this state shall be transferred to the
10 insurer by a salvage or an unrecovered-theft title without the
11 requirement of a visual inspection of the vehicle identification
12 number by the insurer. Upon recovery of the vehicle, the ownership
13 shall be transferred by an original title, salvage title, or junked
14 title, as may be appropriate based upon an estimate of the amount of
15 loss submitted by the insurer.

16 P. When an insurance company makes a total loss settlement on a
17 total loss vehicle and the insurance company or a salvage pool
18 authorized by the insurance company is unable to obtain the properly
19 endorsed certificate of ownership or other evidence of ownership
20 acceptable to the Oklahoma Tax Commission within thirty (30) days
21 following acceptance by the owner of an offer of an amount in
22 settlement of a total loss, that insurance company or salvage pool,
23 on a form provided by the Oklahoma Tax Commission and signed under
24 penalty of perjury, may request the Oklahoma Tax Commission to issue

1 the applicable salvage title for the vehicle. The request shall
2 include information declaring that the requester has made at least
3 two written attempts to obtain the certificate of ownership or other
4 acceptable evidence of title.

5 Q. The owner of any vehicle which is incapable of operation or
6 use on the public roads and has no resale value, except as parts,
7 scrap or junk, may deliver the certificate of title to the vehicle
8 to the Tax Commission for cancellation. Upon verification that any
9 perfected lien against the vehicle has been released, the
10 certificate of title shall be canceled without any fee, charge, or
11 cost required from the owner. The vehicle identification numbers on
12 the certificates of title shall be preserved in the computer files
13 of the Tax Commission for at least five (5) years from the date of
14 cancellation of the certificate of title. The Tax Commission shall
15 prescribe and provide an affidavit form to be completed by the owner
16 of any vehicle for which the certificate of title is canceled. No
17 title or registration shall subsequently be issued for a vehicle for
18 which the certificate of title has been surrendered pursuant to this
19 subsection. The Tax Commission shall prescribe a form for the
20 transfer of ownership of a vehicle for which the certificate of
21 title has been canceled.

22 R. The owner of a vehicle which is not within the last ten (10)
23 model years, not roadworthy and not capable of repair for operation
24 or use on the roads and highways, or a vehicle which is being sold

1 to a scrap metal dealer pursuant to Section 11-92 of Title 2 of the
2 Oklahoma Statutes, shall transfer the vehicle only upon a
3 certificate of ownership prescribed by the Tax Commission, if the
4 certificate of title to the vehicle is lost, has been canceled, or
5 otherwise not available. The prescribed ownership form shall
6 include the names and addresses of the buyer and seller, the driver
7 license number or social security number of the seller, the make and
8 model of the vehicle, and the public vehicle identification number.
9 If there is no public vehicle identification number, the vehicle
10 shall be inspected by a law enforcement officer to verify the
11 absence of the number on the vehicle and the prescribed ownership
12 form shall include a signed statement, by such officer, verifying
13 the absence of the number.

14 The certificate of ownership shall be completed in triplicate.
15 The buyer and seller shall each retain a copy. Within thirty (30)
16 days of the transaction, the seller shall submit one copy to the Tax
17 Commission or a motor license agent accompanied with a fee of Four
18 Dollars (\$4.00). One Dollar (\$1.00) shall be retained by the motor
19 license agent and Three Dollars (\$3.00) shall be deposited in the
20 Oklahoma Tax Commission Reimbursement Fund in the State Treasury.

21 Upon receipt of the certificate, the Tax Commission shall verify
22 that any perfected lien upon the vehicle has been released. If the
23 lien is not released, the Tax Commission shall mail notice of the
24 transfer to the lienholder at the lienholder's last-known address.

1 If a certificate of title has been issued, it shall be canceled and
2 the vehicle identification number shall be preserved in the computer
3 of the Tax Commission for at least five (5) years. The buyer of the
4 vehicle may not be sued and shall not be liable for monetary damages
5 to the lienholder, however, the vehicle shall be subject to a valid
6 repossession by a lienholder.

7 S. The Tax Commission shall notify the chief administrative
8 officer of the agency or department responsible for issuing motor
9 vehicle certificates of title in each state in the United States of
10 the types of motor vehicle certificate of title effective in
11 Oklahoma on and after January 1, 1989.

12 T. When registering for the first time in this state a
13 remanufactured vehicle which has not been registered in any other
14 state since its remanufacture, before issuing a certificate of
15 title, the Tax Commission shall require the applicant to deliver a
16 statement of origin from the remanufacturer.

17 U. If a vehicle is sold to a foreign buyer pursuant to the
18 provisions of the Automotive Dismantlers and Parts Recycler Act, the
19 licensed seller shall stamp the title with: "EXPORT ONLY.
20 NONTRANSFERABLE IN THE UNITED STATES." The licensed seller shall
21 supply the Tax Commission the title number, the vehicle
22 identification number and the foreign buyer's bid identification
23 number on a form prescribed by the Tax Commission. The Tax
24 Commission shall cancel the title, and the vehicle identification

1 number shall be preserved in the computer files of the Tax
2 Commission for a period of not less than five (5) years.

3 V. The Tax Commission shall not be considered a necessary party
4 to any lawsuit which is instigated for the purpose of determining
5 ownership of a vehicle, wherein the Tax Commission's only
6 involvement would be to issue title, and the court shall issue an
7 order dismissing the Tax Commission from the pending action. In the
8 event no other party or lienholder can be identified as to ownership
9 or claim, the Tax Commission shall accept an affidavit of ownership
10 from the party claiming ownership and issue proper title thereon.

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

12 SECTION 4. It being immediately necessary for the preservation
13 of the public peace, health or safety, an emergency is hereby
14 declared to exist, by reason whereof this act shall take effect and
15 be in full force from and after its passage and approval.

16 59-1-5157 AQH 11/07/22
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