

1 STATE OF OKLAHOMA

2 2nd Session of the 57th Legislature (2020)

3 HOUSE BILL 3127

By: Hill

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5
6 AS INTRODUCED

7 An Act relating to motor vehicles; amending 47 O.S.
8 2011, Section 7-602, as last amended by Section 3,
Chapter 74, O.S.L. 2017 (47 O.S. Supp. 2019, Section
9 7-602), which relates to online verification system;
10 disallowing the charge of certain fee; amending 47
O.S. 2011, Section 1140, as last amended by Section
11 2, Chapter 195, O.S.L. 2019 (47 O.S. Supp. 2019,
Section 1140), which relates to motor license agents;
12 providing certain discretion to Tax Commission;
amending 47 O.S. 2011, Section 1141.1, as amended by
13 Section 4, Chapter 158, O.S.L. 2012 (47 O.S. Supp.
2019, Section 1141.1), which relates to retention of
14 taxes and fees; disallowing the charge of certain
15 fee; and providing an effective date.

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

18 SECTION 1. AMENDATORY 47 O.S. 2011, Section 7-602, as
19 last amended by Section 3, Chapter 74, O.S.L. 2017 (47 O.S. Supp.
20 2019, Section 7-602), is amended to read as follows:

21 Section 7-602. A. 1. The owner of a motor vehicle registered
22 in this state shall carry in the vehicle at all times a current
23 owner's security verification form listing the vehicle or an
24 equivalent form which has been issued by the Department of Public

1 Safety, and the operator of the vehicle shall produce the form upon
2 request for inspection by any law enforcement officer or
3 representative of the Department and, in case of an accident, the
4 form shall be shown upon request to any person affected by the
5 accident.

6 2. a. Every person registering a motor vehicle in this
7 state, except a motor vehicle which is not being used
8 upon the public highways or public streets, or a
9 manufactured home while on a permanent foundation, at
10 the time of registration of the vehicle, shall certify
11 the existence of security with respect to the vehicle
12 by providing to a motor license agent or other
13 registering agency necessary information from the
14 current owner's security verification in a manner that
15 allows verification of coverage through the online
16 verification system. The information shall include
17 the name or number issued by the National Association
18 of Insurance Commissioners of the current insurance
19 carrier authorized to do business in this state and
20 the policy number applicable to the vehicle being
21 registered. A motor license agent or other
22 registering agency shall require the submission of the
23 form or other verifying information prior to
24 processing an application for registration or renewal.

1 b. Every motor license agent or other registering agency
2 shall use the online verification system to certify
3 the existence of security with respect to the vehicle
4 from an insurance carrier authorized to do business in
5 this state unless the online verification system is
6 not online or the required information is otherwise
7 not available. In such a case, the license agent or
8 other registering agency may accept verification as
9 provided in subparagraph a of this paragraph or from a
10 licensed insurance producer or customer service
11 representative to certify the existence of the
12 required insurance prior to processing any application
13 for motor vehicle registration. Every motor license
14 agent or other registering agent shall allow
15 submission of proof from a licensed insurance producer
16 or customer service representative pursuant to this
17 subparagraph via electronic mail at no additional cost
18 to the person registering the vehicle.

19 3. Fleet vehicles operating under the authority of the
20 Corporation Commission, the Federal Highway Administration, or
21 vehicles registered pursuant to the provisions of Section 1120 of
22 this title, shall certify the existence of security with respect to
23 each vehicle at the time of registration by submitting one of the
24 following:

- 1 a. a current owner's security verification form verifying
2 the existence of security as required by the
3 Compulsory Insurance Law, or
4 b. a permit number verified by the Corporation Commission
5 indicating the existence of a current liability
6 insurance policy. Provided, in the event the
7 Corporation Commission is unable to verify the
8 existence of insurance as provided herein in a prompt
9 and timely fashion, the Corporation Commission may
10 accept a current single state registration form issued
11 by the Corporation Commission or any other regulating
12 entity with which the Corporation Commission has
13 entered into a reciprocal compact or agreement
14 regarding the regulation of motor vehicles engaged in
15 interstate or foreign commerce upon and over the
16 public highways.

17 4. The following shall not be required to carry an owner's or
18 operator's security verification form or an equivalent form from the
19 Department of Public Safety during operation of the vehicle and
20 shall not be required to surrender a security verification form for
21 vehicle registration purposes:

- 22 a. any vehicle owned or leased by the federal or state
23 government, or any agency or political subdivision
24 thereof,

1 b. any vehicle bearing the name, symbol, or logo of a
2 business, corporation or utility on the exterior and
3 which is in compliance with the provisions of the
4 Compulsory Insurance Law according to records of the
5 Corporation Commission which reflect a deposit or
6 fleet policy,

7 c. fleet vehicles maintaining current vehicle liability
8 insurance as required by the Corporation Commission or
9 any other regulating entity,

10 d. any licensed taxicab, and

11 e. any vehicle owned by a licensed used motor vehicle
12 dealer.

13 5. Any person who knowingly issues or promulgates false or
14 fraudulent information in connection with either an owner's or
15 operator's security verification form or an equivalent form which
16 has been issued by the Department of Public Safety shall be guilty
17 of a misdemeanor and upon conviction shall be subject to a fine not
18 exceeding Five Hundred Dollars (\$500.00), or imprisonment for not
19 more than six (6) months, or by both such fine and imprisonment.

20 B. ~~Each~~ Except for registration renewal transactions completed
21 through an online system pursuant to the Oklahoma Vehicle License
22 and Registration Act, each motor license agent is authorized to
23 charge a fee of One Dollar and fifty cents (\$1.50) to each person to
24 whom the agent issues a certificate of registration and who is

1 required to surrender proof of financial responsibility, or for whom
2 the motor license agent certifies the existence of financial
3 responsibility through an authorized online certification system,
4 pursuant to the provisions of the Compulsory Insurance Law. The fee
5 may be retained by the agent as compensation for services in
6 processing the proof of financial responsibility and for processing
7 the driver license information, insurance verification information,
8 and other additional information furnished to the agent pursuant to
9 Section 1112 of this title, if such agent does not receive the
10 maximum compensation as authorized by law.

11 SECTION 2. AMENDATORY 47 O.S. 2011, Section 1140, as
12 last amended by Section 2, Chapter 195, O.S.L. 2019 (47 O.S. Supp.
13 2019, Section 1140), is amended to read as follows:

14 Section 1140. A. The Oklahoma Tax Commission shall adopt rules
15 prescribing minimum qualifications and requirements for locating
16 motor license agencies and for persons applying for appointment as a
17 motor license agent. Such qualifications and requirements shall
18 include, but not be limited to, the following:

- 19 1. Necessary job skills and experience;
- 20 2. Minimum office hours;
- 21 3. Provision for sufficient staffing, equipment, office space
22 and parking to provide maximum efficiency and maximum convenience to
23 the public;

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- 1 4. Obtainment of a faithful performance surety bond as provided
2 for by law;
- 3 5. In counties with a population in excess of thirty thousand
4 (30,000) persons according to the latest Federal Decennial Census, a
5 requirement that operation of a motor license agency be the primary
6 source of income for the agent;
- 7 6. That the applicant has not been convicted of a felony and
8 that no felony charges are pending against the applicant;
- 9 7. That a complete financial statement be submitted by the
10 applicant on forms provided by the Tax Commission;
- 11 8. That a report of the applicant's credit history be obtained
12 through the appropriate credit bureau; and
- 13 9. That the location specified in the application for
14 appointment as a motor license agent not be owned by a member of the
15 Oklahoma Tax Commission or an employee of the Oklahoma Tax
16 Commission or any person related to a member of the Oklahoma Tax
17 Commission or an employee of the Tax Commission within the third
18 degree by consanguinity or affinity and that the location not be
19 within a three-mile radius of an existing motor license agency
20 unless the applicant is assuming the location of an operating
21 agency. If the applicant is assuming the location of an existing or
22 operating agency, the current agent may submit a letter of
23 resignation contingent upon the appointment of the applicant
24 regardless of the population of the municipality in which the agency

1 is located. The Tax Commission may, at its discretion, approve the
2 relocation of an existing agency within a three-mile radius of
3 another existing agency only if a naturally intervening geographic
4 barrier within that radius causes the locations to be separated by
5 not less than three (3) miles of roadway by the most direct route.

6 B. After the necessary information has been forwarded to the
7 Tax Commission, the Tax Commission or its designees may select
8 applicants to be interviewed and each item of information shall be
9 reviewed.

10 Any person making application to the Tax Commission for the
11 purpose of becoming a motor license agent shall pay when submitting
12 the application, a nonrefundable application fee of One Hundred
13 Dollars (\$100.00). All such application fees shall be deposited in
14 the Oklahoma Tax Commission Revolving Fund.

15 C. Upon application by a person to serve as a motor license
16 agent, in such counties, the Tax Commission is authorized to make a
17 determination whether such person and such location meets the
18 qualifications and requirements prescribed herein and, if such be
19 the case, may appoint such person to serve as a motor license agent.

20 D. A motor license agent, appointed pursuant to this ~~subsection~~
21 section, shall be permitted to operate a motor license agency at a
22 single location and shall be prohibited from operating subagencies
23 or branch agencies.

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1 Motor license agents appointed pursuant to this section shall be
2 subject to all laws relating to motor license agents and shall be
3 subject to removal at the will of the Tax Commission.

4 The Tax Commission shall appoint as many motor license agents as
5 it deems necessary to carry out the provisions of the Motor Vehicle
6 License and Registration Act. Provided, that in counties with a
7 population in excess of twenty-five thousand (25,000) persons,
8 according to the latest Federal Decennial Census, having only one
9 motor license agent serving the county, the Tax Commission ~~shall~~ may
10 establish at least one additional agency to serve the county.

11 E. All motor license agents shall be self-employed independent
12 contractors and shall be under the supervision of the Tax
13 Commission; provided, any agent authorized to issue registrations
14 pursuant to the International Registration Plan shall also be under
15 the supervision of the Corporation Commission, subject to rules
16 promulgated by the Corporation Commission pursuant to the provisions
17 of subsection E of Section 1166 of this title. Any such agent, upon
18 being appointed, shall furnish and file with the Tax Commission a
19 bond in such amount as may be fixed by the Tax Commission. Such
20 agent shall be removable at the will of the Tax Commission. Such
21 agent shall perform all duties and do such things in the
22 administration of the laws of this state as shall be enjoined upon
23 and required by the Tax Commission or the Corporation Commission.

1 Provided, the Tax Commission may operate a motor license agency in
2 any county where a vacancy occurs.

3 F. In the event of a vacancy existing by reason of resignation,
4 removal, death or otherwise, in the position of any motor license
5 agent, the Tax Commission is hereby empowered and authorized to take
6 any and all actions it deems appropriate in order to provide for the
7 orderly transition and for the maintenance of operations of the
8 motor license agency including but not limited to the designation of
9 one of its regular employees to serve as "acting agent" without
10 bond, and to receive and expend all fees or charges authorized or
11 provided by law and exercise the same powers and authority as a
12 regularly appointed motor license agent. An acting agent may be
13 authorized by the Tax Commission equally as the preceding agent to
14 make disbursements from any balances in the preceding motor license
15 agent's operating account and the agent's operating funds for the
16 payment of expenses of operations and salaries and other overhead.
17 If such funds are insufficient, the Tax Commission is authorized to
18 expend from funds appropriated for the operation of the Tax
19 Commission such amounts as are necessary to maintain and continue
20 the operation of any such motor license agency until a successor
21 agent is appointed and qualified. The Tax Commission may require a
22 blanket fiduciary bond of the agency employees.

23 G. Any motor license agency operated by a motor license agent
24 who has been charged with a felony shall be closed immediately. The

1 Tax Commission shall determine whether the motor license agency
2 shall be reopened and operated by the motor license agent. The
3 determination shall be effected as soon as possible to prevent
4 additional inconvenience to the public.

5 H. When an application for registration is made with the Tax
6 Commission, Corporation Commission or a motor license agent, a
7 registration fee of One Dollar and seventy-five cents (\$1.75) shall
8 be collected for each license plate or decal issued. Such fees
9 shall be in addition to the registration fees on motor vehicles and
10 when an application for registration is made to the motor license
11 agent such motor license agent shall retain a fee as provided in
12 Section 1141.1 of this title. When the fee is paid by a person
13 making application directly with the Tax Commission or Corporation
14 Commission, as applicable, the registration fees shall be in the
15 same amount as provided for motor license agents and the fee
16 provided by Section 1141.1 of this title shall be deposited in the
17 Oklahoma Tax Commission Revolving Fund or as provided in Section
18 1167 of this title, as applicable. The Tax Commission shall prepare
19 schedules of registration fees and charges for titles which shall
20 include the fees for such agents and all fees and charges paid by a
21 person shall be listed separately on the application and
22 registration and totaled on the application and registration. The
23 motor license agents shall charge only such fees as are specifically
24 provided for by law, and all such authorized fees shall be posted in

1 such a manner that any person shall have notice of all fees that are
2 imposed by law.

3 I. No person shall be appointed as a motor license agent unless
4 the person has attested under oath that the person is not related by
5 affinity or consanguinity within the third degree to:

- 6 1. Any member of the Oklahoma Tax Commission; or
- 7 2. Any employee of the Tax Commission.

8 J. Any motor license agent appointed under the provisions of
9 this title shall be responsible for all costs incurred by the Tax
10 Commission when relocating an existing motor license agency. The
11 Tax Commission may waive payment of such costs in case of unforeseen
12 business or emergency conditions beyond the control of the agent.

13 SECTION 3. AMENDATORY 47 O.S. 2011, Section 1141.1, as
14 amended by Section 4, Chapter 158, O.S.L. 2012 (47 O.S. Supp. 2019,
15 Section 1141.1), is amended to read as follows:

16 Section 1141.1 A. Each motor license agent shall be entitled
17 to retain the following amounts from the taxes and fees collected by
18 such agent to be used to fund the operation of the office of such
19 motor license agent subject to the provisions of Sections 1140
20 through 1147 of this title:

- 21 1. Beginning July 1, 2005, Two Dollars and eighty-one cents
22 (\$2.81) for each vehicle registered and for each special license
23 plate issued pursuant to the Oklahoma Vehicle License and
24 Registration Act. Beginning July 1, 2006, and thereafter, Three

1 Dollars and fifty-six cents (\$3.56) for each vehicle registered and
2 for each special license plate issued pursuant to the Oklahoma
3 Vehicle License and Registration Act;

4 2. One Dollar and twenty-five cents (\$1.25) for each
5 certificate of title issued for boats and motors pursuant to the
6 Oklahoma Statutes;

7 3. For each certificate of registration issued for boats and
8 motors pursuant to the Oklahoma Statutes, an amount determined
9 pursuant to the provisions of subsection B of this section;

10 4. Two Dollars and twenty-five cents (\$2.25) for each
11 certificate of title issued pursuant to the Oklahoma Vehicle License
12 and Registration Act. Provided, the fee retention amount for
13 certificates of title issued pursuant to the provisions of
14 subsection H of Section 1105 of this title, in which an insurer pays
15 the optional twenty-two-dollar-fee amount, is Four Dollars and fifty
16 cents (\$4.50);

17 5. Beginning October 1, 2000, three percent (3%) of the vehicle
18 excise tax collected pursuant to Section 2103 of Title 68 of the
19 Oklahoma Statutes. Beginning July 1, 2001, each motor license agent
20 shall be entitled to retain three and one hundred twenty-five one-
21 thousandths percent (3.125%) of the vehicle excise tax collected
22 pursuant to Section 2103 of Title 68 of the Oklahoma Statutes.
23 Beginning July 1, 2002, and for all subsequent years, each motor
24 license agent shall be entitled to retain three and twenty-five one-

1 hundredths percent (3.25%) of the vehicle excise tax collected
2 pursuant to Section 2103 of Title 68 of the Oklahoma Statutes.
3 However, beginning July 1, 2003, the Legislature shall annually
4 review the percentage to be retained by the motor license agents
5 pursuant to this paragraph to determine whether such percentage
6 should be adjusted;

7 6. Four percent (4%) of the excise tax collected on the
8 transfer of boats and motors pursuant to the Oklahoma Statutes;

9 7. Two Dollars (\$2.00) for each driver license, endorsement,
10 identification license, or renewal or duplicate issued pursuant to
11 Section 6-101 et seq. of this title;

12 8. Two Dollars (\$2.00) for the recording of security interests
13 as provided in Section 1110 of this title;

14 9. Two Dollars (\$2.00) for each inspection conducted pursuant
15 to subsection L of Section 1105 of this title;

16 10. Three Dollars (\$3.00) for each inspection conducted
17 pursuant to subsection M of Section 1105 of this title;

18 11. One Dollar (\$1.00) for each certificate of ownership filed
19 pursuant to subsection R of Section 1105 of this title;

20 12. One Dollar (\$1.00) for each temporary permit issued
21 pursuant to Section 1124 of this title;

22 13. One Dollar and fifty cents (\$1.50) for processing each
23 proof of financial responsibility, driver license information,
24 insurance verification information, and other additional information

1 as provided in Section 7-602 of this title, except for registration
2 renewal transactions completed through an online system pursuant to
3 the Oklahoma Vehicle License and Registration Act;

4 14. The mailing fees and registration fees provided in Sections
5 1131 and 1140 of this title;

6 15. The notary fee provided in Section 1143 of this title;

7 16. Three Dollars (\$3.00) for each lien entry form completed
8 and recorded on a certificate of title pursuant to subsection G of
9 Section 1105 of this title;

10 17. Seven Dollars (\$7.00) for each notice of transfer as
11 provided by subsection B of Section 1107.4 of this title;

12 18. Seven Dollars (\$7.00) for each certificate of title or each
13 certificate of registration issued for repossessed vehicles pursuant
14 to Section 1126 of this title;

15 19. Any amount specifically authorized by law to be retained by
16 the motor license agent for the furnishing of a summary of a traffic
17 record; and

18 20. Beginning July 1, 2009, each motor license agent shall also
19 be entitled to a portion of the penalties for delinquent
20 registration or payment of excise tax as provided for in subsection
21 C of Section 1115, subsection F of Section 1132 and subsection C of
22 Section 1151 of this title and of subsection A of Section 2103 of
23 Title 68 of the Oklahoma Statutes.

1 The balance of the funds collected shall be remitted to the
2 Oklahoma Tax Commission as provided in Section 1142 of this title to
3 be apportioned pursuant to Section 1104 of this title.

4 B. For each certificate of registration issued for boats and
5 motors, each motor license agent shall be entitled to retain the
6 greater of One Dollar and twenty-five cents (\$1.25) or an amount to
7 be determined by the Tax Commission according to the provisions of
8 this subsection. At the end of fiscal year 1997 and each fiscal
9 year thereafter, the Tax Commission shall compute the average amount
10 of registration fees for all boats and motors registered in this
11 state during the fiscal year and shall multiply the result by six
12 and twenty-two one-hundredths percent (6.22%). The resulting
13 product shall be the amount which may be retained by each motor
14 license agent for each certificate of registration for boats and
15 motors issued during the following calendar year.

16 SECTION 4. This act shall become effective November 1, 2020.

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