

1 ENGROSSED HOUSE
2 BILL NO. 3663

By: Kannady, Kerbs, Davis and
Hill of the House

3 and

4 Hall of the Senate

5
6
7 An Act relating to motor vehicles; amending 47 O.S.
8 2011, Section 1140, as last amended by Section 2,
9 Chapter 195, O.S.L. 2019 (47 O.S. Supp. 2019, Section
10 1140), which relates to motor license agents;
11 modifying basis for removal of motor license agents;
12 providing that motor license agents are subject to
13 removal for cause by the Oklahoma Tax Commission;
14 providing definition; prohibiting removal for
15 exercise of free speech; providing procedure for
16 removal; requiring that removal be reviewed by
17 Commissioners; requiring notice; authorizing hearing;
18 providing for presentation of evidence; creating
19 right to appeal; and providing an effective date.

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

21 SECTION 1. AMENDATORY 47 O.S. 2011, Section 1140, as
22 last amended by Section 2, Chapter 195, O.S.L. 2019 (47 O.S. Supp.
23 2019, Section 1140), is amended to read as follows:

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

- 1 1. Necessary job skills and experience;
- 2 2. Minimum office hours;
- 3 3. Provision for sufficient staffing, equipment, office space
4 and parking to provide maximum efficiency and maximum convenience to
5 the public;
- 6 4. Obtainment of a faithful performance surety bond as provided
7 for by law;
- 8 5. In counties with a population in excess of thirty thousand
9 (30,000) persons according to the latest Federal Decennial Census, a
10 requirement that operation of a motor license agency be the primary
11 source of income for the agent;
- 12 6. That the applicant has not been convicted of a felony and
13 that no felony charges are pending against the applicant;
- 14 7. That a complete financial statement be submitted by the
15 applicant on forms provided by the Tax Commission;
- 16 8. That a report of the applicant's credit history be obtained
17 through the appropriate credit bureau; and
- 18 9. That the location specified in the application for
19 appointment as a motor license agent not be owned by a member of the
20 Oklahoma Tax Commission or an employee of the Oklahoma Tax
21 Commission or any person related to a member of the Oklahoma Tax
22 Commission or an employee of the Tax Commission within the third
23 degree by consanguinity or affinity and that the location not be
24 within a three-mile radius of an existing motor license agency

1 unless the applicant is assuming the location of an operating
2 agency. If the applicant is assuming the location of an existing or
3 operating agency, the current agent may submit a letter of
4 resignation contingent upon the appointment of the applicant
5 regardless of the population of the municipality in which the agency
6 is located. The Tax Commission may, at its discretion, approve the
7 relocation of an existing agency within a three-mile radius of
8 another existing agency only if a naturally intervening geographic
9 barrier within that radius causes the locations to be separated by
10 not less than three (3) miles of roadway by the most direct route.

11 B. After the necessary information has been forwarded to the
12 Tax Commission, the Tax Commission or its designees may select
13 applicants to be interviewed and each item of information shall be
14 reviewed.

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

20 C. Upon application by a person to serve as a motor license
21 agent, in such counties, the Tax Commission is authorized to make a
22 determination whether such person and such location meets the
23 qualifications and requirements prescribed herein and, if such be
24 the case, may appoint such person to serve as a motor license agent.

1 D. A motor license agent, appointed pursuant to this
2 subsection, shall be permitted to operate a motor license agency at
3 a single location and shall be prohibited from operating subagencies
4 or branch agencies.

5 Motor license agents appointed pursuant to this section shall be
6 subject to all laws relating to motor license agents and shall be
7 subject to removal ~~at the will of~~ for cause by the Tax Commission.

8 For the purposes of this section, "for cause" shall be defined
9 as follows:

10 1. Repeated violations of written rules, regulations, and
11 statutes pertaining to motor license agents after written warning by
12 the Tax Commission and an opportunity to correct such violations;

13 2. Failure of the motor license agent to promptly remit funds
14 owed to the Tax Commission upon written demand;

15 3. Being charged with a felony crime involving dishonesty or
16 moral turpitude;

17 4. Failure to timely file state and federal income tax returns;
18 and

19 5. Any act of official misconduct as set forth in Section 93 of
20 Title 51 of the Oklahoma Statutes.

21 Under no circumstances shall a motor license agent be removed
22 for exercising his or her right of free speech as guaranteed by
23 Section 22 of Article II of the Oklahoma Constitution or the First
24 Amendment of the United States Constitution.

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

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

23 F. In the event of a vacancy existing by reason of resignation,
24 removal, death or otherwise, in the position of any motor license

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

19 G. ~~Any motor license agency operated by a motor license agent~~
20 ~~who has been charged with a felony shall be closed immediately. The~~
21 ~~Tax Commission shall determine whether the motor license agency~~
22 ~~shall be reopened and operated by the motor license agent. The~~
23 ~~determination shall be effected as soon as possible to prevent~~
24 ~~additional inconvenience to the public. In the event that the Tax~~

1 Commission determines by a vote of the majority of the Commissioners
2 that sufficient grounds exist to remove a motor license agent from
3 his or her position, the Tax Commission shall cause written notice,
4 stating with specificity upon which grounds the Tax Commission seeks
5 removal, to be served upon the motor license agent by certified
6 mail. The motor license agent may, within ten (10) days of the
7 receipt of the notice, request a hearing before the Tax Commission
8 to dispute the removal. Such hearing shall be held within thirty
9 (30) days of the request by the motor license agent. The motor
10 license agent shall be allowed to present evidence, call witnesses,
11 and present testimony regarding the written allegations. Such
12 hearing shall be conducted pursuant to the provisions of the
13 Oklahoma Administrative Procedures Act. If, after the conclusion of
14 the hearing, the Tax Commission determines that the motor license
15 agent shall be removed, the Tax Commission shall make a written
16 order to include the specific findings of fact and conclusions of
17 law upon which the determination was based. This written order
18 shall be provided to the motor license agent within ten (10) days of
19 the conclusion of the hearing.

20 The motor license agent shall have the right to judicial review
21 of the order of the Tax Commission. Proceedings for review shall be
22 instituted by filing a petition in the district court of the county
23 in which the party seeking review decides or, at the option of such
24 party, where the affected property interest is situated, within

1 thirty (30) days after the petitioner is notified of the final order
2 as provided by Section 312 of Title 75 of the Oklahoma Statutes.
3 The petition shall name as respondents the Tax Commission and any
4 other parties as allowed by law. The district court shall review
5 the final order of the Tax Commission de novo. In the event that
6 the district court determines that the removal proceeding brought by
7 the Tax Commission was frivolous, the court may order that the
8 petitioner be entitled to recover any court costs, witness fees, and
9 reasonable attorney fees from the Tax Commission.

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

1 include the fees for such agents and all fees and charges paid by a
2 person shall be listed separately on the application and
3 registration and totaled on the application and registration. The
4 motor license agents shall charge only such fees as are specifically
5 provided for by law, and all such authorized fees shall be posted in
6 such a manner that any person shall have notice of all fees that are
7 imposed by law.

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

- 11 1. Any member of the Oklahoma Tax Commission; or
- 12 2. Any employee of the Tax Commission.

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

18 SECTION 2. This act shall become effective November 1, 2020.

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1 Passed the House of Representatives the 2nd day of March, 2020.

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3 _____
4 Presiding Officer of the House
of Representatives

5 Passed the Senate the ____ day of _____, 2020.

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9 Presiding Officer of the Senate