

1 ENGROSSED SENATE  
2 BILL NO. 241

By: Fields of the Senate

3 and

4 Williams of the House

5  
6 [ Oklahoma Vessel and Motor Registration Act -  
7 optional annual registration of canoes - fee amount -  
8 construing provision - licensed dealers -  
9 codification - effective date ]

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

11 SECTION 1. AMENDATORY 63 O.S. 2011, Section 4002, as  
12 amended by Section 1, Chapter 323, O.S.L. 2012 (63 O.S. Supp. 2014,  
13 Section 4002), is amended to read as follows:

14 Section 4002. As used in the Oklahoma Vessel and Motor  
15 Registration Act:

16 1. "Boat livery" means a business establishment engaged in  
17 renting or hiring out vessels for profit;

18 2. "Canoe" means a light ~~narrow~~, slender boat with ~~both ends~~  
19 ~~sharp and which is~~ pointed ends, propelled by ~~paddling~~ paddles and  
20 includes similar craft such as kayaks;

21 3. "Certificate of documentation" means a document issued by  
22 the United States Coast Guard which is legal proof of ownership of a  
23 vessel;

24

1       4. "Certificate of registration" means a document which is  
2 legal proof of registration of a vessel or motor;

3       5. "Certificate of title" means a document which is proof of  
4 legal ownership of a vessel and/or motor;

5       6. "Commission" means:

- 6           a. the Oklahoma Tax Commission, or
- 7           b. the equivalent vessel registration and licensing  
8               agency of a federally recognized Indian tribe in this  
9               state;

10       7. "Dealer" means any person engaged in the business of  
11 selling, trading, renting with option to purchase, or attempting to  
12 negotiate or negotiating sales or exchanges of interests in new or  
13 used vessels or motors, or new and used vessels or motors, or any  
14 combination thereof;

15       8. "Dealer agreement" means the agreement, authorization or  
16 written contract between a manufacturer and distributor and a new  
17 vessel dealer which purports to establish the legal rights and  
18 obligations of the parties to the agreement, authorization or  
19 written contract with regard to the purchase and sale of new vessels  
20 or new motors;

21       9. "Designated successor" means one or more persons nominated  
22 by the new vessel dealer, in a written document filed by the dealer  
23 with the manufacturer or distributor at the time the dealer  
24 agreement is executed, to succeed the dealer in the event of the

1 dealer's death or incapacity. If a designated successor is not able  
2 to succeed the new vessel dealer because of the designated  
3 successor's death or legal incapacity, the dealer shall execute a  
4 new document nominating a designated successor within sixty (60)  
5 calendar days after the date of the death or incapacity;

6 10. "Distributor" means a person, resident or nonresident, who  
7 in whole or in part offers for sale, sells, or distributes a new  
8 vessel or new motor to a new vessel dealer or who maintains a  
9 factory representative, resident or nonresident, or who controls a  
10 person, resident or nonresident, who in whole or in part offers for  
11 sale, sells, or distributes a new vessel or new motor to a new  
12 vessel dealer;

13 11. "Distributor branch" means a branch office similarly  
14 maintained by a distributor or wholesaler for the same purposes a  
15 factory branch is maintained;

16 12. "Distributor representative" means any person, firm,  
17 association, corporation or trust and each officer and employee  
18 thereof engaged as a representative of a distributor or distributor  
19 branch of vessels or motors, for the purpose of making or promoting  
20 the sale of his or her, its or their vessels or motors, or for  
21 supervising or contacting his, its or their dealers or prospective  
22 dealers;

23 13. "Documented vessel" means any vessel in this state which  
24 shall have and carry on board the original certificate of

1 documentation in legible form as issued by the United States Coast  
2 Guard or federal agency successor thereto. All documented vessels  
3 shall be required to display a current State of Oklahoma annual  
4 registration decal;

5 14. "Factory branch" means a branch office maintained by a  
6 person, firm, association, corporation or trust who manufactures or  
7 assembles vessels or motors for the sale of vessels or motors to  
8 distributors, or for the sale of vessels or motors to dealers, or  
9 for directing or supervising, in whole or in part, its  
10 representatives;

11 15. "Factory representative" means any person, firm,  
12 association, corporation or trust and each officer and employee  
13 thereof engaged as a representative of a manufacturer of vessels or  
14 motors or by a factory branch, for the purpose of making or  
15 promoting the sale of his, her, its or their vessels or motors, or  
16 for supervising or contacting his, its or their dealers or  
17 prospective dealers;

18 16. "Hull identification number" means the serial number  
19 affixed to the outside of the hull of a vessel on the upper  
20 starboard side (right) corner of the transom (back wall) which is  
21 assigned by the manufacturer or the Commission;

22 17. "Inboard motor" means an internal combustion engine mounted  
23 inside a vessel which provides the transfer of power to move a  
24 vessel through the water;

1 18. "Inboard/outboard motor" means an internal combustion  
2 engine mounted inside a vessel and an external stern drive attached  
3 through the transom of the vessel providing the transfer of power to  
4 move the vessel through the water;

5 19. "John boat" means a narrow, flat bottomed square-ended boat  
6 propelled by a pole, paddle or a motor less than ten (10)  
7 horsepower;

8 20. "Lifeboat" means a vessel carried on another vessel in  
9 excess of sixty-five (65) feet for use if such other vessel has to  
10 be abandoned;

11 21. "Manufacturer" means a person who manufactures or assembles  
12 new vessels or new motors, or a distributor, factory branch, or  
13 factory representative;

14 22. "Motor" means any internal combustion engine mounted at the  
15 stern of a vessel or placed inside a vessel which provides the  
16 transfer of power to move the vessel through the water;

17 23. "New vessel dealer" means a person who holds a dealer  
18 agreement granted by a manufacturer or distributor for the sale of  
19 the manufacturer's or distributor's vessels or motors, who is  
20 engaged in the business of purchasing, selling, exchanging, or  
21 dealing in new vessels or new motors, and who has an established  
22 place of business;

23 24. "Operate" means to navigate or be in actual physical  
24 control of a vessel or otherwise use a vessel or motor;

1        25. "Outboard motor" means an internal combustion engine  
2 capable of being externally mounted at the stern of a vessel which  
3 provides the transfer of power to move a vessel through the water;

4        26. "Owner" means a person, other than a lienholder, having a  
5 property interest in or title to a vessel or motor. The term  
6 includes a person entitled to the use or possession of a vessel or  
7 motor subject to an interest in another person, reserved or created  
8 by agreement and securing payment or performance of an obligation,  
9 but the term excludes a lessee under a lease not intended as  
10 security;

11       27. "Paddleboat" means a boat less than eight (8) feet in  
12 length designed to be propelled solely by human power through a  
13 belt, chain or gears;

14       28. "Permanent number" means the distinctive and unique number  
15 which:

16           a. the Commission permanently assigns to a vessel,  
17               irrespective of any change of ownership of said  
18               vessel. The permanent number shall begin with the  
19               letters "OK", followed by four numerals, and then  
20               followed by two letters, or

21           b. any federally recognized Indian tribe in this state  
22               assigns to a vessel;

23        provided, the number is configured as prescribed in 33 C.F.R.,  
24 Parts 173 and 174;

1        29. "Person" means a natural person, partnership, corporation,  
2 association, trust, estate or other legal entity;

3        30. "Proposed new vessel dealer" means a person who has an  
4 application pending for a new dealer agreement with a manufacturer  
5 or distributor. Proposed new vessel dealer does not include a  
6 person whose dealer agreement is being renewed or continued;

7        31. "Purchase date" means the purchase date on a bill of sale  
8 or the date of complete assignment of title by the current owner;

9        32. "State" means the State of Oklahoma;

10       33. "State of principal use" means the state where the vessel  
11 or motor is used, is to be used, or remains for any period in excess  
12 of sixty (60) calendar days;

13       34. "Vessel" means every device, other than a canoe, paddleboat  
14 or seaplane on the water, used or capable of being used as a means  
15 of transportation on water, including but not limited to personal  
16 watercraft; and

17       35. "Waters of this state" means and includes all waters within  
18 the territorial limits of this state; provided, such phrase shall  
19 not mean or include waters which are entirely owned by a private  
20 person or persons, and to which the public is not permitted access.

21       SECTION 2.        NEW LAW        A new section of law to be codified  
22 in the Oklahoma Statutes as Section 4003.1 of Title 63, unless there  
23 is created a duplication in numbering, reads as follows:

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1 The owner of a canoe may at any time file an application with  
2 the Oklahoma Tax Commission for a certificate of title, number and  
3 for annual registration for the canoe on forms prescribed and  
4 furnished by the Commission. The annual registration shall be One  
5 Dollar (\$1.00). Registration pursuant to this section shall not be  
6 mandatory but optional on the part of the owner. Registration  
7 pursuant to this section shall not be construed as a requirement for  
8 the payment of excise tax on the sale of a canoe; provided, the sale  
9 of a canoe shall be subject to the payment of an applicable sales  
10 tax.

11 SECTION 3. AMENDATORY 63 O.S. 2011, Section 4041, is  
12 amended to read as follows:

13 Section 4041. The Oklahoma Tax Commission may deny an  
14 application for a license, or revoke or suspend a license or impose  
15 a fine not to exceed Five Hundred Dollars (\$500.00) against a dealer  
16 for each day that any provision of this section or Sections 4033  
17 through 4040 of this title is violated or for any of the following  
18 reasons:

19 1. On satisfactory proof of unfitness of the applicant in any  
20 application for any license pursuant to the provisions of the  
21 Oklahoma Vessel and Motor Registration Act;

22 2. For any material misstatement made by an applicant in any  
23 application for any license pursuant to the provisions of the  
24 Oklahoma Vessel and Motor Registration Act;



1           3. For any failure to comply with any provision of the Oklahoma  
2 Vessel and Motor Registration Act or any rule promulgated by the  
3 Commission under authority vested in it by the Oklahoma Vessel and  
4 Motor Registration Act, Section 4002 et seq. of this title;

5           4. A change of condition after license is granted resulting in  
6 failure to maintain the qualifications for license;

7           5. Being a dealer who:

- 8           a. has required a purchaser of a new vessel or motor, as  
9           a condition of sale and delivery thereof, to also  
10           purchase special features, appliances, accessories or  
11           equipment not desired or requested by the purchaser  
12           and installed by the dealer,
- 13           b. uses any false or misleading advertising in connection  
14           with his business as such a dealer,
- 15           c. has committed any unlawful act which resulted in the  
16           revocation of any similar license in another state,
- 17           d. has failed or refused to perform any written agreement  
18           with any retail buyer involving the sale of a vessel  
19           or motor,
- 20           e. has been convicted of a crime involving moral  
21           turpitude,
- 22           f. has committed a fraudulent act in selling, purchasing,  
23           or otherwise dealing in vessels or motors or has  
24           misrepresented the terms and conditions of a sale,

1 purchase, or contract for sale or purchase of a vessel  
2 or motor or any interest therein including an option  
3 to purchase such vessel or motor, or

4 g. has failed to meet or maintain the conditions and  
5 requirements necessary to qualify for the issuance of  
6 a license;

7 6. Being a dealer who does not have an established place of  
8 business;

9 7. Being a new vessel or new motor dealer who:

10 a. does not provide for a suitable repair shop separate  
11 from the display room with ample space to repair or  
12 recondition one or more vessels or motors at the same  
13 time, and which is equipped with such parts, tools and  
14 equipment as may be requisite for the servicing of  
15 vessels or motors in such a manner as to make them  
16 comply with the safety laws of this state and to  
17 properly fulfill the dealer's or manufacturer's  
18 warranty obligation. Provided that the provisions of  
19 this subparagraph shall not apply to:

20 (1) mercantile establishments engaged in the selling  
21 of vessels and motors if:

22 (a) such vessel and motor business does not  
23 constitute more than ten percent (10%) of  
24 the business of such establishment,

1 (b) the vessels sold at such establishment are  
2 under fourteen (14) feet in length, and

3 (c) the outboard motors sold at such  
4 establishment are under ten (10) horsepower,  
5 or

6 (2) dealers which are engaged solely in the business  
7 of selling canoes. For the purposes of this  
8 subsection, "canoe" shall mean a ~~vessel that is~~  
9 ~~long relative to its width, that has curved sides~~  
10 ~~and is tapered to two (2)~~ light, slender boat  
11 with pointed ends, or is tapered to one (1)  
12 ~~pointed end and blunt on the other end, and is~~  
13 ~~generally of traditional shape~~ propelled by  
14 paddles and includes similar craft such as  
15 kayaks,

16 b. does not hold a dealer agreement in effect with a  
17 manufacturer or distributor of new vessels or motors  
18 for the sale of the same and is not authorized by the  
19 manufacturer or distributor to render predelivery  
20 preparation of such vessels or motors sold to  
21 purchasers and to perform any authorized post-sale  
22 work pursuant to the manufacturer's or distributor's  
23 warranty, or

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