

1 **SENATE FLOOR VERSION**

2 March 28, 2024

3 ENGROSSED HOUSE
4 BILL NO. 2195

By: Lowe (Dick) of the House

5 and

6 Paxton of the Senate

7
8 An Act relating to motor vehicles; 47 O.S. 2021,
9 Section 1107, as last amended by Section 2, Chapter
10 366, O.S.L. 2023 (47 O.S. Supp. 2023, Section 1107),
11 which relates to sale or transfer of ownership of a
12 vehicle; setting time limit on certain impoundment of
13 vehicles; allowing for dismissal of charges if
14 certain conditions are met; amending 47 O.S. 2021,
15 Sections 1137.1, as last amended by Section 1,
16 Chapter 262, O.S.L. 2023, and 1137.3, as last amended
17 by Section 2, Chapter 262, O.S.L. 2023 (47 O.S. Supp.
18 2023, Sections 1137.1 and 1137.3), which relate to
19 used dealer temporary plate and registration and
20 licensing of new motor vehicles; modifying
21 description of certain length of time; and providing
22 an effective date.

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

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

Section 1107. A. In the event of the sale or transfer of the
ownership of a vehicle for which a certificate of title has been
issued as provided by Section 1105 of this title, the holder of such
certificate shall endorse on the back of same a complete assignment

1 thereof with warranty of title in form printed thereon with a
2 statement of all liens or encumbrances on the vehicle, sworn to
3 before a notary public or some other person authorized by law to
4 take acknowledgments, and deliver same to the purchaser or
5 transferee at the time of delivery to the purchaser or transferee of
6 the vehicle; provided, a transfer of the ownership of a vehicle to
7 an insurer resulting from the settlement of a total loss claim shall
8 not require a notarized signature on the certificate of title. The
9 purchaser or transferee, unless such person is a bona fide used
10 motor vehicle dealer licensed by this state, a retail implement
11 dealer in connection with the purchase or transfer of off-road
12 vehicles or a charitable organization shall, within thirty (30) days
13 from the time of delivery to the purchaser or transferee of the
14 vehicle, present the assigned certificate of title and the insurance
15 security verification to the vehicle to Service Oklahoma, or one of
16 its licensed operators, accompanied by a fee of Eleven Dollars
17 (\$11.00), together with any motor vehicle excise tax or license fee
18 that may be due, whereupon a new certificate of title, shall be
19 issued to the assignee. One Dollar (\$1.00) of each fee shall be
20 deposited in the Oklahoma Tax Commission Reimbursement Fund through
21 December 31, 2022, and beginning January 1, 2023, this fee shall be
22 deposited in the Service Oklahoma Reimbursement Fund. Any
23 charitable organization utilizing the exemption authorized by this
24

1 subsection shall receive training as prescribed by the Oklahoma Used
2 Motor Vehicle and Parts Commission.

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

1 on forms prescribed by Service Oklahoma for all new vehicles sold by
2 the dealer. On presentation of a bill of sale executed on forms
3 prescribed by Service Oklahoma, by a manufacturer or dealer for a
4 new vehicle sold in this state, accompanied by remittance in the sum
5 of Eleven Dollars (\$11.00), together with any motor vehicle excise
6 tax or license fee that may be due, a certificate of title shall be
7 issued in accordance with the provisions of the Oklahoma Vehicle
8 License and Registration Act. One Dollar (\$1.00) of each fee shall
9 be deposited in the Oklahoma Tax Commission Reimbursement Fund
10 through December 31, 2022, and beginning January 1, 2023, this fee
11 shall be deposited in the Service Oklahoma Reimbursement Fund. For
12 purposes of this subsection, "charitable organization" shall mean
13 any organization which is exempt from taxation pursuant to the
14 provisions of the Internal Revenue Code, 26 U.S.C., Section
15 501(c) (3) and which is registered as a charitable organization with
16 the Oklahoma Secretary of State and the Oklahoma Attorney General's
17 office; "off-road vehicles" means all-terrain vehicles, utility
18 vehicles, and motorcycles used exclusively for off-road use; "retail
19 implement dealer" means a business engaged primarily in the sale of
20 farm tractors as defined in Section 1-118 of this title or
21 implements of husbandry as defined in Section 1-125 of this title or
22 a combination thereof.

23 C. Any person violating the provisions of this section shall be
24 guilty of a misdemeanor and upon the first conviction thereof shall

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

12 D. Impoundment of vehicles as provided in subsection C of this
13 section shall not occur until the expiration of sixty (60) days from
14 the date any excise taxes and fees are due related to the transfer
15 of the registration of the vehicle. After issuance of a citation as
16 provided in subsection C of this section, if proof of payment of all
17 required excise taxes and fees, and transfer of the registration, is
18 provided within seventy-two (72) hours to the clerk of the court
19 where the charge is filed, the charge shall be dismissed upon the
20 payment of court costs.

21 SECTION 2. AMENDATORY 47 O.S. 2021, Section 1137.1, as
22 last amended by Section 1, Chapter 262, O.S.L. 2023 (47 O.S. Supp.
23 2023, Section 1137.1), is amended to read as follows:

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1 Section 1137.1 A. Except for vehicles, travel trailers or
2 commercial trailers which display a current Oklahoma license tag,
3 upon the purchase or transfer of ownership of a used motor vehicle,
4 travel trailer or commercial trailer, including an out-of-state
5 purchase or transfer of the same, to a licensed used motor vehicle
6 dealer, wholesale used motor vehicle dealer, used travel trailer
7 dealer or used commercial trailer dealer, subsequently referred to
8 in this section as "dealer", the dealer shall affix a used dealer's
9 plate visible from the rear of the vehicle, travel trailer or
10 commercial trailer. Such license plate shall expire on December 31
11 of each year. When the vehicle, travel trailer or commercial
12 trailer is parked on the dealer's licensed place of business, it
13 shall not be required to have a license plate of any kind affixed.
14 A dealer shall obtain from Service Oklahoma at a cost of Ten Dollars
15 (\$10.00) a dealer license plate for demonstrating, transporting or
16 any other normal business of a dealer including use by an individual
17 holding a valid salesperson's license issued by the Oklahoma Used
18 Motor Vehicle and Parts Commission. Any dealer who operates a
19 wrecker or towing service licensed pursuant to Sections 951 through
20 957 of this title shall register each wrecker vehicle and display a
21 wrecker license plate on each vehicle as required by Section 1134.3
22 of this title. A dealer may obtain as many additional license
23 plates as may be desired upon the payment of Ten Dollars (\$10.00)
24 for each additional license plate. Use of the used dealer license

1 plate by a licensed dealer for other than the purposes as set forth
2 herein shall constitute grounds for revocation of the dealer's
3 license. Service Oklahoma shall design the official used dealer
4 license plate to include the used dealer's license number issued to
5 him or her each year by Service Oklahoma or the Used Motor Vehicle
6 and Parts Commission.

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

18 C. Upon sale or transfer of ownership of the used motor vehicle
19 or travel trailer, the dealer shall place upon the reassignment
20 portion of the certificate of title a tax stamp issued by the county
21 treasurer of the county in which the dealer has his or her primary
22 place of business. The tax stamp shall be issued upon payment of a
23 fee of Three Dollars and fifty cents (\$3.50) and shall be in lieu of
24 the dealer's ad valorem tax on the inventories of used motor

1 vehicles or travel trailers but shall not relieve any other property
2 of the dealer from ad valorem taxation.

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

18 E. The purchaser of every used motor vehicle, travel trailer or
19 commercial trailer, except as otherwise provided by law, shall
20 obtain registration and title for the vehicle or trailer within ~~two~~
21 ~~(2) months~~ sixty (60) days from the date of purchase of same. It
22 shall be the responsibility of the selling dealer to place a
23 temporary license plate, in size similar to the permanent Oklahoma
24 license plate but of a weatherproof plastic-impregnated substance

1 approved by the Used Motor Vehicle and Parts Commission, upon a used
2 motor vehicle, travel trailer or commercial trailer when a
3 transaction is completed for the sale of said vehicle. The
4 temporary license plate under this subsection shall be placed at the
5 location provided for the permanent motor vehicle license plate.
6 The temporary license plate shall show the license number which is
7 issued to the dealer each year by Service Oklahoma or the Used Motor
8 Vehicle and Parts Commission, the date the used motor vehicle,
9 travel trailer or commercial trailer was purchased and the company
10 name of the selling dealer. The Used Motor Vehicle and Parts
11 Commission is hereby directed to develop the temporary license plate
12 design to incorporate these requirements in a manner that will
13 permit law enforcement personnel to readily identify the dealer
14 license number and date of the vehicle purchase. The Used Motor
15 Vehicle and Parts Commission is hereby authorized to develop
16 additional requirements and parameters as deemed appropriate to
17 discourage or prevent illegal duplication and use of the temporary
18 license plate. Such temporary license plate shall be valid for a
19 period of ~~two (2) months~~ sixty (60) days from the date of purchase.
20 Use of the temporary license by a dealer for other than the purposes
21 set forth herein shall constitute grounds for revocation of the
22 dealer's license to conduct business. Purchasers of a commercial
23 trailer shall affix the temporary license plate to the rear of the
24 commercial trailer. The purchaser shall display the temporary

1 license plate for a period not to exceed ~~two (2) months~~ sixty (60)
2 days or until registration and title are obtained as provided in
3 this section.

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

15 F. It shall be unlawful for any dealer to procure the
16 registration and licensing of any used motor vehicle, travel trailer
17 or commercial trailer sold by the dealer or to act as the agent for
18 the purchaser in the procurement of the registration and licensing
19 of the purchaser's used vehicle, travel trailer or commercial
20 trailer. A license of any dealer violating the provision of this
21 section may be revoked.

22 G. Dealers following the procedure set forth herein shall not
23 be required to register vehicles, travel trailers or commercial
24 trailers to which this section applies, nor will the registration

1 fee otherwise required be assessed. Provided, dealers shall not
2 purchase or trade for a used motor vehicle, travel trailer or
3 commercial trailer on which the registration therefor has been
4 expired for a period exceeding ~~two (2) months~~ sixty (60) days
5 without obtaining current registration therefor.

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

19 I. The transfer of ownership from the vehicle donor to the
20 qualifying nonprofit organization described in subsection H of this
21 section shall be made without the payment of motor vehicle excise
22 tax levied pursuant to Section 2103 of Title 68 of the Oklahoma
23 Statutes.

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

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

1 vehicle purchase. The Motor Vehicle Commission is further
2 authorized to develop additional requirements and parameters
3 designed to discourage or prevent illegal duplication and use of the
4 temporary license plate. On or before ~~two (2) months~~ sixty (60)
5 days from the date of purchase of a new motor vehicle, travel
6 trailer or commercial trailer, said temporary license plate shall be
7 removed and replaced with a permanent, current Oklahoma license
8 plate. Use of said temporary license plate by a licensed dealer for
9 other than the purpose of normally doing business shall constitute
10 grounds for revocation of the dealer's license.

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

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

20 COMMITTEE REPORT BY: COMMITTEE ON PUBLIC SAFETY
21 March 28, 2024 - DO PASS
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