

1 ENGROSSED SENATE
2 BILL NO. 836

By: Hall of the Senate

3 and

4 Osburn of the House

5
6 An Act relating to motor vehicle titles; amending 47
7 O.S. 2021, Sections 1105A, as last amended by Section
8 113, Chapter 282, O.S.L. 2022 and 1107, as last
9 amended by Section 115, Chapter 282, O.S.L. 2022 (47
10 O.S. Supp. 2022, Sections 1105A and 1107), which
11 relate to program to permit electronic filing,
12 storage, and delivery of certificates of titles and
13 sale or transfer of ownership of vehicle; clarifying
14 language; allowing certain methods of delivering
15 certificates of title; remove certain notarization;
16 assigning certain document retention; sunseting
17 certain provision; updating statutory reference; and
18 declaring an emergency.

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

20 SECTION 1. AMENDATORY 47 O.S. 2021, Section 1105A, as
21 last amended by Section 113, Chapter 282, O.S.L. 2022 (47 O.S. Supp.
22 2022, Section 1105A), is amended to read as follows:

23 Section 1105A. A. On or before July 1, ~~2022~~ 2023, ~~the Oklahoma~~
24 ~~Tax Commission~~ Service Oklahoma shall implement a program which will
25 permit the electronic filing, storage and delivery of motor vehicle
26 certificates of title and allow a lienholder to perfect, assign and
27 release a lien on a motor vehicle in lieu of submission and
28 maintenance of paper documents as otherwise provided in the

1 provisions of Section 1101 et seq. of this title. ~~The Tax~~

2 ~~Commission Service Oklahoma shall enter~~ may:

3 1. Enter into a competitive contract with a qualified third-
4 party service provider (System Developer), subject to the provisions
5 of the Oklahoma Central Purchasing Act, Section 85.1 et seq. of
6 Title 74 of the Oklahoma Statutes;

7 2. Act as the service provider; or

8 3. Authorize proprietary provider systems by Oklahoma financial
9 institutions,

10 to provide necessary hardware, software and services
11 facilitating the interconnection between licensed operators and
12 electronic title service providers described in subsection B of this
13 section for a certificate of title and for filing or releasing a
14 lien pursuant to the procedures prescribed by ~~the Oklahoma Tax~~
15 ~~Commission Service Oklahoma~~. The provisions of this section shall
16 apply to applications for certificates of title and liens filed
17 after June 30, 2022. ~~The Tax Commission Service Oklahoma~~ shall
18 promulgate rules to implement the provisions of this section.

19 B. The program authorized under subsection A of this section
20 shall include, but not be limited to, procedures:

21 1. For the delivery of a certificate of title, on a paper
22 document or in an electronic format, to the secured party having the
23 primary perfected security interest in a vehicle in lieu of delivery
24 to the record owner, notwithstanding the provisions of Section 1101

1 et seq. of this title. When there is no security interest, lien, or
2 other encumbrance on the vehicle, delivery of a certificate of
3 title, on a paper document or in an electronic format, shall be made
4 to the record owner. Provided, when electronic transmission of
5 liens and lien satisfactions is used, a certificate of title need
6 not be issued or printed until the last lien is satisfied and a
7 clear certificate of title is issued to the owner of the vehicle at
8 their request;

9 2. Establishing qualifications for third-party electronic title
10 service providers offering electronic lien services. The vendor
11 selected in subsection A of this section shall not be considered an
12 electronic title service provider and shall not operate or own an
13 electronic title service provider;

14 3. Establishing reasonable fees, if necessary, to be charged by
15 service providers or contractors for the establishment, maintenance
16 and operation of the electronic lien title program;

17 4. Providing access to the electronic certificate of title
18 records including liens on record, for licensed motor vehicle
19 dealers and lienholders who participate in the program
20 notwithstanding the provisions of Section 1109 of this title;

21 5. Allowing licensed operators to participate in the electronic
22 lien title program. Participating licensed operators shall receive
23 all fees provided by the Oklahoma Vehicle License and Registration
24 Act unless otherwise provided in Section 1132A of this title; and

1 6. For the acceptance and use of electronic or digital
2 signatures.

3 C. As used in this section and Section 1101 et seq. of this
4 title:

5 1. "Deliver" or "delivery" means, with respect to a certificate
6 of title or lien, either the physical delivery of a paper document
7 or the electronic delivery of a document in an electronic format;

8 2. "Electronic format" means an electronic or digital format or
9 medium of any document, record or other information; and

10 3. "Possess" or "possession" means, with respect to a
11 certificate of title or lien, to hold or otherwise exercise control
12 over a document which is in either a physical or electronic format.

13 D. Any documents created, stored or delivered under the
14 electronic lien title program as provided in this section shall be
15 considered valid including any signatures which are generated
16 electronically or contained on a scanned copy. A certified copy of
17 ~~the Oklahoma Tax Commission's~~ Service Oklahoma's electronic record
18 of a motor vehicle certificate of title or lien is admissible in any
19 civil, criminal or administrative proceeding in this state as
20 evidence of the existence and contents of the certificate of title
21 or lien.

22 E. The Tax Commission is authorized to expend funds necessary
23 for the implementation of the program provided in subsection A of
24 this section from available monies in the Oklahoma Tax Commission

1 and Office of Management and Enterprise Services Joint Computer
2 Enhancement Fund created pursuant to Section 265 of Title 68 of the
3 Oklahoma Statutes.

4 F. In the development of the program provided in subsection A
5 of this section, the Oklahoma Tax Commission shall consult
6 interested parties including, but not limited to, representatives of
7 the Oklahoma Automobile Dealers Association, the Oklahoma Bankers
8 Association, the Oklahoma Credit Union Association and the Oklahoma
9 Tag Agent Coalition.

10 G. All documents submitted electronically pursuant to the
11 provisions of subsection A shall not require notarization.

12 H. All documents submitted pursuant to the provisions of this
13 section shall be retained pursuant to the provision of subsection A
14 of this section.

15 I. Submission and maintenance of paper documents as otherwise
16 provided in this provisions of Section 1101 et seq. of this title
17 shall be accepted through June 30, 2025.

18 SECTION 2. AMENDATORY 47 O.S. 2021, Section 1107, as
19 last amended by Section 115, Chapter 282, O.S.L. 2022 (47 O.S. Supp.
20 2022, Section 1107), is amended to read as follows:

21 Section 1107. A. In the event of the sale or transfer of the
22 ownership of a vehicle for which a certificate of title has been
23 issued as provided by Section 1105 of this title, the holder of such
24 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
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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 ~~the Commission~~ Service Oklahoma,
17 together with any subsequent assignment or reissue thereof, shall be
18 appropriately filed and indexed so that at all times it will be
19 possible to trace title to the vehicle designated therein.

20 Provided, when the ownership of any motor vehicle shall pass by
21 operation of law, the person owning the vehicle may, upon furnishing
22 satisfactory proof to ~~the Commission~~ Service Oklahoma of ownership,
23 procure a title to the motor vehicle, regardless of whether a
24 certificate of title has ever been issued. The dealer shall execute

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

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

14 SECTION 3. It being immediately necessary for the preservation
15 of the public peace, health or safety, an emergency is hereby
16 declared to exist, by reason whereof this act shall take effect and
17 be in full force from and after its passage and approval.

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1 Passed the Senate the 21st day of February, 2023.

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3 _____
4 Presiding Officer of the Senate

5 Passed the House of Representatives the ____ day of _____,
6 2023.

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8 _____
9 Presiding Officer of the House
10 of Representatives