An Act

ENROLLED SENATE
BILL NO. 836

By: Hall of the Senate

and

Osburn and Kerbs of the House

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

SUBJECT: Motor vehicle titles

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

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

Section 1105A. A. On or before July 1, ~~2022~~ 2023, ~~the Oklahoma Tax Commission~~ Service Oklahoma shall implement a program which will permit the electronic filing, storage and delivery of motor vehicle certificates of title and allow a lienholder to perfect, assign and release a lien on a motor vehicle in lieu of submission and maintenance of paper documents as otherwise provided in the provisions of Section 1101 et seq. of this title. ~~The Tax Commission~~ Service Oklahoma ~~shall enter~~ may:

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

2. Act as the service provider; or

3. Authorize proprietary provider systems by Oklahoma financial institutions,

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

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

1. For the delivery of a certificate of title, on a paper document or in an electronic format, to the secured party having the primary perfected security interest in a vehicle in lieu of delivery to the record owner, notwithstanding the provisions of Section 1101 et seq. of this title. When there is no security interest, lien, or other encumbrance on the vehicle, delivery of a certificate of title, on a paper document or in an electronic format, shall be made to the record owner. Provided, when electronic transmission of liens and lien satisfactions is used, a certificate of title need not be issued or printed until the last lien is satisfied and a clear certificate of title is issued to the owner of the vehicle at their request;

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

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

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

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

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

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

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

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

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

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

E. The Tax Commission is authorized to expend funds necessary for the implementation of the program provided in subsection A of this section from available monies in the Oklahoma Tax Commission and Office of Management and Enterprise Services Joint Computer Enhancement Fund created pursuant to Section 265 of Title 68 of the Oklahoma Statutes.

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

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

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

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

SECTION 2. AMENDATORY 47 O.S. 2021, Section 1107, as last amended by Section 115, Chapter 282, O.S.L. 2022 (47 O.S. Supp. 2022, 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 thereof with warranty of title in form printed thereon with a statement of all liens or encumbrances on the vehicle, sworn to before a notary public or some other person authorized by law to take acknowledgments, and deliver same to the purchaser or transferee at the time of delivery to the purchaser or transferee of the vehicle; provided, a transfer of the ownership of a vehicle to an insurer resulting from the settlement of a total loss claim shall not require a notarized signature on the certificate of title. The purchaser or transferee, unless such person is a bona fide used

motor vehicle dealer licensed by this state, a retail implement dealer in connection with the purchase or transfer of off-road vehicles or a charitable organization shall, within thirty (30) days from the time of delivery to the purchaser or transferee of the vehicle, present the assigned certificate of title and the insurance security verification to the vehicle to Service Oklahoma, or one of its licensed operators, accompanied by a fee of Eleven Dollars ($11.00), together with any motor vehicle excise tax or license fee that may be due, whereupon a new certificate of title, shall be issued to the assignee. One Dollar ($1.00) of each fee shall be deposited in the Oklahoma Tax Commission Reimbursement Fund through December 31, 2022, and beginning January 1, 2023, this fee shall be deposited in the Service Oklahoma Reimbursement Fund. Any charitable organization utilizing the exemption authorized by this subsection shall receive training as prescribed by the Oklahoma Used Motor Vehicle and Parts Commission.

B. A licensed dealer, a retail implement dealer in connection with the sale or disposal of off-road vehicles or a charitable organization shall, on selling or otherwise disposing of a vehicle, execute and deliver to the purchaser thereof the certificate of title properly and completely reassigned. Thereupon, the purchaser of the vehicle shall present the reassigned certificate to Service Oklahoma, or a licensed operator, accompanied by a fee of Eleven Dollars ($11.00), and any motor vehicle excise tax or license fee that may be due, whereupon a new certificate of title will be issued to the purchaser. One Dollar ($1.00) of each fee shall be deposited in the Oklahoma Tax Commission Reimbursement Fund through December 31, 2022, and beginning January 1, 2023, this fee shall be deposited in the Service Oklahoma Reimbursement Fund. The certificate, when so assigned and returned to ~~the Commission~~ Service Oklahoma, together with any subsequent assignment or reissue thereof, shall be appropriately filed and indexed so that at all times it will be possible to trace title to the vehicle designated therein. Provided, when the ownership of any motor vehicle shall pass by operation of law, the person owning the vehicle may, upon furnishing satisfactory proof to ~~the Commission~~ Service Oklahoma of ownership, procure a title to the motor vehicle, regardless of whether a certificate of title has ever been issued. The dealer shall execute and deliver to the purchaser bills of sale on forms prescribed by ~~the Commission~~ Service Oklahoma for all new vehicles sold by the dealer. On presentation of a bill of sale executed on forms

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

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

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

Passed the Senate the 25th day of May, 2023.

Presiding Officer of the Senate

Passed the House of Representatives the 25th day of May, 2023.

Presiding Officer of the House
of Representatives

OFFICE OF THE GOVERNOR

Received by the Office of the Governor this 26th

day of May, 20 23, at 10:25 o'clock a. M.

By: [illegible]

Approved by the Governor of the State of Oklahoma this 7th

day of June, 20 23, at 4:04 o'clock p. M.

Governor of the State of Oklahoma

OFFICE OF THE SECRETARY OF STATE

Received by the Office of the Secretary of State this 7th

day of June, 20 23, at 5:15 o'clock P. M.

By: Brian Bingman