

**TITLE 710. OKLAHOMA TAX COMMISSION
CHAPTER 60. MOTOR VEHICLES**

RULEMAKING ACTION:

Notice of proposed **PERMANENT** rulemaking.

PROPOSED RULES:

Chapter 60. Motor Vehicles [AMENDED]

SUMMARY:

As part of the Commission's ongoing review of its rules, many proposed amendments to the existing rules have been made to implement recent legislation. All legislative references are to the First Regular Session of the 58th Legislature (2021) unless otherwise indicated.

Section 710:60-3-28 has been amended and new Section 710:60-3-56.1 has been promulgated consistent with the passage of SB 263, which amends 47 O.S. § 1112.2 and provides that when a lender or lender's agent repossesses a vehicle for which a license plate has not be removed, the lender or lender's agent is not subject to the current requirement imposed in 47 O.S § 1112.2 to remove and return the plate to the Tax Commission or a motor license agent.

Section 710:60-3-37 has been amended to authorize the Tax Commission to waive a delinquent vehicle registration penalty related to a stolen vehicle as certified by a police report or other documentation required by the Tax Commission, consistent with the provisions of HB 1065. [47:1115, 1132]

New Part 8. Electric Vehicles and New Section 710:60-3-80 have been added to implement the provisions of HB 2234 which imposes and sets an initial and renewal fee in addition to the registration fees imposed pursuant to 47 O.S. § 1132 for electric vehicles based on the weight of the vehicle and the assigned classification thereof. [68:6511]

Section 710:60-3-184 has been amended to implement the provisions of HB 1044 by modifying the authorization language creating the Gold Star special license plate. The plate is to be designed to honor members who were killed while on active duty and expands eligibility to additional family members. [47:1135.2]

Section 710:60-5-71 has been amended to prohibit a motor license agent from transferring the certificate of title on a vehicle when there is an active lien from a commercial lender in place on that vehicle until the lien is satisfied, consistent with the provisions of HB 2056. [47:1110]

Other sections may be amended to clarify policy, improve readability, correct scrivener's errors, remove obsolete language, update or correct citations, update contact information, and ensure accurate internal cross-references.

AUTHORITY:

68 O.S. § 203; 47 O.S. §§, 1112.2 and 1132; Oklahoma Tax Commission

COMMENT PERIOD:

Persons wishing to present their views in writing may do so by 4:30 p.m., February 22, 2022, at the following address: Oklahoma Tax Commission, Tax Policy and Research Division, Oklahoma City, Oklahoma 73194, Attention: Lisa Haws, or by email to lhaws@tax.ok.gov.

PUBLIC HEARING:

A public hearing is scheduled for 1:30 p.m. on Wednesday, February 23, 2022,

at the Oklahoma Tax Commission, 123 Robert S. Kerr Ave, Oklahoma City, Oklahoma. Those wishing to make oral comments at the public hearing should request placement on the docket well in advance of the hearing date by calling Lakesha Mackie at (405) 521-3133. Time limitations may be imposed on oral presentations to ensure that all persons who have filed written requests for placement on the docket will have an opportunity to speak.

In order to facilitate entry into the building, those wishing to appear should contact Lakesha Mackie at (405) 521-3133 at least 24 hours prior to the hearing date to complete their visitor pre-registration. In order to gain access to the hearing, attendees must register at the information desk in the lobby by presenting a driver license or other photo identification.

REQUEST FOR COMMENTS FROM BUSINESS ENTITIES:

Although nothing in this rulemaking action has been determined to adversely impact small business, the Oklahoma Tax Commission (OTC) requests that, pursuant to 75 O.S. § 303(B)(6), business entities affected by these rules provide the OTC, within the comment period, in dollar amounts, if possible, information on any increase in direct costs, such as fees, and indirect costs, such as those associated with reporting, recordkeeping, equipment, construction, labor, professional services, revenue loss, or other costs expected to be incurred by a particular entity due to compliance with the proposed Rules.

COPIES OF PROPOSED RULES:

Copies of the proposed rules may be obtained from the below listed contact person. The proposed rules may also be viewed on the agency's website at <http://www.tax.ok.gov>.

RULE IMPACT STATEMENT:

Pursuant to 75 O.S. § 303(D), a Rule Impact Statement will be prepared and available from the below listed contact person. The Rule Impact Statement may also be viewed on the agency's website at <http://www.tax.ok.gov>.

CONTACT PERSON:

Lisa R. Haws, Agency Liaison, Tax Policy Division, Oklahoma Tax Commission, Oklahoma City, Oklahoma 73194. Telephone number: 405-521-3133; Email: lhaws@tax.ok.gov

CHAPTER 60. MOTOR VEHICLES

SUBCHAPTER 3. REGISTRATION AND LICENSING

PART 1. GENERAL PROVISIONS

710:60-3-28. License plate remains with owner

(a) **General provisions.** Effective July 1, 2019, Oklahoma no longer allows a motor vehicle license plate to remain with the vehicle when the vehicle is sold, traded or transferred. The registration license plate and certificate of registration shall be issued to, and remain in the name of, the owner of the vehicle registered and the license plate shall not be transferable between motor vehicle owners.

(b) **Registration procedures.** When a vehicle is sold or transferred in the state, the following registration procedures apply:

(1) **Vehicle owner.** Any vehicle owner who sells, trades, or transfers a vehicle must remove the license plate from the vehicle and either:

(A) Retain the plate,

(B) Transfer the plate to a newly acquired vehicle of the same registration classification for which no additional registration fee is due for the remainder of the current registration period pursuant to authorization of the Oklahoma Tax Commission or a motor license agent, or

(C) Transfer the plate to a newly acquired vehicle of the same registration classification but different registration year requiring payment of additional registration fees.

(2) **Vehicle buyer.** In the event the owner of a license plate purchases, trades, exchanges or otherwise acquires a vehicle for which a license plate has been issued during the current registration period, and the license plate has not been removed by the previous owner in accordance with this Section, the new owner of the vehicle shall remove and return the license plate to the Tax Commission or a motor license agent. If the license plate has expired, the new owner may surrender the license plate to the Tax Commission or motor license agent.

(c) **Calculation of registration fee.** The registration fee due for the newly acquired vehicle to which a plate is transferred will be prorated based on the full registration months remaining on the transferred plate at the time of assignment.

(d) **Refund ineligibility.** The plate owner shall not be entitled to a refund under the following circumstances:

(1) When the registration fee for the vehicle to which the plate is transferred is less than the registration fee for that vehicle to which the license plate was last assigned, or

(2) When the owner does not have or does not acquire another vehicle to which the license plate may be transferred.

(e) **Title, registration and tax/fee payment requirements.** The new owner of a motor vehicle must within thirty (30) calendar days from the date of vehicle purchase or acquisition make application to title and register the vehicle by

the transfer to, or purchase of, a license plate for the newly acquired vehicle with the Tax Commission or motor license agent and pay excise and sales taxes and applicable title and registrations fees in addition to any delinquent taxes, fees, interest and penalty associated with the plate as provided by law.

(f) **Penalty.** Delinquent registration penalty begins to apply on the thirty-first (31st) day following assignment of ownership accruing at \$1.00 per day, to a maximum penalty assessment of \$100.00 (100 days).

(g) **Vehicle operation.** A vehicle purchased with the license plate having been removed may be lawfully operated on the streets and roadways without number plates for a maximum of fifteen (15) days from the date of acquisition or purchase if a dated notarized bill of sale is carried, for possible presentation to law enforcement, in the vehicle during the fifteen (15) days. Vehicles purchased from a licensed motor vehicle or used motor vehicle dealer may be operated thirty (30) days from the date of acquisition pursuant to issuance of a temporary license tag by the licensed dealer. See 710:60-3-56. Persons who purchase vehicles from someone other than licensed Oklahoma new or used motor vehicle dealers which are subject to a lien may obtain a 30-day temporary license plate from a motor license agent. See 710:60-3-56.1

(h) **Vehicle transferring from deceased spouse.** A surviving spouse, desiring to operate a vehicle devolving from a deceased spouse, shall present an application for certificate of title to the Tax Commission or motor license agent in his or her name within thirty (30) days of obtaining ownership. The Tax Commission or motor license agent shall then transfer the license plate to the surviving spouse.

(i) **Repossessed vehicles.** When a lender or lender's agent repossesses a vehicle for which a license plate has not been removed, the lender or lender's agent is not required to remove and return the plate to the Tax Commission or a motor license agent.

PART 3. PENALTIES

710:60-3-37. Waiver of penalties

(a) **Annual registration required generally.** A vehicle must be registered yearly, whether in use or not. If an owner fails to do so, fees and penalties are due for the current year and one previous year.

(b) **Waiver of penalty for certain armed forces personnel.** Oklahoma resident armed forces personnel stationed outside of this state due to official assignment of the US armed forces or Oklahoma National Guard are exempt from the assessment of delinquent registration penalties for the duration of that assignment and for a period of sixty (60) days following that assignment. A completed Armed Forces Affidavit (OTC Form 779), including the delinquent penalty waiver section, is required.

(c) **Waiver of penalty on stolen vehicles.** Delinquent registration penalties accruing pursuant to Section 1115 and 1132 of Title 47 of the Oklahoma Statutes related to stolen vehicles on which the vehicle registration expired while stolen and are subsequently recovered and returned to the owner may be waived by the Tax Commission. The vehicle's theft must be certified by an initial police report that the vehicle was reported stolen and a subsequent

police report that the vehicle was recovered and returned to the owner of the vehicle.

PART 5. DEALERS

710:60-3-56.1. Temporary license plates for vehicles purchased subject to a lien

(a) **General provisions.** Persons who purchase vehicles from someone other than licensed Oklahoma new or used motor vehicle dealers which are subject to a lien may obtain a 30-day temporary license plate from a motor license agent.

(b) **Documentation required to obtain a temporary license plate.** To obtain a temporary license plate, the applicant must provide to a motor license agent the following documentation:

(1) Properly assigned bill of sale or title;

(2) Verification of Oklahoma insurance;

(3) Driver license; and

(4) Evidence of vehicle lien. If no lien is indicated for the subject vehicle in the motor vehicle system, application, letter, notice or other documentation from the lending institution that states that the lien has been applied for and is being processed with the vehicle identification number must be provided.

(c) **Time period.** The temporary license plate is valid for thirty (30) calendar days following the transfer of legal ownership of the vehicle.

(d) **Placement of temporary license plate on vehicle.** The temporary license plate shall be placed on the vehicle at the location provided for the permanent license plate.

(e) **Information to be shown on temporary license plate.** The temporary license plate will show:

(1) A unique vehicle license number;

(2) Date the motor vehicle was purchased; and

(3) The expiration date of the temporary license plate.

PART 8. ELECTRIC VEHICLES

710:60-3-80. Qualified electric vehicles

(a) **General provisions.** In addition to the registration fees required pursuant to the provisions of Section 1132 of Title 47 of the Oklahoma Statutes, an annual registration fee is imposed on any qualified electric vehicle and based upon the gross weight of the electric vehicle.

(b) **Definitions.** The following terms when used in this Section shall have the following meaning unless the context clearly indicates otherwise:

(1) "**Gross vehicle weight rating**" means the value specified by the manufacturer as the loaded weight of a single vehicle.

(2) "**Qualified electric vehicle**" shall be defined as in Section 6510 of Title 68 of the Oklahoma Statutes. Qualified electric vehicle does not include a vehicle that is manufactured primarily for off-road use such as a golf cart, and that has a maximum speed of thirty (30) miles per hour or less.

(c) **Determination of gross vehicle weight.** For purposes of calculating the additional registration fee for qualified vehicles, gross vehicle weight is synonymous with gross vehicle weight rating.

PART 15. SPECIAL LICENSE PLATES

710:60-3-184. Gold Star license plates

(a) **Qualification.** The designated parties meeting the qualification requirements outlined below are eligible for Gold Star license plates. (47 O.S. § 1135.2)

(1) **Parents, grandparents and siblings.** The parent, sibling, half-sibling or grandparent of a veteran deceased member of the United States Armed Forces who was killed while on active duty is eligible to display a Gold Star license plate for no more than two (2) vehicles with a rated carrying capacity of one (1) ton or less. The parent, sibling, half-sibling or grandparent must submit proof of eligibility, consisting of a Gold Star Parent membership card or a birth certificate or other proof such as an affidavit confirming applicant's relationship with the veteran and one of the items listed in (A) or (B) of this paragraph, along with insurance verification, a completed application, and any fees prescribed by statute, to the Oklahoma Tax Commission:

(A) A certification letter from the Oklahoma Department of Veterans Affairs, stating that the veteran was killed ~~in action~~ while on active duty.

(B) A deceased Veterans DD form 214.

(2) **Surviving spouse or child.** The surviving spouse or child of an honorably discharged veteran who died as a direct result of the performance of active duties or as a result of a service-connected injury, illness or disease is eligible to display a Gold Star license plate on any vehicle with a rated carrying capacity of one (1) ton or less. The surviving spouse or child must submit proof of eligibility, consisting of a birth certificate or other proof of relationship to the veteran and one of the items listed in (A) through (C) of this paragraph, along with insurance verification, a completed application, and any fees prescribed by statute, to the Oklahoma Tax Commission:

(A) DD Form 1300, Report of Casualty,

(B) Death Certificate, DD Form 214 and a statement veteran's death was due to or a consequence of a service-connected disability, or

(C) A letter from the Oklahoma Department of Veteran Affairs confirming qualifying circumstances of the veteran's death.

(b) **Renewal.** Renewal of a Gold Star license plate may be made at the local motor license agency or at the Oklahoma Tax Commission. To renew a Gold Star license plate, the applicant must pay the annual fee prescribed by statute. [47 O.S. § 1135.2(C)]

(c) **Procedure upon sale to non-qualifying purchaser.** If a vehicle displaying a Gold Star license plate is sold to a purchaser not qualified for the reduced rate, the purchaser must register the vehicle from the date of purchase and obtain a regular license plate.

SUBCHAPTER 5. MOTOR VEHICLE TITLES

PART 7. TRANSFER OF TITLE

710:60-5-71. General provisions; assignments; liens; registration; notice of transfer

(a) **Transfer of title.** In most instances, an Oklahoma transfer title is issued upon receipt of a properly assigned and notarized Oklahoma title and proof of liability insurance. Assignments of Oklahoma certificates of title to, or by, out-of-state dealers located in non-notary states are not required to be notarized. No notarization is required on an assignment of ownership to an insurer resulting from the settlement of a total loss claim. Other instances where a transfer title may be issued are covered in the following subsections.

(b) **Use of assignment space provided on title document.** The first assignment space on an Oklahoma title is to be used by the owner on the face of the title to assign ownership. The subsequent reassignment spaces may be used by appropriately licensed Oklahoma dealers only. Retail implement dealers may reassign ownership on Oklahoma certificates of title for all-terrain vehicles, utility vehicles and off-road motorcycles. Should an assigned Oklahoma certificate of title be presented in application for an Oklahoma title and that certificate reflects a previous ownership assignment that was never completed via issuance of an Oklahoma title, the Motor Vehicle Division may approve a certificate of title to be issued directly to the most recent assignee; provided both assignments are properly completed and all taxes, fees and delinquent penalties due in regard to the previous assignment are collected, in addition to those due on the most recent assignment.

(c) **Liens transfer.—Title transfers with active liens.** An Oklahoma title with an active lien from a commercial lender cannot be transferred until the lien is satisfied. Any active liens perfected by someone other than a commercial lender which are indicated on the face of an assigned Oklahoma title will be carried forward to the transfer title being issued unless a lien release is presented.

(d) **Current registration required; exceptions.** Registration must be current on a vehicle before a transfer title may be issued, unless the vehicle is in a salvage or junked status. Licensed used motor vehicle dealers are exempt from this requirement when transferring to other licensed dealers, provided the vehicle was currently registered, or in the registration expiration grace month, when it was assigned to the first dealer. Salvage dealers are exempt from registration requirements when obtaining salvage or junked titles.

(e) **Actual sales price documentation.** The actual sales price is required for any vehicle on which an Oklahoma title is to be issued and excise tax and/or sales tax collected. The actual sales price is commonly referred to as the "purchase price". One of the following documents is required to establish the actual sales price:

- (1) A purchase contract;
- (2) A bill of sale;
- (3) A "Declaration of Vehicle Purchase Price"; or
- (4) Oklahoma title certificate, with a purchase price entry listing where indicated;

(5) A purchase contract or bill of sale offered only to establish purchase price pursuant to this subsection, and not to convey ownership, need not be notarized.

(f) **Notice of Transfer of Ownership of a Vehicle.** The seller or buyer of a motor vehicle may file a Notice of Transfer of Ownership of a Vehicle to record the assignment of ownership in the Oklahoma Tax Commission Motor Vehicle Division computer system. The filing of Notices of Transfer is optional. The filing of the Notice of Transfer does not constitute a transfer of ownership and does not alleviate the buyer/new owner of the responsibility of properly and timely transferring title and paying all applicable taxes and fees. To be acceptable, notices must be submitted containing all required information. Incomplete forms will not be filed. There are two (2) acceptable types of notice:

(1) Seller or buyers may submit a **Notice of Transfer of Ownership of a Vehicle** and the appropriate statutory filing fee to the Oklahoma Tax Commission or a motor license agent.

(2) Effective January 2006, a removable tear-off tab, **Oklahoma Certificate of Title Tear-Off Notice of Transfer Tab**, was incorporated on Oklahoma vehicle title certificates. This tab, properly completed, is to be accepted and processed in the same manner as the Notice of Transfer of Ownership of a Vehicle Form.

**TITLE 710. OKLAHOMA TAX COMMISSION
CHAPTER 60. MOTOR VEHICLES**

RULE IMPACT STATEMENT

Pursuant to 75 O.S. §303(D), the Oklahoma Tax Commission provides the following rule impact statement with regard to proposed rule changes to Chapter 60 of Title 710 of the Oklahoma Administrative Code.

DESCRIPTION: Section 710:60-3-28 has been amended and new Section 710:60-3-56.1 has been promulgated consistent with the passage of SB 263, which amends 47 O.S. § 1112.2 and provides that when a lender or lender's agent repossesses a vehicle for which a license plate has not be removed, the lender or lender's agent is not subject to the current requirement imposed in 47 O.S. § 1112.2 to remove and return the plate to the Tax Commission or a motor license agent.

Section 710:60-3-37 has been amended to authorize the Tax Commission to waive a delinquent vehicle registration penalty related to a stolen vehicle as certified by a police report or other documentation required by the Tax Commission, consistent with the provisions of HB 1065.

New Part 8. Electric Vehicles and New Section 710:60-3-80 have been added to implement the provisions of HB 2234 which imposes and sets an initial and renewal fee in addition to the registration fees imposed pursuant to 47 O.S. § 1132 for electric vehicles based on the weight of the vehicle and the assigned classification thereof.

Section 710:60-3-184 has been amended to implement the provisions of HB 1044 by modifying the authorization language creating the Gold Star special license plate. The plate is to be designed to honor members who were killed while on active duty and expands eligibility to additional family members.

Section 710:60-5-71 has been amended to prohibit a motor license agent from transferring the certificate of title on a vehicle when there is an active lien from a commercial lender in place on that vehicle until the lien is satisfied, consistent with the provisions of HB 2056.

CLASSES AFFECTED: Lenders, owners of motor vehicles and electric vehicles, Gold Star families, and motor license agents may be affected by the proposed rules.

PERSONS BENEFITED: All taxpayers and motor license agents will benefit from increased clarity of Oklahoma tax laws and Tax Commission procedures.

PROBABLE ECONOMIC IMPACT OF THE PROPOSED RULE UPON AFFECTED CLASSES OF PERSONS OR POLITICAL SUBDIVISIONS: There are no anticipated increase to costs associated with the proposed rule changes.

LISTING OF ALL FEE CHANGES, INCLUDING A SEPARATE JUSTIFICATION FOR EACH FEE CHANGE: The rulemaking action does not levy, implement, or increase an existing fee.

PROBABLE COSTS TO THE AGENCY: Costs to promulgate and enforce the proposed rules will be funded through normal agency budget. No measurable impact on State revenues is anticipated.

ECONOMIC IMPACT ON POLITICAL SUBDIVISIONS: The agency does not anticipate any economic impact on any political subdivision to implement the proposed rule changes at this time.

SMALL BUSINESS IMPACT: After consideration with reference to Section 303(A)(4) and 303(B)(6) of Title 75, it is believed that the proposed rules will have no adverse impact upon Small Business.

ALTERNATIVE METHODS AND COSTS OF COMPLIANCE: There are no less costly or non-regulatory methods or less intrusive methods for achieving the purpose of this proposed rules. No formalized compliance cost minimization measures have been pursued.

DETERMINATION OF THE EFFECT ON PUBLIC HEALTH, SAFETY AND ENVIRONMENT: The agency does not anticipate any impact on public health, safety, or environment as a result of implementation of the proposed rules at this time.

DETERMINATION OF THE DETRIMENTAL EFFECT WILL THERE BE ON THE PUBLIC HEALTH, SAFETY, AND ENVIRONMENT IF THE RULE CHANGE IS NOT IMPLEMENTED: The agency does not anticipate any detrimental effect on public health, safety, or environment as a result of failure to implement the proposed rules at this time.

DATE PREPARED: December 15, 2021