



Rules and Regulations for Licensed Operators

Partnerships

2-25-2025

Contents

| | |
|---|---|
| Revision History | 2 |
| Overview | 2 |
| Purpose | 2 |
| Policy Statement | 2 |
| Compliance | 2 |
| Becoming a Licensed Operator | 3 |
| Grant of the License..... | 3 |
| Establishment of Designated Service Oklahoma Location | 3 |
| Operation of Designated Service Oklahoma Location | 4 |
| Deficiency Notice and Cure Procedure | 6 |
| Fees..... | 6 |
| Sale or Transfer of the License | 7 |
| Default and Revocation..... | 7 |
| Operational Rules and Regulations | 8 |
| Title 260, Chapter 135, Subchapter 3..... | 8 |

Revision History

| | |
|---|--|
| Effective Date of SOP: 2/25/2025 | SOP Number: H.02 |
| Functional Area Name: Partnerships | Division Name: Regulatory |
| Last Review Date: 2/6/2025 | Last Reviewer: April Kelso, General Counsel |
| Next Review Date: 2/6/2026 | Next Reviewer: General Counsel |
| Executive Approval Date: 2/25/2025 | Approved By: April Kelso, General Counsel |

Overview

This document outlines the rules and regulations that all Service Oklahoma (SOK) Licensed Operators should be aware of when conducting business. It covers the guidelines for becoming a Licensed Operator, back-end operational rules, and rules for choosing and executing transactional offerings.

Purpose

The purpose of the manual is to enable Licensed Operators to access, understand, and reference the regulations that govern their work, including SOK policies, state statutes, and more. Licensed Operators should consult this document for answers to questions before escalating them to SOK.

Policy Statement

This manual applies to all Licensed Operators who have been issued a license by the Service Oklahoma Operator Board to operate a designated Service Oklahoma location, as well as any motor license agent who may continue to conduct business pursuant to a previous contract through December 31, 2025, pursuant to 47 O.S. §1140(J).

Compliance

The most important policies governing the relationship between SOK and its Licensed Operators are the Oklahoma Statutes 47 O.S. §1140-1147 and the Oklahoma Administrative Code Title 670 Chapter 10. This guide will elaborate on both regulations, as well as other specific rules Licensed Operators should be aware of.

Becoming a Licensed Operator

Grant of the License

Motor license agents appointed by the Oklahoma Tax Commission

Pursuant to 47 O.S. §1140(J), existing motor license agents who were in good standing with the Oklahoma Tax Commission were offered a contract from Service Oklahoma to become a licensed operator, effective January 1, 2023. Those existing motor license agents who either declined to enter into a contract with Service Oklahoma or who were not in good standing with the Oklahoma Tax Commission as of December 31, 2022, are permitted to conduct business pursuant to the then existing contract through December 31, 2025, so long as they remain in good standing in accordance with the terms of the then existing contract.

Grant of Contract to Operate a Designated Service Oklahoma Location (DSOL)

Service Oklahoma engages the Licensed Operator to operate a DSOL at the Designated Location during the term of their Agreement. As a condition for the issuance of a license by the Board and the execution of the Agreement by Service Oklahoma, the Licensed Operator accepts the obligation to operate a DSOL at the Designated Location in accordance with the Licensed Operator Standards, the Rules of Service Oklahoma, the terms of the Agreement and all applicable provisions of Oklahoma law.

Grant Specific to Designated Location

The Agreement and the license granted by the Service Oklahoma Operator Board relates solely to the Designated Location. The Licensed Operator may apply for and obtain separate licenses to operate other DSOLs where available and upon approval by the Board. In the event the Licensed Operator desires to relocate the Designated Location, the Licensed Operator shall be permitted to apply for express written approval from the Board, which may be granted or withheld in the Board's sole discretion, subject to 47 O.S. §1140. In the event such request is granted, the Licensed Operator shall be responsible for the related fees.

Term of Contract

Except as otherwise indicated, the Licensed Operator Agreement will renew annually on each January 1 for subsequent one-year terms, so long as the Licensed Operator remains in good standing with the Service Oklahoma Operator Board as required by Oklahoma law. Service Oklahoma may, after seeking recommendations from the Board, update the form of the License Operator Contract being offered to Licensed Operators at any time. Please see the most recent version of the contract for further information related to the renewal and/or termination of an existing contract.

Independent Contractor

The Licensed Operator shall be an independent contractor of Service Oklahoma. Under no circumstances shall the Licensed Operator hold himself or herself out to be an agent of Service Oklahoma. The Licensed Operator does not have the power to bind Service Oklahoma.

Establishment of Designated Service Oklahoma Location

Initial Approval

The Licensed Operator agrees to establish the Designated Location as a DSOL in accordance with all requirements, standards and guidelines established or set forth for the operation of DSOLs by the Board (the "Licensed Operator Standards"), all rules, policies, or other directives established by or otherwise governing Service Oklahoma (the "Rules of Service Oklahoma"), the terms of the Licensed Operator Agreement, and all applicable provisions of Oklahoma law.

Branding and Physical Standardization Exemption

All motor license agents and licensed operators in good standing as of November 1, 2022, are exempt from the branding and physical standardization requirements, so long as they continue to operate at the same location, pursuant to 47 O.S. §1140. In the event the licensed operator chooses to sell or transfer their existing license within the first five (5) years, the branding and physical standardization exemption does not transfer to the purchaser unless the purchaser is related to the licensed operator within the third degree by consanguinity, marriage, or adoption.

Right to Enter

The Licensed Operator agrees that Service Oklahoma, the Board, or its designees shall have the right to enter the Designated Location without notice during normal business hours to determine the Licensed Operator's compliance with the standardization, branding, and all other requirements for the establishment of the Designated Location as a DSOL.

Ownership of Designated Location

The Licensed Operator represents and warrants that the Designated Location shall not be owned by a member of Service Oklahoma, an employee of Service Oklahoma, or any person related to a member or employee of Service Oklahoma within the third degree by consanguinity, marriage, or adoption.

Operation of Designated Service Oklahoma Location

Operation in Accordance with Standards and Rules

The Licensed Operator expressly agrees to operate the Designated Location as a DSOL to offer third-party fulfillment of designated services to be rendered by Service Oklahoma, as required by Oklahoma law. The Licensed Operator shall be responsible for the operations at the Designated Location and for otherwise exercising day-to-day control over the DSOL. The Licensed Operator agrees to operate the DSOL in accordance with all the Licensed Operator Standards, the Rules of Service Oklahoma, the terms of the Licensed Operator Agreement, and all applicable provisions of Oklahoma law. The Licensed Operator acknowledges that such Licensed Operator Standards shall include, among other things:

- (a) qualifications, requirements, and the performance of Licensed Operators;
- (b) branding and physical standardization requirements (unless the Designated Location is exempt pursuant to 47 O.S. §1140);
- (c) customer service metrics, analysis, and improvement processes for Licensed Operators;
- (d) processes for the termination of Licensed Operators;
- (e) minimum office hours;
- (f) provisions for sufficient staffing, equipment, office space, and parking at the Service Oklahoma location;
- (g) provision for a single website, designated by Service Oklahoma, to be used for the distribution of services provided by Service Oklahoma including all motor vehicle services to be fulfilled by Licensed Operators;
- (h) and all other things affecting the experience of customers who patronize the Service Oklahoma locations.

General Duties

The Licensed Operator agrees, represents, and warrants that at all times the Licensed Operator will:

- (a) faithfully discharge the obligations and duties imposed by and abide by laws, rules, regulations, and instructions of Service Oklahoma;

- (b) report, deposit, and account for all fees and taxes collected by virtue of said office within the time and in the manner prescribed by Service Oklahoma;
- (c) report, deposit, account for, and submit all items received that are used for the purpose of evidencing the payment of fees and taxes within the time and in the manner prescribed by Service Oklahoma;
- (d) remit to Service Oklahoma, in connection with unaccounted-for items, an amount equal to the average amount received throughout the State of Oklahoma in connection with the issuance of like items during the period of time for which the items and unaccounted for;
- (e) protect the confidentiality of motor vehicle and other customer data in accordance with 47 O.S. §1109, 63 O.S. §4007, and 68 O.S. §205;
- (f) prevent the release any information on certificates of title and registrations to anyone, except as authorized by Oklahoma law;
- (g) uphold all legislative and legal updates associated with the position and responsibilities imposed on Licensed Operators;
- (h) provide copies of all contracts with vendors associated with Service Oklahoma services;
- (i) continually monitor the Licensed Operator's inventory and maintain a sufficient inventory of all approved items and products to meet customer demands; and
- (j) utilize only those forms required in the application and processing of designated services as are provided to the Licensed Operator by Service Oklahoma without creating or requiring customers to complete any additional form outside of those approved and required by Service Oklahoma.

Recordkeeping Duties

The Licensed Operator will comply with all recordkeeping duties and requirements set forth by Oklahoma law and the Rules for Service Oklahoma. The following is a non-exhaustive list of such duties and requirements:

- (a) The Licensed Operator shall maintain all requisite accounts required in Title 47 of the Oklahoma Statutes and the applicable Administrative Code.
- (b) The Licensed Operator shall make all timely deposits, transfers, corrections, adjustments, and reconciliations to Service Oklahoma as required in Title 47 of the Oklahoma Statutes and the applicable Administrative Code.
- (c) Any and all records, files, books, or otherwise relating to the operation of the Designated Location shall be retained at all times either at the DSOL or the Licensed Operator's location identified above.
- (d) The Licensed Operator agrees to timely submit all reports to Service Oklahoma, as required by Oklahoma Statutes and the applicable Administrative Code. The Licensed Operator understands that the failure to comply with the reporting requirements may result in the imposition of penalties.

Required Training

The Licensed Operator agrees to attend and/or make the employees of the DSOL available to attend training programs as required by Service Oklahoma or the Board, in accordance with applicable laws and rules established by the Board from time to time.

Collection of Fees for Services

The Licensed Operator is allowed to collect and retain fees designated by Oklahoma law. The Licensed Operator is prohibited from charging a fee for any service rendered pertaining to the issuance of titles, registrations, permits, licenses, credentials, or any other document required by Service Oklahoma. All fees assessed by a Licensed Operator must be documented and clearly identifiable in the Licensed Operator's records. If the Licensed Operator assesses a fee for an additional service that is not covered by statute but is directly related to a Service

Oklahoma transaction (such as providing a fax service to a customer for required documentation to complete a transaction), Licensed Operators must follow procedures set forth in Service Oklahoma rules.

Non-Disparagement Clause

The Licensed Operator agrees not to disparage or denigrate Service Oklahoma, the Service Oklahoma Operator Board, the Licensed Operator Advisory Committee, other licensed operators, including respective members, officers, directors, and employees, in any statements, responses, or posts made on any social media platform.

Deficiency Notice and Cure Procedure

Deficiency Notice

The Licensed Operator understands that the Designated Location must meet all requirements of a Licensed Operator on a continuous and ongoing basis. In the event Service Oklahoma determines there has been an unapproved deviation from the Licensed Operator Standards, the Rules of Service Oklahoma, the terms of the Agreement or any applicable provision of Oklahoma law, Service Oklahoma shall issue written notice to the Licensed Operator describing the unapproved deviation, the measures required to cure the unapproved deviation, and the deadline for the Licensed Operator to complete such curative measures.

Dispute Procedure

In the event the Licensed Operator wants to dispute the contents of the notice, it must do so in writing to the Board within sixty (60) days of the issuance of the notice. The Board shall conduct a hearing on such dispute in accordance with the Administrative Procedures Act. Upon final determination of any dispute by the Board, the Licensed Operator shall complete all Board required curative actions at Licensed Operator's sole cost and expense.

Fees

Bond

As a condition of the License, the Licensed Operator must furnish and file with Service Oklahoma a bond in such amount as may be fixed by Service Oklahoma. Licensed Operators must obtain the surety bond or cash bond required by 47 O.S. §1143 only during their first year of operation. Thereafter, licensed operators are subject to the provisions of 47 O.S. §1143.1.

Transfer Fee

Oklahoma law provides that a Licensed Operator may sell or transfer its License to operate a DSOL. The Licensed Operator understands that if he or she chooses to sell or transfer its License, the purchaser or transferee will be required to pay a Transfer Fee to Service Oklahoma at the rate established by Oklahoma law. The Licensed Operator who is selling or transferring the location shall not be entitled to any of the Transfer Fee and the Transfer Fee shall be in addition to and separate from any purchase price agreed upon by the Licensed Operator and the individual purchasing the license.

Relocation Fee

In the event a Licensed Operator decides to relocate an existing Service Oklahoma location, the Licensed Operator shall be responsible for all costs incurred when relocating the location. The Service Oklahoma Operator Board may waive payment of such costs in case of unforeseen business or emergency conditions beyond the control of the Licensed Operator.

Sale or Transfer of the License

Restrictions on Sale or Transfer

The Licensed Operator may not sell or transfer the license to operate a DSOL or assign his or her rights under the Agreement without the prior written consent of the Board.

- (a) A Licensed Operator who either (1) has held his or her license for a minimum of five (5) years or (2) was issued a license to operate a DSOL on January 1, 2023, and who is in good standing with the Board, may apply to the Board for approval to sell or transfer his or her license in accordance with any application procedure established by the Board from time to time. Approval may be withheld for failure to comply with the Licensed Operator Standards, the Rules of Service Oklahoma, the terms of this Agreement, or any other Oklahoma law related to the sale or transfer of a license to operate a DSOL. Even in the event of Board approval, the Licensed Operator and the proposed transferee must comply with the requirements of Oklahoma law for the sale or transfer of the license to operate a DSOL and pay all fees required by Oklahoma law.
- (b) A Licensed Operator who has held his or her license for less than the minimum of five (5) years required to apply to sell or transfer the license above, but who is nevertheless in good standing with the Board, may offer to sell his or her license back to the Board at the purchase price established at Oklahoma law. The decision of the Board to purchase such license shall be at the sole decision of the Board, which may be withheld for any reason. If approved, the Board may purchase the license in accordance with any procedure established by the Board from time to time.

Death of the Licensed Operator

The Licensed Operator may designate an individual to continue to operate the Service Oklahoma location upon his or her death. Service Oklahoma will provide a designation form to all licensed operators. The designee or an employee of the Service Oklahoma location must immediately notify Service Oklahoma in the event of the Licensed Operator's death. The designee must apply for a license to operate the DSOL with the Service Oklahoma Operator Board within thirty (30) days of the Licensed Operator's death. In the event that no designee is designated or that the designee fails to apply for a license within thirty (30) days, Service Oklahoma may take any and all action it deems appropriate in order to provide for the orderly transition and maintenance of operations of the Service Oklahoma location.

Default and Revocation

Revocation of License For Cause

The Licensed Operator will be in default and is subject to the revocation of its license by the Board "for cause", pursuant to 47 O.S. §1140, under the following conditions:

- (a) repeated violations of the Licensed Operator Agreement or any other written contract involving the Licensed Operator, the Licensed Operator Standards, the Service Oklahoma Rules, or any other rules, regulations, or statutes pertaining to Licensed Operators after written warning by the Board and an opportunity to correct such violations;
- (b) failure of the Licensed Operator to promptly remit funds owed to Service Oklahoma upon written demand;
- (c) being charged with a felony crime involving dishonesty or moral turpitude;
- (d) failure to timely file state and federal income tax returns; or
- (e) any act of official misconduct as set forth in Section 93 of Title 51 of the Oklahoma Statutes.

Revocation Hearing

Upon determination that the Licensed Operator is in default, Service Oklahoma shall submit a written recommendation to the Board that the Licensed Operator's license to operate the Designated Location should be revoked "for cause". Upon receipt of such recommendation, the Board shall conduct a hearing on such recommendation in accordance with the Administrative Procedures Act. In the event the Licensed Operator's license to operate the Designated Location is revoked by the Board "for cause", the Designated Location will be permanently closed, and the Licensed Operator shall not be entitled to any compensation.

Revocation Based on Customer Satisfaction Standards

The Licensed Operator will be in default and is subject to the revocation of its license by the Board for failure to meet the standards for customer satisfaction established by the Board in accordance and Oklahoma law. Upon determination that the Licensed Operator is in default based on a failure to meet customer satisfaction standards, Service Oklahoma shall submit a written recommendation to the Board that the Licensed Operator's license to operate the Designated Location should be revoked for failure to meet the standard of customer satisfaction. Upon receipt of such recommendation, the Board shall conduct a hearing on such recommendation in accordance with the Administrative Procedures Act. In the event of revocation by the Board for failure to meet any standards of customer satisfaction by the Board, the Licensed Operator shall sell his or her license to operate the Service Oklahoma location to Service Oklahoma at a rate set forth by Oklahoma law.

Indemnification

The Licensed Operator will indemnify and hold Service Oklahoma, the Service Oklahoma Operator Board, the State of Oklahoma, subsidiaries and affiliates, including respective members, officers, directors, employees, agents, successors and assigns (the "Indemnified Parties"), harmless from all claims related in any way to the operation, possession, or ownership of the DSOL, or any debt or obligation of the Licensed Operator.

Operational Rules and Regulations

Title 260, Chapter 135, Subchapter 3

The purpose of this Subchapter is to describe the organization of Service Oklahoma. Service Oklahoma is created by Section 3-101 of [Title 47 of the Oklahoma Statutes](#). The primary statutory powers and duties of Service Oklahoma are set forth in Title 47 of the Oklahoma Statutes.

| Part # | Area | Summary |
|--------|--|--|
| 1 | General Requirements, Duties, and Responsibilities | Information related to the qualifications, restrictions, duties, and other requirements |
| 3 | Specific Record Keeping Duties | Information related to the record keeping requirements |
| 5 | Specific Reporting Duties | Information on the reporting requirements, specifically related to semimonthly reporting |
| 7 | Specific Fiscal Duties | Information on deposits, refunds, check management, and financial reporting |

| | | |
|----|--|--|
| 9 | Operation of Service Oklahoma Location by Licensed Operator | Operational requirements for licensed operator-managed Service Oklahoma locations including notary services, successors, training and continuing education |
| 11 | Provisions for Application and Issuance of a License to Operate a Designated Service Oklahoma Location | Information on application requirements for potential licensed operators |
| 13 | Provisions Related to the Issuance of Driver License Identification Cards | Guidelines for licensed operators to issue driver licenses |