

1 STATE OF OKLAHOMA

2 1st Session of the 60th Legislature (2025)

3 HOUSE BILL 2882

By: Chapman

6 AS INTRODUCED

7 An Act relating to motor vehicles; amending 47 O.S.  
8 2021, Section 1111, as amended by Section 123,  
9 Chapter 282, O.S.L. 2022 (47 O.S. Supp. 2024, Section  
10 1111), which relates to salvaged titles; requiring  
11 submission and maintenance of certain vehicle damage  
lists; requiring filing of certain affidavit;  
12 requiring certain form be prescribed; requiring  
13 collection of certain information; authorizing the  
14 promulgation of certain rules; and providing an  
15 effective date.

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

17 SECTION 1. AMENDATORY 47 O.S. 2021, Section 1111, as  
18 amended by Section 123, Chapter 282, O.S.L. 2022 (47 O.S. Supp.  
19 2024, Section 1111), is amended to read as follows:

20 Section 1111. A. As used in this section:

21 1. "Loss" means the cost, in dollars, to repair or replace a  
22 vehicle which has been damaged by collision or other occurrence.  
23 The amount paid by an insurer to a holder of the certificate of  
24 title for repair of a damaged vehicle shall be *prima facie* evidence  
of the amount of the loss. The amount paid by an insurer to a

1 holder of the certificate of title for replacement of a damaged  
2 vehicle less the resale value of the damaged vehicle shall be prima  
3 facie evidence of the amount of the loss;

4       2. "Fair market value" means the value of a vehicle as listed  
5 in the current National Auto Dealers Association guidebook or other  
6 similar guidebook or the actual cash value, whichever is greater;

7       3. "Resale value" means the amount, in dollars, paid to the  
8 holder of a certificate of title by a willing buyer for a vehicle  
9 damaged by collision or other occurrence or recovered from theft;

10      4. "Total loss" means a loss which is equal to the fair market  
11 value of the vehicle immediately prior to the damage to or theft of  
12 the vehicle; and

13      5. "Vehicle" means a vehicle, as defined in paragraph 40 of  
14 Section 1102 of this title, manufactured within the last ten (10)  
15 model years.

16       B. Any insurance company that pays a total loss on a claim for  
17 any vehicle including, but not limited to, a flood-damaged vehicle  
18 or recovered-theft vehicle, any junk dealer who receives a motor  
19 vehicle which is to be used for junk or for parts, or any other  
20 person permanently dismantling or junking a vehicle shall receive  
21 the certificate of title from the current holder of the certificate  
22 of title, shall detach the license plate from the vehicle, and shall  
23 return the license plate and the certificate of title along with a  
24 list of the total loss damages sustained to the vehicle to Service

1 Oklahoma or a licensed operator within thirty (30) days from receipt  
2 of the certificate, or insurance companies may provide alternate  
3 documentation within thirty (30) days pursuant to subsection P of  
4 Section 1105 of this title. Service Oklahoma shall cancel the  
5 certificate of title to the vehicle used for junk or parts and shall  
6 preserve the vehicle identification numbers on the certificate of  
7 title and the list of the total loss damages in the computer files  
8 for at least five (5) years. No certificate of title may be  
9 reissued on a junked vehicle as defined in Section 1105 of this  
10 title, unless reissued pursuant to paragraph 3 of subsection C of  
11 this section. Service Oklahoma shall transfer ownership of a stolen  
12 vehicle, not recovered from theft at the time of transfer, by  
13 salvage or unrecovered-theft title to the insurer. Service Oklahoma  
14 shall transfer ownership of a vehicle damaged by flooding or other  
15 occurrence to the insurer by an original title, salvage title, or  
16 junked title, as may be appropriate, based upon an estimate of the  
17 amount of loss submitted by the insurer. All license plates  
18 surrendered to Service Oklahoma shall be destroyed.

19       C. 1. If an insurance company pays a claim for a loss which is  
20 less than a total loss but the cost of repairing the vehicle for  
21 safe operation on the highway exceeds sixty percent (60%) of the  
22 fair market value of the vehicle, or if any vehicle not insured is  
23 damaged to the extent that the cost of repair for safe operation on  
24 the highway exceeds sixty percent (60%) of the fair market value of

1 the vehicle, any holder of the certificate of title for the vehicle  
2 shall return the certificate of title along with a list of damages  
3 to the vehicle to Service Oklahoma or a licensed operator within  
4 thirty (30) days from receipt of payment for the loss.

5       2. Upon receipt of the certificate, Service Oklahoma or the  
6 licensed operator shall issue a salvage title for the vehicle. The  
7 title for any vehicle damaged by flooding shall be stamped with the  
8 words "Flood Damaged", and for any such vehicle which was recovered  
9 from a theft, the salvage title or rebuilt title shall be stamped  
10 with the words "Recovered Theft". In addition, Service Oklahoma  
11 shall maintain in its computer files a list of damages to the  
12 salvage title vehicle. A licensed dealer subject to the provisions  
13 of the Automotive Dismantlers and Parts Recycler Act, Section 591.1  
14 et seq. of this title, shall not be required to pay registration  
15 fees, excise taxes, back taxes, or penalties on a vehicle as a  
16 prerequisite to obtaining a salvage title.

17       3. If the actual documented cost of repairing the vehicle for  
18 safe operation on the highway does not exceed sixty percent (60%) of  
19 the fair market value of the vehicle as defined in this section, the  
20 certificate of title shall be reissued to the holder and the vehicle  
21 shall not be subject to inspection as required under this section.  
22 The actual documented cost of repairing the vehicle pursuant to this  
23 paragraph shall be certified by the insurance company paying the  
24 loss.

1       D. If a motor vehicle with a salvage title is placed in  
2 operative condition, application shall be made to Service Oklahoma  
3 or a licensed operator for a rebuilt title. A visual inspection of  
4 the vehicle and examination of the vehicle identification numbers  
5 shall be conducted prior to the issuance of a rebuilt title. In  
6 addition to a visual inspection of the vehicle, Service Oklahoma or  
7 a licensed operator shall require the applicant for a rebuilt title  
8 to present receipts and documents showing proof that appropriate  
9 repairs of damage were performed that correspond to damage list data  
10 maintained by Service Oklahoma for that vehicle. At the time of  
11 issuance, the salvage title shall be returned to Service Oklahoma by  
12 the owner, or by the licensed operator if the licensed operator  
13 issues the rebuilt title. A visual inspection shall also be made of  
14 any out-of-state vehicle to be registered and titled in this state  
15 if the vehicle is within the class of vehicles for which a rebuilt  
16 title is required and a similar inspection has not been conducted by  
17 another state. The certificate of title for the rebuilt vehicle  
18 shall be stamped with the words, "This Rebuilt Vehicle Has Been  
19 Inspected by the Appropriate State Official."

20       E. 1. The visual inspections and examination of vehicle  
21 identification numbers shall include, but not be limited to:  
22           a. comparison of the vehicle identification numbers with  
23                   the number recorded on the ownership records,

- b. inspection of the vehicle identification numbers and the VIN plate to detect possible alteration or other fraud,
  - c. interpretation of the vehicle identification number recorded on the ownership documents to assure that it accurately describes the motor vehicle in question, and
  - d. inspection of the odometer of the vehicle to detect rollback or alteration.

10       2. All vehicle damage shall be repaired before the examination  
11 is conducted. The following paperwork shall be presented to the  
12 licensed operator: the salvage title and original receipts for all  
13 parts placed on the vehicle. When applying for a rebuilt title, the  
14 owner of such vehicle shall file an affidavit with Service Oklahoma  
15 or the licensed operator stating that all repairs of damage have  
16 been performed and provide corresponding receipts. The form of the  
17 affidavit shall be prescribed by Service Oklahoma. The licensed  
18 operator shall collect the affidavit and documentation and include  
19 it in the documentation maintained by Service Oklahoma for the  
20 vehicle to qualify for a rebuilt title. Components such as doors,  
21 motor, and transmission shall indicate the serial number or the  
22 vehicle identification number (VIN) of the auto the part was  
23 purchased from or removed from. Service Oklahoma is authorized to  
24 promulgate any necessary rules to develop training for its employees

1     or licensed operators to ensure accurate interpretation of repair  
2     documentation and appropriate comparisons between documented damages  
3     and the repairs required to obtain a rebuilt title.

4                 F. The visual inspection and vehicle identification numbers  
5 examination shall be performed by a licensed operator at the  
6 location designated by the licensed operator. If the location of  
7 the inspection is not the place of business of the rebuilder, the  
8 licensed operator shall issue a permit authorizing the applicant to  
9 operate the vehicle upon the public streets, roads, and highways in  
10 route to and from the designated location for the inspection. The  
11 inspection and examination shall be performed within ten (10)  
12 working days after the owner of the vehicle requests the inspection  
13 and examination. Requests shall be made by completing the request  
14 form prescribed and provided by Service Oklahoma.

15                 G. Inspection and examination of a rebuilt vehicle shall be  
16 performed by a person employed by a licensed operator.

17                 H. The fee for the examination by the licensed operator shall  
18 be Twenty-five Dollars (\$25.00), which shall be paid at the time of  
19 issuance of the certificate of title for the rebuilt vehicle. The  
20 licensed operator shall retain Five Dollars (\$5.00) and shall remit  
21 Twenty Dollars (\$20.00) to the Tax Commission which shall retain Ten  
22 Dollars (\$10.00) and transmit Ten Dollars (\$10.00) to the State  
23 Treasurer for deposit in the Department of Public Safety Revolving  
24 Fund through December 31, 2022. Beginning January 1, 2023, the

1 licensed operator shall retain Five Dollars (\$5.00) and shall remit  
2 Twenty Dollars (\$20.00) to the Tax Commission which shall retain Ten  
3 Dollars (\$10.00) and transmit Ten Dollars (\$10.00) to the State  
4 Treasurer for deposit in the Service Oklahoma Revolving Fund. The  
5 licensed operator and its employees and agents may not be sued for  
6 and shall not be liable for any damages allegedly arising out of the  
7 inspection of a vehicle or any acts or omissions in the performance  
8 of the inspection. The licensed operator may be held liable for any  
9 damages to the vehicle caused by the negligent acts or omissions in  
10 the performance of the inspection. Any person may be liable for any  
11 damages to a vehicle caused by the intentional acts or omissions in  
12 the performance of the inspection.

13       I. The rebuilt title and any subsequent transfers of such title  
14 shall also reflect that the vehicle was a salvage vehicle, flood-  
15 damaged vehicle or recovered-theft vehicle, if applicable, and also  
16 shall include the salvage date.

17       J. Any title for a motor vehicle issued pursuant to the laws of  
18 any other state which reflects that such vehicle is a salvage  
19 vehicle, a rebuilt vehicle or a junked vehicle or has any other  
20 brand or classification notation by that state shall be retained on  
21 the new title issued by Service Oklahoma unless the actual  
22 documented cost of repairing the vehicle for safe operation on the  
23 highway does not exceed sixty percent (60%) of the fair market value  
24 of the vehicle as provided by this section.

1       K. When the insurance company pays a loss on a vehicle which is  
2 registered at the time of mishap, accident, burning, or flooding,  
3 the appropriate certificate of title shall be issued without the  
4 payment of additional registration fees or excise taxes, upon the  
5 submission of a police report or insurance adjuster's report and a  
6 declaration by the insurer that the vehicle is held for sale to a  
7 dealer. If the owner of the vehicle or other insured retains  
8 ownership of the damaged vehicle, Service Oklahoma shall notify the  
9 owner or insured of the requirements of this section.

10      L. Any insurance company that pays a claim for a loss where the  
11 cost of repairing the vehicle for safe operation on the highway  
12 exceeds sixty percent (60%) of the market value of the vehicle or  
13 pays a claim for a flood-damaged vehicle as defined in Section 1105  
14 of this title shall notify, in writing, the holder of the  
15 certificate of title of the requirements of this section and shall  
16 notify Service Oklahoma of the payment of such claim. The notice  
17 shall include the estimated total damage percentage determination of  
18 the actual cash value made by the insurance company to repair the  
19 vehicle for safe operation on the highway. The insurance company  
20 shall also send a copy of the notification to the holder of the  
21 title. Service Oklahoma shall provide notice to the owner of the  
22 vehicle in writing requiring the owner to surrender the title along  
23 with the fee to Service Oklahoma or one of its licensed operators  
24 within thirty (30) days from the receipt of notice for the issuance

1 of the appropriate title based on the amount of loss. Service  
2 Oklahoma shall reissue the appropriate title with the words "Flood  
3 Damaged" on the face of the title in the case of a flood-damaged  
4 vehicle; provided, no insurance company shall pay a claim for less  
5 than the amount to which the holder of the certificate of title is  
6 rightfully entitled in order to avoid compliance with this section.

7 M. Except as provided for in subsection N of this section, any  
8 person, firm, corporation, or other legal entity convicted of  
9 violating any provision of this section shall be guilty of a  
10 misdemeanor and shall be punished by a fine of not less than Three  
11 Hundred Dollars (\$300.00) or by incarceration in the county jail for  
12 not more than six (6) months, or by both the fine and incarceration.

13 N. Any owner of a titled vehicle who has knowledge that the  
14 title is not the proper type for the vehicle and, with intent to  
15 misrepresent the vehicle, fails to make the appropriate title  
16 changes, shall be guilty of a misdemeanor. Any person who has  
17 knowledge that the title is not the proper type for the vehicle, and  
18 with intent to misrepresent the vehicle, buys or receives any  
19 vehicle for which the appropriate title changes have not been made  
20 as required by this act shall be guilty of a misdemeanor. Any  
21 person found guilty in accordance with the provisions of this  
22 subsection shall be punished by a fine of not more than One Thousand  
23 Dollars (\$1,000.00) for the first offense or Five Thousand Dollars  
24 (\$5,000.00) for the second or subsequent offense, or by imprisonment

1      in the county jail for a term not exceeding six (6) months, or by  
2      both such fine and imprisonment.

3            O. Any owner of a salvage or junked vehicle shall submit the  
4      certificate of title to Service Oklahoma or the licensed operator  
5      for issuance of an appropriate title. Any holder of a certificate  
6      of title issued by this state, to a vehicle which no longer exists,  
7      shall surrender the certificate of title to Service Oklahoma for  
8      cancellation. The vehicle identification number on the canceled  
9      certificate of title shall be preserved in the computer of Service  
10     Oklahoma for at least five (5) years.

11           Nothing in this section shall be construed to prevent the  
12      transfer of ownership of a vehicle by assignment of the title to a  
13      used car dealer, wholesale used car dealer, or a licensed automotive  
14      dismantler or parts recycler.

15           SECTION 2. This act shall become effective November 1, 2025.

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17      60-1-11578        JBH        01/16/25

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