

1 **SENATE FLOOR VERSION**

2 April 10, 2023

3 ENGROSSED HOUSE
4 BILL NO. 2244

By: Dobrinski of the House

and

5 Thompson (Roger) of the
6 Senate

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8
9 An Act relating to motor vehicles; defining terms;
10 authorizing dealer management system providers
11 perform certain actions; prohibiting dealer
12 management system providers from certain actions;
13 making conflicting term or condition of contracts
14 void and unenforceable; requiring certain actions of
15 authorized integrators; allowing dealers to withdraw,
16 revoke or amend certain express written authorization
17 under certain circumstances; requiring certain
18 obligations to secure and prevent unauthorized access
19 to certain information; stating certain parties not
20 liable for certain actions; requiring indemnification
21 for certain claims; requiring manufacturers to allow
22 new motor vehicle dealers to make certain offers to
23 consumers; making certain exceptions; limiting
24 certain applications; amending 21 O.S. 2021, Section
918, which relates to the sale, barter or exchange of
motor vehicles on Sunday prohibited; modifying name
of certain entity; amending 47 O.S. 2021, Section
562, which relates to definitions; modifying
definitions; defining terms; amending 47 O.S. 2021,
Section 563, which relates to Oklahoma Motor Vehicle
Commission; modifying name of certain entity;
requiring certain delivery agreement forms for
certain deliveries; amending 47 O.S. 2021, Section
564, which relates to licenses; requiring powersports
dealers obtain certain license; disallowing certain
authorization; making certain exception; amending 47
O.S. 2021, Section 564.1, which relates to off-
premises displays of new motor vehicles; modifying
name of certain entity; making certain authorization;

1 removing certain request for variance; amending 47
2 O.S. 2021, Section 564.2, which relates to
3 certificates of registration for new motor vehicle
4 salesperson; modifying name of certain entity;
5 amending 47 O.S. 2021, Section 565, as amended by
6 Section 3, Chapter 192, O.S.L. 2022 (47 O.S. Supp.
7 2022, Section 565), which relates to denial,
8 revocation, or suspension of license; modifying name
9 of certain entity; modifying entity subject to
10 license denial, revocation, suspension, or fine;
11 modifying reasons for license denial, revocation,
12 suspension, or punishment by fine; prohibiting
13 certain standards to measure performance; requiring
14 certain vehicles be offered at same price; requiring
15 certain reimbursement for rental cars; making certain
16 exception; requiring new vehicles be distributed in
17 certain manner; limiting dealers to one part or labor
18 rate request per year; modifying certain time frame
19 for rebuttal; providing for certain calculation;
20 providing for exclusions for certain rate
21 calculation; modifying reasons for certain rebuttal;
22 allowing certain written request; allowing certain
23 adjustments; requiring certain written notice;
24 prohibiting certain recovery of costs; allowing for
certain price increases and charges; prohibiting
factory denial of certain claims and implementation
of certain charge-backs; requiring certain
documentation and written attestation; providing for
certain compensation calculation; requiring certain
method for used vehicle calculations; allowing
factory to direct dealer in certain manner and
method; requiring certain reimbursement claims be
subject to certain limitations and requirements;
placing certain limit on total compensation;
disallowing certain remedy combinations; disallowing
the use of certain agreements; making certain
exception; providing for certain violation; making
certain exceptions; allowing for certain construction
or renovation; providing certain rebuttable
presumption; prohibiting factories from changing
certain plans or systems; limiting license for
distribution; allowing manufacturer or distributor to
require certain dealer compliance; amending 47 O.S.
2021, Section 565.1, which relates to succession
dealerships; defining term; clarifying language;
requiring adherence to certain agreement; requiring
certain changes be in compliance with existing law;

1 amending 47 O.S. 2021, Section 565.2, which relates
2 to termination, cancellation, or nonrenewal of
3 franchise; modifying terms; requiring certain hearing
4 be held within certain time frame; allowing for
5 certain extension; requiring certain compensation;
6 amending 47 O.S. 2021, Section 565.3, which relates
7 to notice of proposed sale; requiring use of certain
8 standards; requiring certain changes be in compliance
9 with existing law; limiting certain evaluations;
10 deleting certain protest right; requiring the
11 submission of certain agreement; amending 47 O.S.
12 2021, Sections 566, 566.1, 567, and 576, which relate
13 to procedure for denial, suspension, or revocation of
14 license, application of the Administrative Procedures
15 Act, injunctions, and petty cash fund; modifying name
16 of certain entity; amending 47 O.S. 2021, Section
17 578.1, which relates to procedures for relocation or
18 establishment; modifying definition; making certain
19 exceptions; amending 47 O.S. 2021, Section 579, which
20 relates to relocation or establishment of franchises;
21 modifying name of certain entity; amending 47 O.S.
22 2021, Section 580.2, which relates to insurance
23 coverage on loan vehicles; defining term; making
24 certain liability policy coverage distinction;
amending 47 O.S. 2021, Section 583, as amended by
Section 3, Chapter 107, O.S.L. 2022 (47 O.S. Supp.
2022, Section 583), which relates to license
required; modifying name of certain entity; amending
47 O.S. 2021, Section 583.1, as amended by Section 4,
Chapter 107, O.S.L. 2022 (47 O.S. Supp. 2022, Section
583.1), which relates to certificate of registration
for used motor vehicle or manufactured home
salespersons; modifying name of certain entity;
amending 47 O.S. 2021, Sections 596.1, 596.2, 596.3,
596.5, 596.7, 596.8, 596.14, 596.15, 596.16, and
1116.1, which relate to definitions, new recreational
vehicle dealer, dealer sales responsibility,
manufacturer termination of dealer agreement, sale of
inventory after termination of dealer agreement, sale
of business assets, denial of application for
license, cause of action, remedies, new vehicles;
modifying definitions; defining terms; modifying name
of certain entity; updating statutory references;
amending 47 O.S. 2021, Section 1128, as amended by
Section 142, Chapter 282, O.S.L. 2022 (47 O.S. Supp.
2022, Section 1128), which relates to manufacturer's
or dealer's license; modifying name of certain

1 entities; amending 47 O.S. 2021, Section 1137.3, as
2 amended by Section 172, Chapter 282, O.S.L. 2022 (47
3 O.S. Supp. 2022, Section 1137.3), which relates to
4 registration and licensing of new motor vehicle,
5 trailer or commercial trailer; modifying name of
6 certain entity; amending 62 O.S. 2021, Section 155,
7 which relates to state boards, commissions and
8 departments; modifying name of certain entity;
9 amending 74 O.S. 2021, Section 3601.1, as amended by
10 Section 24, Chapter 107, O.S.L. 2022 (74 O.S. Supp.
11 2022, Section 3601.1), which relates to employee
12 defined; modifying name of certain entity; repealing
13 47 O.S. 2021, Section 1128, as amended by Section 21,
14 Chapter 107, O.S.L. 2022 (47 O.S. Supp. 2022, Section
15 1128), which relates to manufacturer's or dealer's
16 license; providing for codification; and providing an
17 effective date.

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

SECTION 1. NEW LAW A new section of law to be codified
in the Oklahoma Statutes as Section 564.3 of Title 47, unless there
is created a duplication in numbering, reads as follows:

A. As used in this section:

1. "Access fee" means a requirement to pay money for access to
protected dealer data;

2. "Authorized integrator" means a person who a dealer has a
contractual relationship with or the dealer otherwise gives express
written authorization to have access to protected dealer data stored
on a dealer data system or to write protected dealer data to the
dealer data system for the purpose of performing a specific function
for the dealer;

1 3. "Dealer data system" means software, hardware or firmware
2 that a dealer leases or rents from a dealer management system
3 provider for the purpose of storing protected dealer data;

4 4. "Dealer management system provider" means a person who, for
5 compensation, maintains and provides access to a dealer data system
6 in which a dealer stores protected dealer data;

7 5. "Protected dealer data" means:

8 a. consumer data that a dealer generated or that the
9 consumer provided to the dealer that is not otherwise
10 publicly available and the consumer has not otherwise
11 provided consent or acknowledgment to share the
12 information, and

13 b. any other dealer data in connection with the dealer's
14 daily business operations in which a dealer has rights
15 in a dealer data system; and

16 6. Authorized integrator and dealer management system provider
17 do not include:

18 a. a manufacturer, distributor or importer or any entity
19 that is a subsidiary or affiliate of, or acts on
20 behalf of, a manufacturer, distributor or importer, or

21 b. a governmental body or other person that is acting in
22 accordance with federal, state, or local law or a
23 valid court order.

24 B. A dealer management system provider may:

1 1. Condition access and ability of a dealer or authorized
2 integrator to receive, share, copy, use, write, or transmit
3 protected dealer data from or to a dealer data system on the
4 dealer's or authorized integrator's compliance with security
5 standards;

6 2. Require an authorized integrator to have express written
7 authorization from a dealer before allowing the authorized
8 integrator to gain access to, receive, share, copy, use, or transmit
9 protected dealer data; and

10 3. Deny access to a dealer data system to a dealer if the
11 dealer fails to pay an amount due to the dealer management system
12 provider under a lease, contract, or other agreement concerning the
13 dealer's access to or use of the dealer data system.

14 C. Except as provided in subsection B of this section, a dealer
15 management system provider shall not take any action that would
16 limit or prohibit the ability of a dealer or an authorized
17 integrator to receive, protect, store, copy, share, or use protected
18 dealer data, using means that include, but are not limited to:

19 1. Imposing an access fee on a dealer or authorized integrator;
20 and

21 2. Restricting a dealer or an authorized integrator from
22 sharing protected dealer data or writing data or having access to a
23 dealer data system. Prohibited restrictions pursuant to this
24 paragraph include, but are not limited to:

- a. limits on the scope or nature of protected dealer data to which a dealer or authorized integrator has access or may share or write to a dealer data system, and
- b. a requirement for a dealer or authorized integrator to provide sensitive or confidential business information or information that a dealer or authorized integrator uses for competitive purposes in return for access to protected dealer data or an authorization to share or write protected dealer data to a dealer data system.

D. Except as otherwise provided in this section, any term or condition of a contract with a dealer management system provider that conflicts with the requirements set forth in subsection C of this section is void and unenforceable to the extent of the conflict.

E. An authorized integrator shall:

1. Obtain express written authorization from a dealer before gaining access to, receiving, sharing, copying, using, writing, or transmitting protected dealer data;

2. Comply with security standards in gaining access to, receiving, sharing, copying, using, writing, or transmitting protected dealer data; and

3. Allow a dealer to withdraw, revoke, or amend any express written authorization the dealer provides under paragraph 1 of this subsection:

- 1 a. at the sole discretion of the dealer, if the dealer
2 gives a thirty-day prior notice to an authorized
3 integrator, or
4 b. immediately, for good cause.

5 F. 1. This section does not prevent a dealer, a dealer
6 management system provider, or an authorized integrator from
7 discharging the obligations of a dealer, dealer management system
8 provider, or an authorized integrator under federal, state, or local
9 law to secure and prevent unauthorized access to protected dealer
10 data, or from limiting the scope of the obligations, in accordance
11 with federal, state, or local law.

12 2. A dealer management system provider is not liable for any
13 action that a dealer takes directly with respect to securing or
14 preventing unauthorized access to protected dealer data, or for
15 actions that an authorized integrator takes in appropriately
16 following the written instructions of the dealer for securing or
17 preventing unauthorized access to protected dealer data, to the
18 extent that the actions prevent the dealer management system
19 provider from meeting a legal obligation to secure or prevent
20 unauthorized access to protected dealer data.

21 3. A dealer is not liable for any action that an authorized
22 integrator takes directly with respect to securing or preventing
23 unauthorized access to protected dealer data, or for actions that
24 the authorized integrator takes in appropriately following the

1 written instructions of the dealer for securing or preventing
2 unauthorized access to protected dealer data, to the extent that the
3 actions prevent the dealer from meeting a legal obligation to secure
4 or prevent unauthorized access to protected dealer data.

5 4. An authorized integrator is not liable for any action that a
6 dealer takes directly with respect to securing or preventing
7 unauthorized access to protected dealer data, or for actions that
8 the dealer takes in appropriately following the written instructions
9 of the authorized integrator for securing or preventing unauthorized
10 access to protected dealer data, to the extent that the actions
11 prevent the authorized integrator from meeting a legal obligation to
12 secure or prevent unauthorized access to protected dealer data.

13 5. A manufacturer, distributor, importer, or any entity that is
14 a subsidiary or affiliate of, or acts on behalf of, a manufacturer,
15 distributor, or importer is not liable for any action that a dealer,
16 dealer management system provider, authorized integrator, or other
17 third party, except for a third party who the manufacturer has
18 provided the data to as provided for in paragraph 7 of this
19 subsection, takes directly with respect to securing or preventing
20 unauthorized access to protected dealer data, or for actions that an
21 authorized integrator, dealer management system provider, or other
22 third party takes in appropriately following the written
23 instructions of the dealer for securing or preventing unauthorized
24 access to protected dealer data.

1 6. Notwithstanding any other agreement, an authorized
2 integrator shall indemnify and hold the new motor vehicle dealer
3 harmless from any third-party claims asserted against or damages
4 incurred by the new motor vehicle dealer to the extent caused by
5 access to, use of, or disclosure of consumer data in violation of
6 this section.

7 7. Notwithstanding any other agreement, a manufacturer,
8 distributor, importer, or any entity that is a subsidiary or
9 affiliate of, or acts on behalf of, a manufacturer, distributor, or
10 importer shall indemnify the dealer for any third-party claims
11 asserted against or damages incurred by the dealer to the extent the
12 claims or damages are caused by the access to and unlawful
13 disclosure of protected dealer data resulting from a breach caused
14 by the manufacturer or distributor or a third party to which the
15 manufacturer or distributor has provided the protected dealer data
16 in violation of this section, the written consent granted by the
17 dealer, or other applicable state or federal law.

18 SECTION 2. NEW LAW A new section of law to be codified
19 in the Oklahoma Statutes as Section 564.4 of Title 47, unless there
20 is created a duplication in numbering, reads as follows:

21 Any manufacturer or distributor who has new motor vehicle sales
22 and service agreements with new motor vehicle dealers in the state
23 shall allow its new motor vehicle dealers to offer consumers any
24 remote software upgrade or change to vehicle functions and features

1 to a new motor vehicle which is of a line-make the new motor vehicle
2 dealer holds an active sales and service agreement for, as any
3 offered to consumers in the state by the manufacturer or
4 distributor, and such upgrade or change shall be available for an
5 authorized new motor vehicle dealer to offer to consumers at any
6 time during the life cycle of the vehicle, and subject to the
7 manufacturer or distributor's requirements, provided the same
8 continues to be made available and offered to consumers in the state
9 by the manufacturer or distributor. This section does not apply to
10 remote software upgrades or changes administered at no cost to the
11 consumer, or related solely to the safety, regulatory requirements,
12 cybersecurity, recall of a motor vehicle, state or federal statutes,
13 regulations, or orders. Nothing in this section shall be construed
14 to limit or impair a manufacturer or distributor's intellectual
15 property rights nor to grant a new motor vehicle dealer authority to
16 sell, copy, modify, or use the manufacturer or distributor's
17 intellectual property in a manner that has not been authorized by
18 the manufacturer or distributor. Nothing in this section shall
19 obligate a manufacturer, distributor, or other person to support or
20 maintain any software or change to vehicle functions and features.

21 SECTION 3. AMENDATORY 21 O.S. 2021, Section 918, is
22 amended to read as follows:

23 Section 918. No person, firm or corporation, whether owner,
24 proprietor, agent or employee, shall keep open, operate or assist in

1 keeping open or operating any place or premises or residences
2 whether open or closed, for the purpose of selling, bartering, or
3 exchanging, or offering for sale, barter, or exchange, any motor
4 vehicle or motor vehicles, whether new, used or second hand, on the
5 first day of the week, commonly called Sunday, except as otherwise
6 provided in this section; and provided, however, that this act shall
7 not apply to the opening of an establishment or place of business on
8 the first day of the week for other purposes, such as the sale of
9 petroleum products, tires, automobile accessories, or for the
10 purpose of operating and conducting a motor vehicle repair shop, or
11 for the purpose of supplying such services as towing or wrecking.
12 Antique, classic, or special interest automobiles sold, bartered,
13 auctioned, or exchanged by any person, firm, or corporation are
14 exempt from the provisions of this section, as well as ~~off-premise~~
15 off-premises sales of new motorized recreational vehicles approved
16 by the Oklahoma New Motor Vehicle Commission pursuant to the
17 provisions of the Recreational Vehicle Franchise Act.

18 SECTION 4. AMENDATORY 47 O.S. 2021, Section 562, is
19 amended to read as follows:

20 Section 562. The following words, terms and phrases, when used
21 in Sections 561 through 567, 572, 578.1, 579 and 579.1 of this
22 title, shall have the meanings respectively ascribed to them in this
23 section, except where the context clearly indicates a different
24 meaning:

1 1. "Motor vehicle" means any motor-driven vehicle required to
2 be registered under the Oklahoma Vehicle License and Registration
3 Act. The term "motor vehicle" does not include:

4 a. recreational vehicles, as defined in the Recreational
5 Vehicle Franchise Act, or

6 b. all-terrain vehicles, utility vehicles, and
7 motorcycles used exclusively for off-road use which
8 are sold by a retail implement dealer;

9 2. "New motor vehicle dealer" means any person, firm,
10 association, corporation or trust not excluded by this paragraph who
11 sells, offers for sale, advertises to sell, leases or displays new
12 motor vehicles and holds a bona fide contract or franchise in effect
13 with a manufacturer or distributor authorized by the manufacturer to
14 make predelivery preparation of such vehicles sold to purchasers and
15 to perform post-sale work pursuant to the manufacturer's or
16 distributor's warranty. As used herein, "authorized predelivery
17 preparation" means the rendition by the dealer of services and
18 safety adjustments on each new motor vehicle in accordance with the
19 procedure and safety standards required by the manufacturer of the
20 vehicle to be made before its delivery to the purchaser.

21 "Performance of authorized post-sale work pursuant to the warranty",
22 as used herein, means the rendition of services which are required
23 by the terms of the warranty that stands extended to the vehicle at
24 the time of its sale and are to be made in accordance with the

1 safety standards prescribed by the manufacturer. The term includes
2 premises or facilities at which a person engages only in the repair
3 of motor vehicles if repairs are performed pursuant to the terms of
4 a franchise and motor vehicle manufacturer's warranty. ~~However, the~~
5 ~~term shall not include premises or facilities at which a new motor~~
6 ~~vehicle dealer or dealers within the area of responsibility of such~~
7 ~~dealer or dealers as defined in the manufacturer's franchise~~
8 ~~agreement of such dealer or dealers performs motor vehicle repairs~~
9 ~~pursuant to the terms of a franchise and motor vehicle~~
10 ~~manufacturer's warranty.~~ For the purpose of Sections 561 through
11 567, 572, 578.1, 579 and 579.1 of this title, the terms "new motor
12 vehicle dealer" and "new motor vehicle dealership" shall be
13 synonymous. The term "new motor vehicle dealer" does not include:
14 a. receivers, trustees, administrators, executors,
15 guardians or other persons appointed by or acting
16 under judgment or order of any court,
17 b. public officers while performing or in operation of
18 their duties, ~~or~~
19 c. employees of persons, corporations or associations
20 enumerated in subparagraph a of this paragraph when
21 engaged in the specific performance of their duties as
22 such employees, or
23 d. a powersports vehicle dealer;
24

1 3. "Motor vehicle salesperson" means any person who, for gain
2 or compensation of any kind, either directly or indirectly,
3 regularly or occasionally, by any form of agreement or arrangement,
4 sells or negotiates for the sale, lease, or conveyance or arranges
5 the financing of any new motor vehicle ~~for~~ as an employee of any new
6 motor vehicle dealer to any one or more third parties;

7 4. "Commission" means the Oklahoma New Motor Vehicle
8 Commission;

9 5. "Manufacturer" means any person, firm, association,
10 corporation or trust, resident or nonresident, ~~who~~ that manufactures
11 or assembles new and unused motor vehicles or ~~who~~ that engages in
12 the fabrication or assembly of motorized vehicles of a type required
13 to be registered in ~~the State of Oklahoma~~ this state;

14 6. "Distributor" means any person, firm, association,
15 corporation or trust, resident or nonresident, ~~who~~ that, being
16 authorized by the original manufacturer, in whole or in part, sells
17 or distributes new and unused motor vehicles to new motor vehicle
18 dealers, or ~~who~~ that maintains distributor representatives;

19 7. "Factory branch" means any branch office maintained by a
20 person, firm, association, corporation or trust ~~who~~ that
21 manufactures or assembles motor vehicles for the sale of motor
22 vehicles to distributors, or for the sale of motor vehicles to new
23 motor vehicle dealers, or for directing or supervising, in whole or
24 in part, its representatives;

1 8. "Distributor branch" means any branch office similarly
2 maintained by a distributor for the same purposes a factory branch
3 is maintained;

4 9. "Factory representative" means any officer or agent engaged
5 as a representative of a manufacturer of motor vehicles or by a
6 factory branch, for the purpose of making or promoting the sale of
7 its motor vehicles, or for supervising or contacting its dealers or
8 prospective dealers;

9 10. "Distributor representative" means any person, firm,
10 association, corporation or trust and each officer and employee
11 thereof engaged as a representative of a distributor or distributor
12 branch of motor vehicles, for the purpose of making or promoting the
13 sale of its motor vehicles, or for supervising or contacting its
14 dealers or prospective dealers;

15 11. "Franchise" means any contract or agreement between a new
16 motor vehicle dealer and a manufacturer of a new motor vehicle or
17 its distributor or factory branch by which the new motor vehicle
18 dealer is authorized to engage in the ~~business of selling any~~
19 ~~specified make or makes of new motor vehicles~~ activities of a new
20 motor vehicle dealer as defined by this section;

21 12. "New or unused motor vehicle" means a vehicle which is in
22 the possession of the manufacturer or distributor or has been sold
23 only to the holder of a valid ~~selling agreement,~~ franchise ~~or~~
24 ~~contract,~~ granted by the manufacturer or distributor for the sale of

1 that make of new vehicle so long as the manufacturer's statement of
2 origin has not been assigned to anyone other than a licensed
3 franchised new motor vehicle dealer of the same line-make;

4 13. "Area of responsibility" means the geographical area, as
5 designated by the manufacturer, factory branch, factory
6 representative, distributor, distributor branch or distributor
7 representative, in which the new motor vehicle dealer is held
8 responsible for the promotion and development of sales and rendering
9 of service for the make of motor vehicle for which the new motor
10 vehicle dealer holds a franchise or selling agreement;

11 14. "Off premises" means at a location other than the address
12 designated on the new motor vehicle dealer's license;

13 15. "Sponsoring entity" means any person, firm, association,
14 corporation or trust which has control, either permanently or
15 temporarily, over the real property upon which the ~~off-premise~~ off-
16 premises sale or display is conducted;

17 16. "Product" means new motor vehicles and new motor vehicle
18 parts;

19 17. "Service" means motor vehicle warranty repairs including
20 both parts and labor;

21 18. "Lead" means a consumer contact in response to a factory
22 program designed to generate interest in purchasing or leasing a new
23 motor vehicle;

24 19. "Sell" or "sale" means to sell or lease;

1 20. "Factory" means a manufacturer, distributor, factory
2 branch, distributor branch, factory representative or distributor
3 representative, which manufactures or distributes vehicle products;

4 21. "Powersports vehicle" means motorcycles, scooters, mopeds,
5 all-terrain vehicles, and utility vehicles;

6 22. "Powersports vehicle dealer" means any person, firm, or
7 corporation ~~who~~ that is in the business of selling any new
8 powersports vehicles except for retail implement dealers; ~~and~~

9 23. "Retail implement dealer" means a business engaged
10 primarily in the sale of farm tractors as defined in Section 1-118
11 of this title or implements of husbandry as defined in Section 1-125
12 of this title or a combination thereof;

13 24. "Consumer data" means nonpublic personal information
14 defined in 15 U.S.C., Section 6809(4) as it existed on January 1,
15 2023, that is:

- 16 a. collected by a new motor vehicle dealer, and
17 b. provided by the new motor vehicle dealer directly to a
18 manufacturer or third party acting on behalf of a
19 manufacturer.

20 The term shall not include the same or similar data obtained by
21 a manufacturer from any source other than the new motor vehicle
22 dealer or new motor vehicle dealer's data management system; and

23 25. "Fleet vehicle" means a new motor vehicle sold and titled
24 or registered to a business and used for business purposes only.

1 SECTION 5. AMENDATORY 47 O.S. 2021, Section 563, is
2 amended to read as follows:

3 Section 563. A. There is hereby created the Oklahoma New Motor
4 Vehicle Commission, to be composed of nine (9) members. Seven of
5 the members shall have been engaged in the manufacture, distribution
6 or sale of new motor vehicles and two members shall be lay members,
7 all to be appointed by the Governor of the State of Oklahoma, with
8 the advice and consent of the State Senate. Such appointments shall
9 be made within thirty (30) days after the effective date of this
10 section. Each of the Commissioners thus appointed shall, at the
11 time of the appointment, be a resident in good faith of the State of
12 Oklahoma, shall be of good moral character, and each of the industry
13 related Commissioners shall have been actually engaged in the
14 manufacture, distribution or sale of such new motor vehicles for not
15 less than ten (10) years next preceding such appointment. The
16 members of the Commission shall serve at the pleasure of the
17 Governor.

18 B. 1. The Commissioners shall elect a Chairman from amongst
19 them whose term shall be for one (1) year with the right to succeed
20 him or herself.

21 2. There shall be three at large members of the Commission.
22 Six members of the Commission shall be appointed from the following
23 geographical areas with at least one member from each area:
24

- 1 a. four areas of the state shall be the northwest,
2 northeast, southwest and southeast sections designated
3 by Interstate 35 dividing the state east and west and
4 Interstate 40 dividing the state north and south,
5 excluding Oklahoma County and Tulsa County, and
6 b. two additional areas shall be Oklahoma County and
7 Tulsa County.

8 There shall not be more than two members of the Commission from any
9 one area.

10 C. The terms of office of the members first appointed to the
11 Commission shall be as follows:

12 1. The members appointed from the northwest, northeast and
13 southwest areas shall serve until June 30, 1987;

14 2. The members appointed from the southeast area and Oklahoma
15 County and Tulsa County shall serve until June 30, 1989; and

16 3. The members appointed at large shall serve until June 30,
17 1991.

18 Each member shall serve until a successor is appointed and
19 qualifies. Thereafter, the term of office of each member of the
20 Commission shall be for six (6) years. The term of office of any
21 member will automatically expire if the member moves out of the
22 geographical area from which the member was appointed. In event of
23 death, resignation, removal, or term automatically expiring, of any
24 person serving on the Commission, the vacancy shall be filled by

1 appointment as provided for the unexpired portion of the term. The
2 Commission shall meet at Oklahoma City and complete its organization
3 immediately after the membership thereof has been appointed and has
4 qualified. The Chairman and each member of the Commission shall
5 take and subscribe to the oath of office required of public
6 officers.

7 D. The members of the Commission shall receive reimbursement
8 for subsistence and traveling expenses necessarily incurred in the
9 performance of their duties as provided by the State Travel
10 Reimbursement Act.

11 E. The Commission shall appoint a qualified person to serve as
12 Executive Director thereof, which person shall have had not less
13 than ten (10) years of experience in the motor vehicle industry.
14 The Executive Director shall be appointed for a term of six (6)
15 years, and shall not be subject to dismissal or removal without
16 cause. The Commission shall fix the salary and prescribe the duties
17 of the Executive Director. The Executive Director shall devote such
18 time as necessary to fulfill the duties thereof, and before entering
19 upon such duties shall take and subscribe to the oath of office.
20 The Executive Director may employ such clerical, technical and other
21 help and legal services and incur such expenses as may be necessary
22 for the proper discharge of the duties of the Executive Director
23 under this act. The Commission shall maintain its office and
24 transact its business in Oklahoma City, and it is authorized to

1 adopt and use a seal. The Executive Director is hereby authorized
2 to hire, retain or otherwise acquire the services of an attorney to
3 represent the Commission in any and all state and federal courts,
4 and assist the Commission in any and all business or legal matters
5 that may come before it. The attorney so representing the
6 Commission shall discharge the duties under the direction of the
7 Executive Director.

8 F. The Commission is hereby vested with the powers necessary to
9 enable it to fully and effectively carry out the provisions and
10 objects of this act, and is hereby authorized and empowered to make
11 and enforce all reasonable rules and to adopt and prescribe all
12 forms necessary to accomplish such purpose. All forms used by a new
13 motor vehicle dealer to facilitate the delivery of a vehicle pending
14 approval of financing shall be approved by the Commission. Spot
15 delivery agreement forms shall be required for all new motor vehicle
16 deliveries, subject to dealers finding lending institutions to
17 purchase the retail installment contracts executed by the purchasing
18 and selling parties.

19 G. All fees, charges and fines collected under the provisions
20 of this act shall be deposited by the Executive Director in the
21 State Treasury in accordance with the depository laws of this state
22 in a special fund to be known as the "Oklahoma New Motor Vehicle
23 Commission Fund", which is hereby created, and except as hereinafter
24 provided the monies in the fund shall be used by the Commission for

1 the purpose of carrying out and enforcing the provisions of this
2 act. Expenditures from the fund shall be made upon vouchers
3 approved by the Commission or its authorized officers.

4 At the close of each fiscal year, the Commission shall file with
5 the Governor and the State Auditor and Inspector a true and correct
6 report of all fees, fines and charges collected and received by it
7 during the preceding fiscal year and shall at the same time pay into
8 the General Revenue Fund of the state a sum equal to ten percent
9 (10%) of the fees, fines and charges so collected and received.

10 All expenses incurred by the Commission in carrying out the
11 provisions of this act, including but not limited to per diem,
12 wages, salaries, rent, postage, advertising, supplies, bond
13 premiums, travel and subsistence for the Commissioners, the
14 Executive Director, employees, and legal counsel, and printing and
15 utilities, shall be a proper charge against such fund, exclusive of
16 the portion thereof to be paid into the General Revenue Fund as
17 above set out. In no event shall liability ever accrue hereunder
18 against this state in any sum whatsoever, or against the Oklahoma
19 New Motor Vehicle Commission Fund, in excess of the ninety percent
20 (90%) of the fees, fines and charges deposited therein.

21 SECTION 6. AMENDATORY 47 O.S. 2021, Section 564, is
22 amended to read as follows:

23 Section 564. A. It shall be unlawful for any person, firm,
24 association, corporation or trust to engage in business as, or serve

1 in the capacity of, or act as a new motor vehicle dealer ~~or~~,
2 powersports vehicle dealer, manufacturer or distributor of new motor
3 vehicles or powersports vehicles, or factory branch, distributor
4 branch or factory representative or distributor representative, as
5 ~~such~~ defined in Section 562 of this title, in this state without
6 first obtaining a license therefor as provided for by law. Any
7 person, firm, association, corporation or trust engaging in more
8 than one of such capacities or having more than one place where such
9 business is carried on or conducted shall be required to obtain and
10 hold a current license for each thereof. Provided that, a new motor
11 vehicle dealer's license shall authorize one person to sell in the
12 event such person shall be the owner of a proprietorship, or the
13 person designated as principal in the dealer's franchise or the
14 managing officer or one partner if no principal person is named in
15 the franchise. It is further provided that a factory or an entity
16 affiliated by any ownership or control by the factory shall not be
17 permitted to be licensed as a new motor vehicle dealer in this
18 state, except as provided by subparagraph b of paragraph 12 of
19 Section 565 of this title.

20 B. Applications for licenses required to be obtained under
21 provisions of Section 561 et seq. of this title shall be verified by
22 the oath or affirmation of the applicant and shall be on forms
23 prescribed by the Oklahoma New Motor Vehicle Commission and
24 furnished to ~~such~~ the applicants, and shall contain ~~such~~ information

1 as the Commission deems necessary to enable it to fully determine
2 the qualifications and eligibility of the several applicants to
3 receive the license or licenses applied for. The Commission shall
4 require in such application, or otherwise, information relating to
5 the applicant's financial standing, the applicant's business
6 integrity, whether the applicant has an established place of
7 business and is primarily engaged in the pursuit, avocation or
8 business for which a license, or licenses, are applied for, and
9 whether the applicant is able to properly conduct the business for
10 which a license, or licenses, are applied for, and such other
11 pertinent information consistent with the safeguarding of the public
12 interest and the public welfare. All ~~such~~ applications for license
13 or licenses shall be accompanied by the appropriate fee or fees
14 therefor in accordance with the schedule thereof hereinafter set
15 out. In the event any such application is denied and the license
16 applied for is not issued, the entire license fee shall be returned
17 to the applicant. All licenses issued under the provisions of
18 Section 561 et seq. of this title shall expire on June 30, following
19 the date of issue and shall be nontransferable. All applications
20 for renewal of a license for a new motor vehicle dealer,
21 manufacturer, distributor or manufacturer's or distributor's
22 representative shall be submitted by June 1 of each year, and such
23 license or licenses will be issued by July 1. If applications have
24 not been made for renewal of licenses at the times described in this

1 subsection, it shall be illegal for any person to represent himself
2 or herself and act as a dealer, manufacturer, distributor or
3 manufacturer's or distributor's representative. Motor license
4 agents will be notified not to accept such dealers' titles until
5 such time as licenses have been issued by the Commission.

6 C. The schedule of license fees to be charged and received by
7 the Commission for the licenses issued hereunder shall be as
8 follows:

9 1. For each factory branch or distributor branch, Four Hundred
10 Dollars (\$400.00) initial fee with annual renewal fee of Three
11 Hundred Dollars (\$300.00);

12 2. For each manufacturer or distributor of new motor vehicles,
13 Four Hundred Dollars (\$400.00) initial fee with annual renewal fee
14 of Three Hundred Dollars (\$300.00);

15 3. For each factory representative or distributor
16 representative, One Hundred Dollars (\$100.00) annually;

17 4. For each new motor vehicle dealer, except powersports
18 vehicle dealers, initial fee of Three Hundred Dollars (\$300.00) per
19 franchise sold at each location licensed, with an annual renewal fee
20 of One Hundred Dollars (\$100.00) per franchise sold at each location
21 per year; and

22 5. For each powersports vehicle dealer, initial fee of Three
23 Hundred Dollars (\$300.00) per manufacturer represented by the dealer
24 at each location licensed, with an annual renewal fee of One Hundred

1 Dollars (\$100.00) per manufacturer represented by the dealer at each
2 location licensed per year.

3 D. The licenses issued to each new motor vehicle dealer,
4 manufacturer, distributor, factory branch, distributor branch or
5 representative, if a corporation, shall specify the location of the
6 factory, office or branch thereof. In case such location is
7 changed, the Commission may endorse the change of location on the
8 license without charge unless the change of address triggers a
9 relocation of a new motor vehicle dealer pursuant to the provisions
10 of Section 578.1 of this title. The license of each new motor
11 vehicle dealer shall be posted in a conspicuous place in the new
12 motor vehicle dealer's place or places of business.

13 Every motor vehicle factory representative or distributor
14 representative if an individual shall physically possess the license
15 when engaged in business, and shall display ~~same~~ such upon request.
16 The name of the employer of such factory representative or
17 distributor representative shall be stated on the license and, in
18 case of a change of employer, the holder of such license shall
19 immediately mail ~~same~~ such to the Commission for its endorsement of
20 such change ~~thereon~~. The Commission shall endorse each such change
21 of employer on licenses for a fee of Ten Dollars (\$10.00).

22 E. The powersports dealer license shall only allow the sale of
23 the specific types of powersports vehicles authorized by the
24 manufacturer and agreed to by the powersports dealer.

1 SECTION 7. AMENDATORY 47 O.S. 2021, Section 564.1, is
2 amended to read as follows:

3 Section 564.1 ~~Licensing of off-premises displays of new motor~~
4 ~~vehicles and off-premise sales of new motorized recreational~~
5 ~~vehicles.~~

6 A. The Oklahoma New Motor Vehicle Commission shall provide for
7 off-premise displays of new motor vehicles by currently licensed new
8 motor vehicle dealers. An off-premise event may be held for display
9 purposes only under the following conditions:

10 1. The motor vehicles are for display purposes only and not for
11 sale at the off-premise display event;

12 2. No selling activities shall be conducted;

13 3. The display is in dealer's factory-approved area of sales
14 and service responsibility;

15 4. The dealer must obtain written approval from the
16 manufacturer or distributor; and

17 5. The dealer is required to obtain approval for the display
18 location from the sponsoring entity.

19 B. The ~~Oklahoma Motor Vehicle~~ Commission is authorized to
20 provide a variance to the distance requirements and the area of
21 sales and service responsibility requirements specified in this
22 section, for any off-premise display event if:

23

24

1 Section 565. A. The Oklahoma New Motor Vehicle Commission may
2 deny an application for a license, ~~or~~ revoke or suspend a license,
3 or impose a fine against any person or entity, not to exceed Ten
4 Thousand Dollars (\$10,000.00) ~~against a manufacturer or distributor~~
5 ~~or a fine not to exceed One Thousand Dollars (\$1,000.00) against a~~
6 ~~dealer~~ per occurrence, that violates any provision of Sections 561
7 through 567, 572, 578.1, 579 and 579.1 of this title ~~is violated~~ or
8 for any of the following reasons:

9 1. On satisfactory proof of unfitness of the applicant in any
10 application for any license under the provisions of Section 561 et
11 seq. of this title;

12 2. For any material misstatement made by an applicant in any
13 application for any license under the provisions of Section 561 et
14 seq. of this title;

15 3. For any failure to comply with any provision of Section 561
16 et seq. of this title or any rule promulgated by the Commission
17 under authority vested in it by Section 561 et seq. of this title;

18 4. A change of condition after license is granted resulting in
19 failure to maintain the qualifications for license;

20 5. Being a new motor vehicle dealer who:

21 a. has required a purchaser of a new motor vehicle, as a
22 condition of sale and delivery thereof, to also
23 purchase special features, appliances, accessories or
24

- 1 equipment not desired or requested by the purchaser
2 and installed by the new motor vehicle dealer,
- 3 b. uses any false or misleading advertising in connection
4 with business as a new motor vehicle dealer,
- 5 c. has committed any unlawful act which resulted in the
6 revocation of any similar license in another state,
- 7 d. has failed or refused to perform any written agreement
8 with any retail buyer involving the sale of a motor
9 vehicle,
- 10 e. has been convicted of a felony crime that
11 substantially relates to the occupation of a new motor
12 vehicle dealer and poses a reasonable threat to public
13 safety,
- 14 f. has committed a fraudulent act in selling, purchasing
15 or otherwise dealing in new motor vehicles or has
16 misrepresented the terms and conditions of a sale,
17 purchase or contract for sale or purchase of a new
18 motor vehicle or any interest therein including an
19 option to purchase such vehicle,
- 20 g. has failed to meet or maintain the conditions and
21 requirements necessary to qualify for the issuance of
22 a license, or
- 23 h. completes any sale or transaction of an extended
24 service contract, extended maintenance plan, or

1 similar product using contract forms that do not
2 conspicuously disclose the identity of the service
3 contract provider;

4 6. Being a new motor vehicle salesperson who is not employed as
5 such by a licensed new motor vehicle dealer;

6 7. Being a new motor vehicle dealer who:

7 a. does not have an established place of business,

8 b. does not provide for a suitable repair shop separate
9 from the display room with ample space to repair or
10 recondition one or more vehicles at the same time, and
11 which is staffed with properly trained and qualified
12 repair technicians and is equipped with such parts,
13 tools and equipment as may be requisite for the
14 servicing of motor vehicles in such a manner as to
15 make them comply with the safety laws of this state
16 and to properly fulfill the dealer's or manufacturer's
17 warranty obligation,

18 c. does not hold a franchise in effect with a
19 manufacturer or distributor of new or unused motor
20 vehicles for the sale of the same and is not
21 authorized by the manufacturer or distributor to
22 render predelivery preparation of such vehicles sold
23 to purchasers and to perform any authorized post-sale
24

1 work pursuant to the manufacturer's or distributor's
2 warranty,

3 d. employs a person without obtaining a certificate of
4 registration for the person, or utilizes the services
5 of used motor vehicle lots or dealers or other
6 unlicensed persons in connection with the sale of new
7 motor vehicles,

8 e. does not properly service a new motor vehicle before
9 delivery of same to the original purchaser thereof, or

10 f. fails to order and stock a reasonable number of new
11 motor vehicles necessary to meet ~~customer~~ consumer
12 demand for each of the new motor vehicles included in
13 the new motor vehicle dealer's franchise agreement,
14 unless the new motor vehicles are not readily
15 available from the manufacturer or distributor due to
16 limited production;

17 8. Being a factory that has:

18 a. either induced or attempted to induce by means of
19 coercion or intimidation, any new motor vehicle
20 dealer:

21 (1) to accept delivery of any motor vehicle or
22 vehicles, parts or accessories therefor, or any
23 other commodities including advertising material
24

1 which shall not have been ordered by the new
2 motor vehicle dealer,

3 (2) to order or accept delivery of any motor vehicle
4 with special features, appliances, accessories or
5 equipment not included in the list price of the
6 motor vehicles as publicly advertised by the
7 manufacturer thereof, or

8 (3) to order or accept delivery of any parts,
9 accessories, equipment, machinery, tools,
10 appliances or any commodity whatsoever, or

11 b. induced under threat or discrimination by the
12 withholding from delivery to a new motor vehicle
13 dealer certain models of motor vehicles, changing or
14 amending unilaterally the new motor vehicle dealer's
15 allotment of motor vehicles and/or withholding and
16 delaying delivery of ~~such~~ the vehicles out of the
17 ordinary course of business, in order to induce by
18 such coercion any ~~such~~ new motor vehicle dealer to
19 participate or contribute to any local or national
20 advertising fund controlled directly or indirectly by
21 the factory or for any other purposes such as contest,
22 ~~"give-aways"~~ "giveaways" or other so-called sales
23 promotional devices and/or change of quotas in any
24 sales contest; or has required new motor vehicle

1 dealers, as a condition to receiving their vehicle
2 allotment, to order a certain percentage of the
3 vehicles with optional equipment not specified by the
4 new motor vehicle dealer; however, nothing in this
5 section shall prohibit a factory from supporting an
6 advertising association which is open to all new motor
7 vehicle dealers on the same basis~~+~~,

8 c. used a performance standard, sales objective or
9 program for measuring dealer performance that may have
10 a material effect on a right of the dealer to vehicle
11 allocation; or payment under any incentive or
12 reimbursement program that is unfair, unreasonable,
13 inequitable, and not based on accurate information,

14 d. used a performance standard for measuring sales or
15 service performance of any new motor vehicle dealer
16 under the terms of the franchise agreement which:

17 (1) is unfair, unreasonable, arbitrary or
18 inequitable, and

19 (2) does not consider the relevant and material local
20 and state or regional criteria, including
21 prevailing economic conditions affecting the
22 sales or service performance of a vehicle dealer
23 or any relevant and material data and facts
24 presented by the dealer in writing within thirty

1 (30) days of the written notice of the
2 manufacturer to the dealer of its intention to
3 cancel, terminate, or not renew the dealer's
4 franchise agreement,

5 e. failed or refused to sell, or offer for sale, new
6 motor vehicles to all of its authorized same line-make
7 franchised new motor vehicle dealers at the same price
8 for a comparably equipped motor vehicle, on the same
9 terms, with no differential in functionally available
10 discount, allowance, credit or bonus, except as
11 provided in subparagraph e of paragraph 9 of this
12 subsection,

13 f. failed to provide reasonable compensation to a new
14 motor vehicle dealer substantially equivalent to the
15 actual cost of providing a manufacturer-required
16 loaner or rental vehicle to any consumer who is having
17 a vehicle serviced at the dealership. For purposes of
18 this paragraph, actual cost is the average cost in the
19 new motor vehicle dealer's region for the rental of a
20 substantially similar make and model as the vehicle
21 being serviced, or

22 g. failed to make available to its new motor vehicle
23 dealers a fair and proportional share of all new
24 vehicles distributed to same line-make dealers in this

1 state, subject to the same reasonable terms, including
2 any vehicles distributed from a common new vehicle
3 inventory pool outside of the factory's ordinary
4 allocation process such as any vehicles the factory
5 reserves to distribute on a discretionary basis;

6 9. Being a factory that:

- 7 a. has attempted to coerce or has coerced any new motor
8 vehicle dealer to enter into any agreement or to
9 cancel any agreement, ~~or fails;~~ has failed to act in
10 good faith and in a fair, equitable and
11 nondiscriminatory manner; ~~or~~ has directly or
12 indirectly coerced, intimidated, threatened or
13 restrained any new motor vehicle dealer; or has acted
14 dishonestly, or has failed to act in accordance with
15 the reasonable standards of fair dealing,
- 16 b. has failed to compensate its dealers for the work and
17 services they are required to perform in connection
18 with the dealer's delivery and preparation obligations
19 according to the agreements on file with the
20 Commission which must be found by the Commission to be
21 reasonable, or ~~fail~~ has failed to adequately and
22 fairly compensate its dealers for labor, parts and
23 other expenses incurred by ~~such~~ the dealer to perform
24 under and comply with manufacturer's warranty

1 agreements and recall repairs which shall include
2 diagnostic work as applicable and assistance requested
3 by a consumer whose vehicle was subjected to an over-
4 the-air or remote change, repair, or update to any
5 part, system, accessory, or function by the
6 manufacturer and performed by the dealer in order to
7 satisfy the consumer. Time allowances for the
8 diagnosis and performance of repair work shall be
9 reasonable and adequate for the work to be performed.
10 Adequate and fair compensation, which under this
11 provision shall be no less than the rates customarily
12 charged for retail consumer repairs as calculated
13 herein, for parts and/or labor for warranty and recall
14 repairs shall, at the option of the new motor vehicle
15 dealer, be established by the new motor vehicle dealer
16 submitting to the manufacturer or distributor one
17 hundred sequential nonwarranty ~~customer-paid~~ consumer-
18 paid service repair orders which contain warranty-like
19 ~~parts~~ repairs, or ninety (90) consecutive days of
20 nonwarranty ~~customer-paid~~ consumer-paid service repair
21 orders which contain warranty-like ~~parts~~ repairs,
22 whichever is less, covering repairs made no more than
23 one hundred eighty (180) days before the submission
24 and declaring the average percentage labor rate and/or

1 ~~markup rate. Adequate and fair compensation for labor~~
2 ~~shall be established by the dealer submitting to the~~
3 ~~manufacturer or distributor one hundred sequential~~
4 ~~customer paid service repair orders which contain~~
5 ~~labor charges, or ninety (90) consecutive days of~~
6 ~~customer paid service repair orders which contain~~
7 ~~labor charges, whichever is less. A new motor vehicle~~
8 ~~dealer may not submit a request to establish its~~
9 ~~retail rates more than once in a twelve-month period.~~
10 That request may establish a parts mark-up rate, labor
11 rate, or both. The new motor vehicle dealer shall
12 calculate its retail parts rate by determining the
13 total charges for parts from the qualified repair
14 orders submitted, dividing that amount by the new
15 motor vehicle dealer's total cost of the purchase of
16 those parts, subtracting one (1), and multiplying by
17 one hundred (100) to produce a percentage. The new
18 motor vehicle dealer shall calculate its retail labor
19 rate by dividing the amount of the new motor vehicle
20 dealer's total labor sales from the qualified repair
21 orders by the total labor hours charged for those
22 sales. When submitting repair orders to ~~calculate~~
23 ~~establish~~ a retail parts and labor rate, a new motor
24

1 vehicle dealer need not include ~~repair orders~~ repairs
2 for:

3 (1) routine maintenance including, but not limited
4 to, the replacement of bulbs, fluids, filters,
5 batteries, and belts that are not provided in the
6 course of and related to a repair,

7 (2) factory special events, specials, or promotional
8 discounts for retail consumer repairs,

9 (3) parts sold or repairs performed at wholesale,

10 (4) factory-approved goodwill or policy repairs or
11 replacements,

12 (5) repairs with aftermarket parts, when calculating
13 the retail parts rate but not the retail labor
14 rate,

15 (6) repairs on aftermarket parts,

16 (7) replacement of or work on tires including front-
17 end alignments and wheel or tire rotations,

18 (8) repairs of motor vehicles owned by the new motor
19 vehicle dealer or employee thereof at the time of
20 the repair,

21 (9) vehicle reconditioning, or

22 (10) items that do not have individual part numbers
23 including, but not limited to, nuts, bolts and
24 fasteners.

1 A manufacturer or distributor may, not later than ~~thirty~~
2 ~~(30)~~ forty-five (45) days after submission, rebut that
3 declared retail parts and labor rate in writing by
4 reasonably substantiating that the rate is ~~inaccurate or~~
5 ~~unreasonable in light of the practices of all other~~
6 ~~franchised motor vehicle dealers in an economically similar~~
7 ~~part of the state offering the same line-make vehicles~~ not
8 accurate or is incomplete pursuant to the provisions of
9 this section. If the manufacturer or distributor
10 determines the set of repair orders submitted by the new
11 motor vehicle dealer pursuant to this section for a retail
12 labor rate or retail parts markup rate is substantially
13 higher than the new motor vehicle dealer's current warranty
14 rates, the manufacturer or distributor may request, in
15 writing, within forty-five (45) days after the
16 manufacturer's or distributor's receipt of the new motor
17 vehicle dealer's initial submission, all repair orders
18 closed within the period of thirty (30) days immediately
19 preceding, or thirty (30) days immediately following, the
20 set of repair orders initially submitted by the new motor
21 vehicle dealer. All time periods under this section shall
22 be suspended until the supplemental repair orders are
23 provided. If the manufacturer or distributor requests
24 supplemental repair orders, the manufacturer or distributor

1 may, within thirty (30) days after receiving the
2 supplemental repair orders and in accordance with the
3 formula described in this subsection, calculate a proposed
4 adjusted retail labor rate or retail parts markup rate, as
5 applicable, based upon any set of the qualified repair
6 orders submitted by the franchisee and following the
7 formula set forth herein to establish the rate. The retail
8 rate labor and parts rates shall go into effect thirty (30)
9 days following the approval by the manufacturer, ~~subject to~~
10 ~~audit of the submitted repair orders by the franchisor and~~
11 ~~a rebuttal of the declared rate as described above~~ or
12 distributor. If the declared rate is rebutted, the
13 manufacturer or distributor shall provide written notice
14 stating the reasons for the rebuttal, an explanation of the
15 reasons for the rebuttal, and a copy of all calculations
16 used by the franchisor in determining the manufacturer or
17 distributor's position and propose an adjustment in writing
18 of the average percentage markup or labor rate based on
19 that rebuttal not later than thirty (30) days after
20 submission. If the new motor vehicle dealer does not agree
21 with the proposed average percentage markup or labor rate,
22 the new motor vehicle dealer may file a protest with the
23 Commission not later than thirty (30) days after receipt of
24 that proposal by the manufacturer or distributor. In the

1 event a protest is filed, the manufacturer or distributor
2 shall have the burden of proof to establish the new motor
3 vehicle dealer's submitted parts markup rate or labor rate
4 was inaccurate or ~~unreasonable in light of the practices of~~
5 ~~all other franchised motor vehicle dealers in an~~
6 ~~economically similar part of the state~~ not complete
7 pursuant to the provisions of this section. A manufacturer
8 or distributor may not retaliate against any new motor
9 vehicle dealer seeking to exercise its rights under this
10 ~~provision~~ section. A manufacturer or distributor may
11 require a dealer to submit repair orders in accordance with
12 this section in order to validate the reasonableness of a
13 dealer's retail rate for parts or labor not more often than
14 once every twelve (12) months. A manufacturer or
15 distributor may not otherwise recover its costs from new
16 motor vehicle dealers within this state including a
17 surcharge imposed on a new motor vehicle dealer solely
18 intended to recover the cost of reimbursing a new motor
19 vehicle dealer for parts and labor pursuant to this
20 section; provided, a manufacturer or distributor shall not
21 be prohibited from increasing prices for vehicles or parts
22 in the normal course of business or from auditing and
23 charging back claims in accordance with this section. All
24 claims made by dealers for compensation for delivery,

1 preparation ~~and~~, warranty, or recall repair work shall be
2 paid within thirty (30) days after approval and shall be
3 approved or disapproved within thirty (30) days after
4 receipt. When any claim is disapproved, the dealer shall
5 be notified in writing of the grounds for disapproval. The
6 dealer's delivery, preparation and warranty obligations as
7 filed with the Commission shall constitute the dealer's
8 sole responsibility for product liability as between the
9 dealer and manufacturer. A factory may reasonably and
10 periodically audit a new motor vehicle dealer to determine
11 the validity of paid claims for new motor vehicle dealer
12 compensation or any charge-backs for warranty parts or
13 service compensation. Except in cases of suspected fraud,
14 audits of warranty payments shall only be for the one-year
15 period immediately following the date of the payment. A
16 manufacturer shall reserve the right to reasonable,
17 periodic audits to determine the validity of paid claims
18 for dealer compensation or any charge-backs for consumer or
19 dealer incentives. Except in cases of suspected fraud,
20 audits of incentive payments shall only be for a one-year
21 period immediately following the date of the payment. A
22 factory shall not deny a claim or charge a new motor
23 vehicle dealer back subsequent to the payment of the claim
24 unless the factory can show that the claim was false or

1 fraudulent or that the new motor vehicle dealer failed to
2 reasonably substantiate the claim by the written reasonable
3 procedures of the factory. A factory shall not deny a
4 claim or implement a charge-back against a new motor
5 vehicle dealer after payment of a claim in the event a
6 purchaser of a new vehicle that is the subject of a claim
7 fails to comply with titling or registration laws of this
8 state and is not prevented from compliance by any action of
9 the new motor vehicle dealer; provided, that the factory
10 may require the new motor vehicle dealer to provide, within
11 thirty (30) days of notice of chargeback, withholding of
12 payment, or denial of claim, the documentation to
13 demonstrate the vehicle sale, delivery and customer
14 qualification for an incentive as reported, including
15 consumer name and address, and written attestation signed
16 by the dealer operator or general manager stating the
17 consumer was not on the export control list and the dealer
18 did not know or have reason to know the vehicle was being
19 exported or resold.

20 The factory shall provide written notice to a dealer of a
21 proposed charge-back that is the result of an audit along
22 with the specific audit results and proposed charge-back
23 amount. A dealer that receives notice of a proposed
24 charge-back pursuant to a factory's audit has the right to

1 file a protest with the Commission within thirty (30) days
2 after receipt of the notice of the charge-back or audit
3 results, whichever is later. The factory is prohibited
4 from implementing the charge-back or debiting the dealer's
5 account until either the time frame for filing a protest
6 has passed or a final adjudication is rendered by the
7 Commission, whichever is later, unless the dealer has
8 agreed to the charge-back or charge-backs,

9 c. fails to compensate the new motor vehicle dealer for a
10 used motor vehicle:

11 (1) that is of the same make and model manufactured,
12 imported or distributed by the factory and is a
13 line-make that the new motor vehicle dealer is
14 franchised to sell or on which the new motor
15 vehicle dealer is authorized to perform recall
16 repairs,

17 (2) that is subject to a stop-sale or do-not-drive
18 order issued by the factory or an authorized
19 governmental agency,

20 (3) that is held by the new motor vehicle dealer in
21 the dealer's inventory at the time the stop-sale
22 or do-not-drive order is issued or that is taken
23 by the new motor vehicle dealer into the dealer's
24 inventory after the recall notice as a result of

1 a retail consumer trade-in or a lease return to
2 the dealer inventory in accordance with an
3 applicable lease contract,

4 (4) that cannot be repaired due to the
5 unavailability, within thirty (30) days after
6 issuance of the stop-sale or do-not-drive order,
7 of a remedy or parts necessary for the new motor
8 vehicle dealer to make the recall repair, and

9 (5) that is not at least in the prorated amount of
10 one percent (1.00%) of the value of the vehicle
11 per month beginning on the date that is thirty
12 (30) days after the date on which the stop-sale
13 order was provided to the new motor vehicle
14 dealer until the earlier of either of the
15 following:

16 (a) the date the recall remedy or parts are made
17 available, or

18 (b) the date the new motor vehicle dealer sells,
19 trades, or otherwise disposes of the
20 affected used motor vehicle.

21 For the purposes of division (5) of this subparagraph, the value
22 of a used vehicle shall be the average Black Book value for the
23 year, make, and model of the recalled vehicle.

1 A factory may direct the manner and method in which a new motor
2 vehicle dealer must demonstrate the inventory status of an affected
3 used motor vehicle to determine eligibility under this subparagraph;
4 provided, that the manner and method may not be unduly burdensome
5 and may not require information that is unduly burdensome to
6 provide.

7 All reimbursement claims made by new motor vehicle dealers
8 pursuant to this section for recall remedies or repairs, or for
9 compensation where no part or repair is reasonably available and the
10 vehicle is subject to a stop-sale or do-not-drive order, shall be
11 subject to the same limitations and requirements as a warranty
12 reimbursement claim made under subparagraph b of this paragraph. In
13 the alternative, a manufacturer may compensate its franchised new
14 motor vehicle dealers under a national recall compensation program;
15 provided, the compensation under the program is equal to or greater
16 than that provided under division (5) of this subparagraph, or as
17 the manufacturer and new motor vehicle dealer otherwise agree.

18 Nothing in this section shall require a factory to provide total
19 compensation to a new motor vehicle dealer which would exceed the
20 total average Black Book value of the affected used motor vehicle as
21 originally determined under division (5) of this subparagraph.

22 Any remedy provided to a new motor vehicle dealer under this
23 subparagraph is exclusive and may not be combined with any other
24 state or federal compensation remedy.

1 d. unreasonably fails or refuses to offer to its same
2 line-make franchised dealers a reasonable supply and
3 mix of all models manufactured for that line-make, or
4 unreasonably requires a dealer to pay any extra fee,
5 purchase unreasonable advertising displays or other
6 materials, or enter into a separate agreement which
7 adversely alters the rights or obligations contained
8 within the new motor vehicle dealer's existing
9 franchise agreement or which waives any right of the
10 new motor vehicle dealer as protected by Section 561
11 et seq. of this title, or remodel, renovate, or
12 recondition the new motor vehicle dealer's existing
13 facilities as a prerequisite to receiving a model or
14 series of vehicles, except as may be necessary to sell
15 or service the model or series of vehicles as provided
16 by subparagraph e of this paragraph. It shall be a
17 violation of this section for new vehicle allocation
18 to be withheld subject to any requirement to purchase
19 or sell any number of used or off-lease vehicles. The
20 failure to deliver any such new motor vehicle shall
21 not be considered a violation of the section if the
22 failure is not arbitrary or is due to lack of
23 manufacturing capacity or to a strike or labor
24 difficulty, a shortage of materials, a freight embargo

1 or other cause over which the manufacturer has no
2 control. However, this subparagraph shall not apply
3 to recreational vehicles, ~~or~~ limited production model
4 vehicles, a vehicle not advertised by the factory for
5 sale in this state, vehicles that are subject to
6 allocation affected by federal or state environmental
7 laws, or to vehicles allocated in response to an
8 unforeseen event or circumstance,

9 ~~d.~~

10 e. except as necessary to comply with a health or safety
11 law, or to comply with a technology requirement which
12 is necessary to sell or service a motor vehicle that
13 the franchised new motor vehicle dealer is authorized
14 or licensed by the franchisor to sell or service,
15 requires a new motor vehicle dealer to construct a new
16 facility or substantially renovate the new motor
17 vehicle dealer's existing facility unless the facility
18 construction or renovation is justified by the
19 economic conditions existing at the time, as well as
20 the reasonably foreseeable projections, in the new
21 motor vehicle dealer's market and in the automotive
22 industry. However, this subparagraph shall not apply
23 if the ~~factory provides~~ new motor vehicle dealer
24 voluntarily agrees to facility construction or

1 renovation in exchange for money, credit, allowance,
2 reimbursement, or additional vehicle allocation to a
3 new motor vehicle dealer from the factory to
4 compensate the new motor vehicle dealer for the cost
5 of, or a portion of the cost of, the facility
6 construction or renovation. Except as necessary to
7 comply with a health or safety law, or to comply with
8 a technology or safety requirement which is necessary
9 to sell or service a motor vehicle that the franchised
10 new motor vehicle dealer is authorized or licensed by
11 the franchisor to sell or service, a new motor vehicle
12 dealer which completes a facility construction or
13 renovation pursuant to factory requirements shall not
14 be required to construct a new facility or renovate
15 the existing facility if the same area of the facility
16 or premises has been constructed or substantially
17 altered within the last ten (10) years and the
18 construction or alteration was approved by the
19 manufacturer as a part of a facility upgrade program,
20 standard, or policy. For purposes of this
21 subparagraph, "substantially altered" means to perform
22 an alteration that substantially impacts the
23 architectural features, characteristics, or integrity
24 of a structure or lot. The term shall not include

1 routine maintenance reasonably necessary to maintain a
2 dealership in attractive condition. If a facility
3 upgrade program, standard, or policy under which the
4 dealer completed a facility construction or
5 substantial alteration does not contain a specific
6 time period during which the manufacturer or
7 distributor shall provide payments or benefits to a
8 participating dealer, or the time frame specified
9 under the program is reduced or canceled prematurely
10 in the unilateral discretion of the manufacturer or
11 distributor, the manufacturer or distributor shall not
12 deny the participating dealer any payment or benefit
13 under the terms of the program, standard, or policy as
14 it existed when the dealer began to perform under the
15 program, standard, or policy for the balance of the
16 ten-year period, regardless of whether the
17 manufacturer's or distributor's program, standard, or
18 policy has been changed or canceled, unless the
19 manufacturer and dealer agree, in writing, to the
20 change in payment or benefit,

21 e.

22 f. requires a new motor vehicle dealer to establish an
23 exclusive facility, unless supported by reasonable
24 business, market and economic considerations;

1 provided, that this ~~provision~~ section shall not
2 restrict the terms of any agreement for such exclusive
3 facility voluntarily entered into and supported by
4 valuable consideration separate from the new motor
5 vehicle dealer's right to sell and service motor
6 vehicles for the franchisor,

7 ~~f.~~

8 g. requires a new motor vehicle dealer to enter into a
9 site-control agreement covering any or all of the new
10 motor vehicle dealer's facilities or premises;
11 provided, that this ~~provision~~ section shall not
12 restrict the terms of any site-control agreement
13 voluntarily entered into and supported by valuable
14 consideration separate from the new motor vehicle
15 dealer's right to sell and service motor vehicles for
16 the franchisor. Notwithstanding the foregoing or the
17 terms of any site-control agreement, a site-control
18 agreement automatically extinguishes if all of the
19 factory's franchises that operated from the location
20 that are the subject of the site-control agreement are
21 terminated by the factory as part of the
22 discontinuance of a product line, ~~or~~

23 ~~g.~~

24

1 h. refuses to pay, or claims reimbursement from, a new
2 motor vehicle dealer for sales, incentives or other
3 payments related to a motor vehicle sold by the new
4 motor vehicle dealer because the purchaser of the
5 motor vehicle exported or resold the motor vehicle in
6 violation of the policy of the factory unless the
7 factory can show that, at the time of the sale, the
8 new motor vehicle dealer knew or reasonably should
9 have known of the purchaser's intention to export or
10 resell the motor vehicle. There is a rebuttable
11 presumption that the new motor vehicle dealer did not
12 know or could not have known that the vehicle would be
13 exported if the vehicle is titled and registered in
14 any state of the United States, or

15 i. requires a new motor vehicle dealer to purchase goods
16 or services for the construction, renovation, or
17 improvement of the dealer's facility from a vendor
18 chosen by the factory if goods or services available
19 from other sources are of substantially similar
20 quality and design and comply with all applicable
21 laws; provided, however, that such goods are not
22 subject to the factory's intellectual property or
23 trademark rights and the new motor vehicle dealer has
24 received the factory's approval, which approval may

1 not be unreasonably withheld. Nothing in this
2 subparagraph may be construed to allow a new motor
3 vehicle dealer to impair or eliminate a factory's
4 intellectual property, trademark rights or trade dress
5 usage guidelines. Nothing in this section prohibits
6 the enforcement of a voluntary agreement between the
7 factory and the new motor vehicle dealer where
8 separate and valuable consideration has been offered
9 and accepted;

10 10. Being a factory that:

- 11 a. establishes a system of motor vehicle allocation or
12 distribution which is unfair, inequitable or
13 unreasonably discriminatory. Upon the request of any
14 new motor vehicle dealer franchised by it, a factory
15 shall disclose in writing to the new motor vehicle
16 dealer the basis upon which new motor vehicles are
17 allocated, scheduled and delivered among the new motor
18 vehicle dealers of the same line-make for that
19 factory, or
- 20 b. changes an established plan or system of motor vehicle
21 distribution. A new motor vehicle dealer franchise
22 agreement shall continue in full force and operation
23 notwithstanding a change, in whole or in part, of an
24 established plan or system of distribution of the

1 motor vehicles offered or previously offered for sale
2 under such franchise agreement. The appointment of a
3 new importer or distributor for motor vehicles offered
4 for sale under such franchise agreement shall be
5 deemed to be a change of an established plan or system
6 of distribution. The discontinuation of a line-make
7 shall not be deemed to be a change of an established
8 plan or system of motor vehicle distribution. The
9 creation of a line-make shall not be deemed to be a
10 change of an established plan or system of motor
11 vehicle distribution as long as the new line-make is
12 not selling the same, or substantially the same,
13 vehicle or vehicles previously sold through another
14 line-make by new motor vehicle dealers with an active
15 franchise agreement for the other line-make in the
16 state if such new motor vehicle dealers are no longer
17 authorized to sell the comparable vehicle previously
18 sold through their line-make. Changing a vehicle's
19 powertrain is not sufficient to show it is
20 substantially different. Upon the occurrence of such
21 change, the manufacturer or distributor shall be
22 prohibited from obtaining a license to distribute
23 vehicles under the new plan or system of distribution
24 unless the manufacturer or distributor offers to each

1 new motor vehicle dealer who is a party to the
2 franchise agreement a new franchise agreement
3 containing substantially the same provisions which
4 were contained in the previous franchise agreement;

5 11. Being a factory that sells directly or indirectly new motor
6 vehicles to any retail consumer in the state except through a new
7 motor vehicle dealer holding a franchise for the line-make that
8 includes the new motor vehicle. This paragraph does not apply to
9 factory sales of new motor vehicles to its employees, family members
10 of employees, retirees and family members of retirees, not-for-
11 profit organizations, or the federal, state, or local governments.
12 The provisions of this paragraph shall not preclude a factory from
13 providing information to a consumer for the purpose of marketing or
14 facilitating a sale of a new motor vehicle or from establishing a
15 program to sell or offer to sell new motor vehicles through
16 participating dealers subject to the limitations provided in
17 paragraph 2 of Section 562 of this title;

18 12. a. Being a factory which directly or indirectly:

- 19 (1) owns any ownership interest or has any financial
20 interest in a new motor vehicle dealer or any
21 person who sells products or services pursuant to
22 the ~~public~~ terms of the franchise agreement,
23 (2) operates or controls a new motor vehicle dealer,
24 or

1 (3) acts in the capacity of a new motor vehicle
2 dealer.

3 b. (1) This paragraph does not prohibit a factory from
4 owning or controlling a new motor vehicle dealer
5 while in a bona fide relationship with a dealer
6 development candidate who has made a substantial
7 initial investment in the franchise and whose
8 initial investment is subject to potential loss.
9 The dealer development candidate can reasonably
10 expect to acquire full ownership of a new motor
11 vehicle dealer within a reasonable period of time
12 not to exceed ten (10) years and on reasonable
13 terms and conditions. The ten-year acquisition
14 period may be expanded for good cause shown.

15 (2) This paragraph does not prohibit a factory from
16 owning, operating, controlling or acting in the
17 capacity of a new motor vehicle dealer for a
18 period not to exceed twelve (12) months during
19 the transition from one independent dealer to
20 another independent dealer if the dealership is
21 for sale at a reasonable price and on reasonable
22 terms and conditions to an independent qualified
23 buyer. On showing by a factory of good cause,
24 the Oklahoma New Motor Vehicle Commission may

1 extend the time limit set forth above; extensions
2 may be granted for periods not to exceed twelve
3 (12) months.

4 (3) This paragraph does not prohibit a factory from
5 owning, operating or controlling or acting in the
6 capacity of a new motor vehicle dealer which was
7 in operation prior to January 1, 2000.

8 (4) This paragraph does not prohibit a factory from
9 owning, directly or indirectly, a minority
10 interest in an entity that owns, operates or
11 controls new motor vehicle dealerships of the
12 same line-make franchised by the manufacturer,
13 provided that each of the following conditions
14 are met:

15 (a) all of the new motor vehicle dealerships
16 selling the motor vehicles of that
17 manufacturer in this state trade exclusively
18 in the line-make of that manufacturer,

19 (b) all of the franchise agreements of the
20 manufacturer confer rights on the dealer of
21 the line-make to develop and operate, within
22 a defined geographic territory or area, as
23 many dealership facilities as the dealer and
24 manufacturer shall agree are appropriate,

1 (c) at the time the manufacturer first acquires
2 an ownership interest or assumes operation,
3 the distance between any dealership thus
4 owned or operated and the nearest
5 unaffiliated new motor vehicle dealership
6 trading in the same line-make is not less
7 than seventy (70) miles,

8 (d) during any period in which the manufacturer
9 has such an ownership interest, the
10 manufacturer has no more than three
11 franchise agreements with new motor vehicle
12 dealers licensed by the Oklahoma Motor
13 Vehicle Commission to do business within the
14 state, and

15 (e) prior to January 1, 2000, the factory shall
16 have furnished or made available to
17 prospective new motor vehicle dealers an
18 ~~offering circular~~ offering circular in
19 accordance with the Trade Regulation Rule on
20 Franchising of the Federal Trade Commission,
21 and any guidelines and exemptions issued
22 thereunder, which disclose the possibility
23 that the factory may from time to time seek
24

1 to own or acquire, directly or indirectly,
2 ownership interests in retail dealerships;

3 13. Being a factory which directly or indirectly makes
4 available for public disclosure any proprietary information provided
5 to the factory by a new motor vehicle dealer, other than in
6 composite form to new motor vehicle dealers in the same line-make or
7 in response to a subpoena or order of the Commission or a court.
8 Proprietary information includes, but is not limited to,
9 information:

- 10 a. derived from monthly financial statements provided to
11 the factory, and
12 b. regarding any aspect of the profitability of a
13 particular new motor vehicle dealer;

14 14. Being a factory which does not provide or direct leads in a
15 fair, equitable and timely manner. Nothing in this paragraph shall
16 be construed to require a factory to disregard the preference of a
17 consumer in providing or directing a lead;

18 15. Being a factory which used the ~~customer~~ consumer list of a
19 new motor vehicle dealer for the purpose of unfairly competing with
20 dealers;

21 16. Being a factory which prohibits a new motor vehicle dealer
22 from relocating after a written request by such new motor vehicle
23 dealer if:
24

1 a. the facility and the proposed new location satisfies
2 or meets the written reasonable guidelines of the
3 factory. Reasonable guidelines do not include
4 exclusivity or site control unless agreed to as set
5 forth in subparagraphs e f and f g of paragraph 9 of
6 this subsection,

7 b. the proposed new location is within the area of
8 responsibility of the new motor vehicle dealer
9 pursuant to Section 578.1 of this title, and

10 c. the factory has sixty (60) days from receipt of the
11 new motor vehicle dealer's relocation request to
12 approve or deny the request. The failure to approve
13 or deny the request within the sixty-day time frame
14 shall constitute approval of the request;

15 17. Being a factory which prohibits a new motor vehicle dealer
16 from adding additional line-makes to its existing facility, if,
17 after adding the additional line-makes, the facility satisfies the
18 written reasonable capitalization standards and facility guidelines
19 of each factory. Reasonable facility guidelines do not include a
20 requirement to maintain exclusivity or site control unless agreed to
21 by the dealer as set forth in subparagraphs e f and f g of paragraph
22 9 of this subsection;

23 18. Being a factory that increases prices of new motor vehicles
24 which the new motor vehicle dealer had ordered for retail consumers

1 and notified the factory prior to the new motor vehicle dealer's
2 receipt of the written official price increase notification. A
3 sales contract signed by a retail consumer accompanied with proof of
4 order submission to the factory shall constitute evidence of each
5 such order, provided that the vehicle is in fact delivered to the
6 ~~customer~~ consumer. Price differences applicable to new models or
7 series motor vehicles at the time of the introduction of new models
8 or series shall not be considered a price increase for purposes of
9 this paragraph. Price changes caused by any of the following shall
10 not be subject to the provisions of this paragraph:

- 11 a. the addition to a motor vehicle of required or
- 12 optional equipment pursuant to state or federal law,
- 13 b. revaluation of the United States dollar in the case of
- 14 foreign-made vehicles or components, or
- 15 c. an increase in transportation charges due to increased
- 16 rates imposed by common or contract carriers;

17 19. Being a factory that requires a new motor vehicle dealer to
18 participate monetarily in an advertising campaign or contest, or
19 purchase any promotional materials, showroom or other display
20 decoration or materials at the expense of the new motor vehicle
21 dealer without consent of the new motor vehicle dealer, which
22 consent shall not be unreasonably withheld;

23 20. Being a factory that denies any new motor vehicle dealer
24 the right of free association with any other new motor vehicle

1 dealer for any lawful purpose, unless otherwise permitted by this
2 chapter; or

3 21. Being a factory that requires a new motor vehicle dealer to
4 sell, offer to sell or sell exclusively an extended service
5 contract, extended maintenance plan or similar product, such as gap
6 products offered, endorsed or sponsored by the factory by the
7 following means:

8 a. by an act or statement from the factory that will in
9 any manner adversely impact the new motor vehicle
10 dealer,

11 b. by measuring the new motor vehicle dealer's
12 performance under the franchise based on the sale of
13 extended service contracts, extended maintenance plans
14 or similar products offered, endorsed or sponsored by
15 the manufacturer or distributor.

16 B. Notwithstanding the terms of any franchise agreement, in the
17 event of a proposed sale or transfer of a dealership, the
18 manufacturer or distributor shall be permitted to exercise a right
19 of first refusal to acquire the assets or ownership interest of the
20 dealer of the new motor vehicle dealership, if such sale or transfer
21 is conditioned upon the manufacturer or dealer entering into a
22 dealer agreement with the proposed new owner or transferee, only if
23 all the following requirements are met:

24

1 1. To exercise its right of first refusal, the factory must
2 notify the new motor vehicle dealer in writing within sixty (60)
3 days of receipt of the completed proposal for the proposed sale
4 transfer;

5 2. The exercise of the right of first refusal will result in
6 the new motor vehicle dealer and the owner of the dealership
7 receiving the same or greater consideration as they have contracted
8 to receive in connection with the proposed change of ownership or
9 transfer;

10 3. The proposed sale or transfer ~~of the assets~~ of the
11 dealership does not involve the transfer or sale to a member or
12 members of the family of one or more dealer owners, or to a
13 qualified manager or a partnership or corporation controlled by such
14 persons; and

15 4. The factory agrees to pay the reasonable expenses, including
16 attorney fees which do not exceed the usual, customary and
17 reasonable fees charged for similar work done for other clients
18 incurred by the proposed new owner and transferee prior to the
19 exercise by the factory of its right of first refusal in negotiating
20 and implementing the contract for the proposed sale or transfer of
21 the dealership or dealership assets. Notwithstanding the foregoing,
22 no payment of expenses and attorney fees shall be required if the
23 proposed new dealer or transferee has not submitted or caused to be
24 submitted an accounting of those expenses within thirty (30) days of

1 receipt of the written request of the factory for such an
2 accounting. The accounting may be requested by a factory before
3 exercising its right of first refusal.

4 C. Nothing in this section shall prohibit, limit, restrict or
5 impose conditions on:

6 1. Business activities, including without limitation the
7 dealings with motor vehicle manufacturers and the representatives
8 and affiliates of motor vehicle manufacturers, of any person that is
9 primarily engaged in the business of short-term, not to exceed
10 twelve (12) months, rental of motor vehicles and industrial and
11 construction equipment and activities incidental to that business,
12 provided that:

13 a. any motor vehicle sold by that person is limited to
14 used motor vehicles that have been previously used
15 exclusively and regularly by that person in the
16 conduct of business and used motor vehicles traded in
17 on motor vehicles sold by that person,

18 b. warranty repairs performed by that person on motor
19 vehicles are limited to those motor vehicles that ~~it~~
20 the person owns, previously owned or takes in trade,
21 and

22 c. motor vehicle financing provided by that person to
23 retail consumers for motor vehicles is limited to used
24

1 vehicles sold by that person in the conduct of
2 business; or

3 2. The direct or indirect ownership, affiliation or control of
4 a person described in paragraph 1 of this subsection.

5 D. As used in this section:

6 1. "Substantially relates" means the nature of criminal conduct
7 for which the person was convicted has a direct bearing on the
8 fitness or ability to perform one or more of the duties or
9 responsibilities necessarily related to the occupation; and

10 2. "Poses a reasonable threat" means the nature of criminal
11 conduct for which the person was convicted involved an act or threat
12 of harm against another and has a bearing on the fitness or ability
13 to serve the public or work with others in the occupation.

14 E. Nothing in this section shall prohibit a manufacturer or
15 distributor from requiring a dealer to be in compliance with the
16 franchise agreement and authorized to sell a make and model based on
17 applicable reasonable standards and requirements that include, but
18 are not limited to, any facility, technology, or training
19 requirements necessary to sell or service such vehicle, in order to
20 be eligible for delivery or allotment of a make or model of a new
21 motor vehicle or an incentive.

22 SECTION 10. AMENDATORY 47 O.S. 2021, Section 565.1, is
23 amended to read as follows:

1 Section 565.1 A. For the purposes of this section, "designated
2 successor" means a person who the new motor vehicle dealer has
3 designated to take over operation of the dealership or a legal heir
4 or devisee under the will of a new motor vehicle dealer or under the
5 laws of descent and distribution of this state.

6 B. Notwithstanding the terms of any franchise agreement, and
7 subject to the following conditions contained in paragraphs 1
8 through 5 of this ~~section~~ subsection, any manufacturer or
9 distributor who prevents or refuses to honor the succession to the
10 operation of a dealership by any legal heir or devisee under the
11 will of a new motor vehicle dealer or under the laws of descent and
12 distribution of this state a designated successor, without good
13 cause or good faith, as defined in this section, shall be subject to
14 the following procedure:

15 1. Within one hundred twenty (120) days after the death or
16 departure of the new motor vehicle dealer, the manufacturer shall
17 receive a written notice from ~~any legal heir or devisee~~ the
18 dealership of the designated successor who intends to ~~establish a~~
19 become the successor dealership operator. If timely notice is not
20 so received, ~~then~~ this paragraph shall not apply, and any succession
21 shall be governed solely by the terms of the franchise;

22 2. Within thirty (30) days of receipt of the ~~legal heir's or~~
23 ~~devisee's~~ dealership's timely written notice, the manufacturer may
24 request, and the ~~legal heir or devisee~~ designated successor shall,

1 within a reasonable time, provide any information which is
2 reasonably necessary for the manufacturer to evaluate the ~~proposed~~
3 designated successor dealer and dealership, including, ~~but not~~
4 ~~limited to,~~ applications, ~~proposals for facilities~~ and financing;

5 3. Within sixty (60) days of receipt of such information, the
6 manufacturer shall approve or disapprove the ~~proposed~~ designated
7 successor ~~dealership~~ dealer, and in case of disapproval shall
8 communicate in writing such disapproval and grounds for disapproval
9 to the ~~legal heir or devisee~~ dealership;

10 4. Failure of the manufacturer to act in a timely manner with
11 respect to any time period described above shall constitute a waiver
12 of the manufacturer's right to disapprove the proposed succession;
13 and

14 5. Within ten (10) days of ~~its~~ the dealership's receipt of the
15 manufacturer's notice of disapproval, the ~~legal heir or devisee~~
16 dealership may file a protest of the manufacturer's decision with
17 the Oklahoma New Motor Vehicle Commission and request a hearing.
18 Such hearing shall be heard in a substantially similar manner as
19 provided by Section 566 of this title, except that the Commission
20 shall render a final decision within sixty (60) days of the filing
21 of the protest. The manufacturer shall have the burden of proof to
22 show that its disapproval was for a good cause and in good faith. A
23 denial shall not be for good cause and in good faith unless the
24 factory establishes that the ~~legal heir or devisee, or the legal~~

1 ~~heir or devisee's controlling executive management, designated~~
2 successor is not of good moral character or fails to meet the
3 written, reasonable and uniformly applied requirements of the
4 manufacturer or distributor relating to financial qualifications,
5 general business experience, and other requirements relating to
6 prospective franchisees. However, a ~~legal heir that~~ designated
7 successor who is a family member and who is of good moral character
8 in accordance with ~~the factory's~~ reasonable factory qualifications
9 and meets the factory's financial qualifications may rely on
10 controlling executive management that is of good moral character and
11 meets the factory's qualifications for general business experience
12 ~~and other requirements relating to prospective franchises.~~ Any
13 denial of the designated successor based upon a failure to agree to
14 terms other than those contained in the existing franchise
15 agreement, related addendums and agreements, and any written notice
16 provided to the existing dealer prior to the manufacturer's or
17 distributor's receipt of any written notice from the existing dealer
18 of the proposed transfer shall not be considered good cause for such
19 denial. However, any proposed change to the franchise pursuant to
20 written notice from the manufacturer or distributor, to be valid,
21 shall be in compliance with existing law. The disapproval by the
22 manufacturer shall be final if the ~~legal heir or devisee~~ dealership
23 fails to file a timely protest of ~~such~~ the disapproval. In the
24 event that the Commission finds that the manufacturer's disapproval

1 was not made for good cause, then it shall issue a final order
2 requiring the manufacturer to honor the successor designated in the
3 notice sent by the ~~legal heir or devisee~~ dealership.

4 Notwithstanding anything to the contrary in this section, a new
5 motor vehicle dealer may designate any person as successor by filing
6 a written instrument pursuant to the franchise with the manufacturer
7 during the new motor vehicle dealer's lifetime. In such a case, the
8 written instrument and franchise shall govern the dealership
9 succession.

10 The suspension, revocation or refusal to issue or renew a
11 license or the imposition of any other penalty by the Commission
12 shall be in addition to any penalty which might be imposed upon any
13 licensee upon judgment or conviction in a court of competent
14 jurisdiction for any violation of the provisions of Sections 561
15 through 567, 572, 578.1, 579 and 579.1 of this title.

16 SECTION 11. AMENDATORY 47 O.S. 2021, Section 565.2, is
17 amended to read as follows:

18 Section 565.2 A. Irrespective of the terms, provisions or
19 conditions of any franchise, or the terms or provisions of any
20 waiver, no manufacturer shall terminate, cancel or fail to renew any
21 franchise with a licensed new motor vehicle dealer unless the
22 manufacturer has satisfied the notice requirements as provided in
23 this section and has good cause for cancellation, termination or
24 nonrenewal. The manufacturer shall not attempt to cancel or fail to

1 renew the franchise agreement of a new motor vehicle dealer in this
2 state unfairly and without just provocation or without due regard to
3 the equities of the dealer or without good faith as defined herein.
4 As used herein, "good faith" means the duty of each party to any
5 franchise agreement to act in a fair and equitable manner toward
6 each other, with freedom from coercion or intimidation or threats
7 thereof from each other.

8 B. Irrespective of the terms, provisions or conditions of any
9 franchise, or the terms or provisions of any waiver, good cause
10 shall exist for the purpose of a termination, cancellation, or
11 nonrenewal when:

12 1. The new motor vehicle dealer has failed to comply with a
13 provision of the franchise, which provision is both reasonable and
14 of material significance to the franchise relationship, or the new
15 motor vehicle dealer has failed to comply with reasonable
16 performance criteria for sales or service established by the
17 manufacturer, and the new motor vehicle dealer has been notified by
18 written notice from the manufacturer; and

19 2. The new motor vehicle dealer has received written
20 notification of failure to comply with the manufacturer's reasonable
21 sales performance standards, capitalization requirements, facility
22 commitments, business-related equipment acquisitions or other such
23 remediable failings exclusive of those reasons enumerated in
24 paragraph 1 of subsection C of this section, and the new motor

1 vehicle dealer has been afforded a reasonable opportunity of not
2 less than six (6) months to comply with such a provision or
3 criteria.

4 C. Irrespective of the terms, provisions or conditions of any
5 franchise agreement prior to the termination, cancellation or
6 nonrenewal of any franchise, the manufacturer shall furnish
7 notification of such termination, cancellation or nonrenewal to the
8 new motor vehicle dealer and the Oklahoma New Motor Vehicle
9 Commission as follows:

10 1. Not less than ninety (90) days prior to the effective date
11 of ~~such~~ the termination, cancellation or nonrenewal unless for a
12 cause described in paragraph 2 of this subsection;

13 2. Not less than fifteen (15) days prior to the effective date
14 of ~~such~~ the termination, cancellation or nonrenewal with respect to
15 any of the following:

16 a. insolvency of the new motor vehicle dealer, or the
17 filing of any petition by or against the new motor
18 vehicle dealer under any bankruptcy or receivership
19 law,

20 b. failure of the new motor vehicle dealer to conduct its
21 customary sales and service operations during its
22 customary business hours for seven (7) consecutive
23 business days, provided that such failure to conduct
24 business shall not be due to an act of God or

1 circumstances beyond the direct control of the new
2 motor vehicle dealer, or

3 c. conviction of the new motor vehicle dealer of any
4 felony which is punishable by imprisonment or a
5 violation of the Federal Odometer Act; and

6 3. Not less than one hundred eighty (180) days prior to the
7 effective date of ~~such~~ the termination or cancellation where the
8 manufacturer or distributor is discontinuing the sale of the product
9 line.

10 The notification required by this subsection shall be by
11 certified mail, return receipt requested, and shall contain a
12 statement of intent to terminate, to cancel or to not renew the
13 franchise, a statement of the reasons for the termination,
14 cancellation or nonrenewal and the date the termination shall take
15 effect.

16 D. Upon the affected new motor vehicle dealer's receipt of the
17 aforementioned notice of termination, cancellation or nonrenewal,
18 the new motor vehicle dealer shall have the right to file a protest
19 of such threatened termination, cancellation or nonrenewal with the
20 Commission within thirty (30) days and request a hearing. Such
21 hearing shall be held within one hundred eighty (180) days of the
22 date of the dealer's timely protest in accordance with the
23 provisions of the Administrative Procedures Act, Sections ~~301~~ 250
24 through ~~326~~ 323 of Title 75 of the Oklahoma Statutes, to determine

1 if the threatened cancellation, termination or nonrenewal of the
2 franchise has been for good cause and if the factory has complied
3 with its obligations pursuant to subsections A, B and C of this
4 section and the factory shall have the burden of proof. Either
5 party may request an additional one-hundred-eighty-day extension
6 from the Commission. Approval of the requested extension may not be
7 unreasonably withheld or delayed. If the Commission finds that the
8 threatened cancellation, termination or nonrenewal of the franchise
9 has not been for good cause or violates subsection A, B or C of this
10 section, then it shall issue a final order stating that the
11 threatened termination is wrongful. A factory shall have the right
12 to appeal such order. During the pendency of the hearing and after
13 the decision, the franchise shall remain in full force and effect,
14 including the right to transfer the franchise. If the Commission
15 finds that the threatened cancellation, termination or nonrenewal is
16 for good cause and does not violate subsection A, B or C of this
17 section, the new motor vehicle dealer shall have the right to an
18 appeal. During the pendency of the action, including the final
19 decision or appeal, the franchise shall remain in full force and
20 effect, including the right to transfer the franchise. If the new
21 motor vehicle dealer prevails in the threatened termination action,
22 the Commission shall award to the new motor vehicle dealer the
23 attorney fees and costs incurred to defend the action.

24

1 E. If the factory prevails in an action to terminate, cancel or
2 not renew any franchise, the new motor vehicle dealer shall be
3 allowed fair and reasonable compensation by the manufacturer for:

4 1. New current and previous model year vehicle inventory which
5 has been acquired from the manufacturer, and which is unused and has
6 not been damaged or altered while in the new motor vehicle dealer's
7 possession;

8 2. Supplies and parts which have been acquired from the
9 manufacturer, for the purpose of this section, limited to any and
10 all supplies and parts that are listed on the current parts price
11 sheet available to the new motor vehicle dealer;

12 3. Equipment and furnishings, provided the new motor vehicle
13 dealer purchased them from the manufacturer or its approved sources;
14 and

15 4. Special tools, with such fair and reasonable compensation to
16 be paid by the manufacturer within ninety (90) days of the effective
17 date of the termination, cancellation or nonrenewal, provided the
18 new motor vehicle dealer has clear title to the inventory and other
19 items and is in a position to convey that title to the manufacturer.

20 a. For the purposes of paragraph 1 of this subsection,
21 fair and reasonable compensation shall be no less than
22 the net acquisition price of the vehicle paid by the
23 new motor vehicle dealer.

24

1 b. For the purposes of paragraphs 2, 3 and 4 of this
2 subsection, fair and reasonable compensation shall be
3 the net acquisition price paid by the new motor
4 vehicle dealer less a twenty-percent (20%) straight-
5 line depreciation for each year following the dealer's
6 acquisition of the supplies, parts, equipment,
7 furnishings and/or special tools.

8 F. If a factory prevails in an action to terminate, cancel or
9 not renew any franchise and the new motor vehicle dealer is leasing
10 the dealership facilities, the manufacturer shall pay a reasonable
11 rent to the lessor in accordance with and subject to the provisions
12 of subsection G of this section. Nothing in this section shall be
13 construed to relieve a new motor vehicle dealer of its duty to
14 mitigate damages.

15 G. 1. Such reasonable rental value shall be paid only to the
16 extent the dealership premises are recognized in the franchise and
17 only if they are:

18 a. used solely for performance in accordance with the
19 franchise. If the facility is used for the operation
20 of more than one franchise, the reasonable rent shall
21 be paid based upon the portion of the facility
22 utilized by the franchise being terminated, canceled
23 or nonrenewed, and

1 b. not substantially in excess of facilities recommended
2 by the manufacturer.

3 2. If the facilities are owned by the new motor vehicle dealer,
4 within ninety (90) days following the effective date of the
5 termination, cancellation or nonrenewal the manufacturer will
6 either:

7 a. locate a qualified purchaser who will offer to
8 purchase the dealership facilities at a reasonable
9 price,

10 b. locate a qualified lessee who will offer to lease the
11 premises for the remaining lease term at the rent set
12 forth in the lease, or

13 c. failing the foregoing, lease the dealership facilities
14 at a reasonable rental value for the portion of the
15 facility that is recognized in the franchise agreement
16 for one (1) year.

17 3. If the facilities are leased by the new motor vehicle
18 dealer, within ninety (90) days following the effective date of the
19 termination, cancellation or nonrenewal the manufacturer will
20 either:

21 a. locate a tenant or tenants satisfactory to the lessor,
22 who will sublet or assume the balance of the lease,
23
24

1 b. arrange with the lessor for the cancellation of the
2 lease without penalty to the new motor vehicle dealer,
3 or

4 c. failing the foregoing, lease the dealership facilities
5 at a reasonable rent for the portion of the facility
6 that is recognized in the franchise agreement for one
7 (1) year.

8 4. The manufacturer shall not be obligated to provide
9 assistance under this section if the new motor vehicle dealer:

10 a. fails to accept a bona fide offer from a prospective
11 purchaser, ~~subleases~~ sublessee or assignee,

12 b. refuses to execute a settlement agreement with the
13 lessor if such agreement with the lessor would be
14 without cost to the new motor vehicle dealer, or

15 c. fails to make written request for assistance under
16 this section within ninety (90) days after the
17 effective date of the termination, cancellation or
18 nonrenewal.

19 5. The manufacturer shall be entitled to occupy and use any
20 space for which it pays rent required by this section.

21 H. In addition to the repurchase requirements set forth in
22 subsections E and G of this section, in the event the termination or
23 cancellation is the result of a discontinuance of a product line,
24 the manufacturer or distributor shall compensate the new motor

1 vehicle dealer in an amount equivalent to the fair market value of
2 the terminated franchise as of the date ~~of~~ immediately preceding the
3 manufacturer's or distributor's announcement or provide the new
4 motor vehicle dealer with a replacement franchise on substantially
5 similar terms and conditions as those offered to other same line-
6 make dealers. The new motor vehicle dealer may immediately request
7 payment under this ~~provision~~ section following the announcement in
8 exchange for ~~cancelling~~ canceling any further franchise rights,
9 except payments owed to the new motor vehicle dealer in the ordinary
10 course of business, or may request payment under this ~~provision~~
11 section upon the final termination, cancellation or nonrenewal of
12 the franchise. In either case, payment under this ~~provision~~ section
13 shall be made not later than ninety (90) days after the fair market
14 value is determined. If the factory and new motor vehicle dealer
15 cannot agree on the fair market value of the terminated franchise or
16 agree to a process to determine the fair market value, then the
17 factory and new motor vehicle dealer shall utilize a neutral ~~third~~
18 ~~party~~ third-party mediator to resolve the disagreement.

19 SECTION 12. AMENDATORY 47 O.S. 2021, Section 565.3, is
20 amended to read as follows:

21 Section 565.3 A. A franchised vehicle dealer proposing a sale,
22 transfer, or assignment of a franchise agreement or the business and
23 assets of a dealership or an interest in a dealership to another
24 person, hereinafter transferee, shall notify the manufacturer or

1 distributor whose vehicles the dealer is franchised to sell of the
2 proposed action of the dealer. The manufacturer or distributor may
3 make written request to the proposed transferee to submit completed
4 application forms and related information generally utilized by a
5 manufacturer to evaluate such a proposal and a copy of all
6 agreements related to the proposed sale, transfer, or assignment.

7 B. The approval by the manufacturer or distributor of the sale,
8 transfer, or assignment shall not be unreasonably withheld unless
9 the proposed transferee is not of good moral character or fails to
10 meet the written, reasonable, and uniformly applied requirements of
11 the manufacturer or distributor relating to prospective franchisees.
12 Approval of the transfer shall not be made contingent upon the
13 transferee meeting unreasonable facility requirements or performance
14 standards, ~~but may be made contingent upon the transferee meeting~~
15 ~~reasonable written requirements~~ different than those contained in
16 the transferor's franchise agreement and related addendum and
17 agreements, and any written notices provided to the existing dealer
18 prior to the manufacturer's or distributor's receipt of any written
19 notice from the existing dealer of the proposed transfer. However,
20 to be valid, any proposed change to the franchise pursuant to
21 written notice from the manufacturer or distributor shall be in
22 compliance with existing law. The burden of proof shall be upon the
23 manufacturer or distributor to show good cause existed to withhold
24 approval. The manufacturer or distributor that has made such a

1 determination shall send a letter by certified mail to the dealer
2 and the applicant of its refusal to approve the proposal, which
3 shall include a statement of the specific grounds for refusal,
4 within sixty (60) days after the later of:

5 1. Receipt by the manufacturer or distributor of the notice of
6 the proposed sale, transfer, or assignment; or

7 2. Receipt by the manufacturer or distributor of the
8 information requested from the proposed transferee pursuant to
9 subsection A of this section if the manufacturer or distributor has
10 requested such information within fifteen (15) days of receipt of
11 written notice of the proposed sale, transfer, or assignment.

12 C. Failure of the manufacturer or distributor to send its
13 notice of refusal pursuant to subsection B of this section shall
14 mean that the application for the proposed sale, transfer, or
15 assignment is approved.

16 D. If the proposed sale, transfer, or assignment is to an
17 existing owner's family member or other existing owner, the
18 manufacturer or distributor's evaluation of the proposal is limited
19 to the written, reasonable, and uniformly applied requirements of
20 the manufacturer or distributor relating to good moral character and
21 financial qualifications. Notwithstanding the foregoing, a change
22 in dealer operator shall be addressed pursuant to the provisions of
23 Section 565.1 of this title.

24

1 E. A dealer dealership or dealership owner receiving notice of
2 refusal of the sale, transfer, or assignment shall have the right to
3 file a protest with the Oklahoma New Motor Vehicle Commission within
4 thirty (30) days of receipt of the refusal. ~~A dealer receiving~~
5 ~~notice that the sale, transfer or assignment is contingent upon the~~
6 ~~transferee meeting facility and/or performance standards shall have~~
7 ~~the right to file a protest with the Commission within thirty (30)~~
8 ~~days of receipt of the notice.~~ In the event a protest is filed, the
9 manufacturer or distributor shall have the burden of proof to
10 establish the proposed transferee or the proposed transferee's
11 controlling executive management is not of good moral character or
12 fails to meet the written reasonable and uniformly applied
13 requirements of the manufacturer or distributor relating to
14 prospective franchisees or that the facility requirements are not
15 ~~reasonable based on the reasons set forth in subparagraph d of~~
16 ~~paragraph 9 of Section 565 of this title~~ different than those
17 contained in the transferor's franchise agreement.

18 F. Notwithstanding any other provision of this section, the
19 dealer shall submit a signed copy of the Dealer Sales and Service
20 Agreement resulting from any completed sale, transfer, or assignment
21 of a franchise to the Oklahoma New Motor Vehicle Commission within
22 fifteen (15) business days.

23 SECTION 13. AMENDATORY 47 O.S. 2021, Section 566, is
24 amended to read as follows:

1 Section 566. The Oklahoma New Motor Vehicle Commission may deny
2 any application for license, or suspend or revoke a license issued
3 or impose a fine, only after a hearing of which the applicant, or
4 licensee affected, shall be given at least ten (10) days' written
5 notice specifying the reason for denying the applicant a license,
6 or, in the case of a revocation or suspension or imposition of a
7 fine, the offenses of which the licensee is charged. Such notices
8 may be served as provided by law for the service of notices, or
9 mailing a copy by registered mail to the last-known residence or
10 business address of such applicant or licensee. The hearing on such
11 charges shall be at such time and place as the Commission may
12 prescribe and the aforementioned notice shall further specify the
13 time and place. If such applicant or licensee is a motor vehicle
14 salesperson, factory representative or distributor representative,
15 the Commission shall in like manner also notify the person, firm,
16 association, corporation or trust with whom he or she is associated,
17 or in whose association he or she is about to enter. The Commission
18 shall have the power to compel the production of all records, papers
19 and other documents which may be deemed relevant to the proceeding
20 bearing upon the complaints. The Commission shall have the power to
21 subpoena and bring before it any person, or take testimony of any
22 such person by deposition, with the same fees and mileage and in the
23 same manner as prescribed in proceedings before courts of the state
24 in civil cases. Any party to such hearing shall have the right to

1 the attendance of witnesses in his or her behalf upon designating to
2 the Commission the person or persons sought to be subpoenaed.

3 SECTION 14. AMENDATORY 47 O.S. 2021, Section 566.1, is
4 amended to read as follows:

5 Section 566.1 All rulings, orders, decisions, procedures or
6 acts of the Oklahoma New Motor Vehicle Commission shall be subject
7 to the provisions of the Administrative Procedures Act, Sections 301
8 through 326 of Title 75 of the Oklahoma Statutes.

9 SECTION 15. AMENDATORY 47 O.S. 2021, Section 567, is
10 amended to read as follows:

11 Section 567. The Oklahoma New Motor Vehicle Commission is
12 hereby authorized, without cost bond or deposit, to institute
13 injunctive actions in courts of competent jurisdiction, in the name
14 of the State of Oklahoma on the relation of the Commission, to
15 enforce the provisions of Sections 561 through 567, 572, 578.1, 579
16 and 579.1 of this title. Any licensee or other person who violates
17 or threatens to violate any provision of this chapter or rule
18 promulgated thereunder or order of the Commission may be enjoined
19 from so doing.

20 SECTION 16. AMENDATORY 47 O.S. 2021, Section 576, is
21 amended to read as follows:

22 Section 576. There is hereby created a petty cash fund not to
23 exceed One Hundred Dollars (\$100.00) for the Oklahoma New Motor
24

1 Vehicle Commission, which may be expended for small authorized
2 expenses of the Commission.

3 SECTION 17. AMENDATORY 47 O.S. 2021, Section 578.1, is
4 amended to read as follows:

5 Section 578.1 A. Notwithstanding the terms of a franchise and
6 notwithstanding the terms of a waiver, if a factory intends or
7 proposes to enter into a franchise to establish an additional new
8 motor vehicle dealer or to relocate an existing new motor vehicle
9 dealer within or into a relevant market area in which the same line-
10 make of motor vehicle is currently represented, the factory shall
11 provide at least sixty (60) days advance written notice to the
12 Commission and to each new motor vehicle dealer of the same line-
13 make in the relevant market area, of the intention of the factory to
14 establish an additional new motor vehicle dealer or to relocate an
15 existing new motor vehicle dealer within or into the relevant market
16 area. For purposes of this section, the "relevant market area"
17 means the area within a radius of fifteen (15) miles ~~of~~ around the
18 site of the proposed new motor vehicle dealership measured from the
19 property boundary of the primary dealership property. The notice
20 shall be sent by certified mail to each party and shall include the
21 following information:

22 1. The specific location at which the additional or relocated
23 new motor vehicle dealer will be established;

24

1 2. The date on or after which the additional or relocated new
2 motor vehicle dealer intends to commence business at the proposed
3 location;

4 3. The identity of all new motor vehicle dealers who are
5 franchised to sell the same line-make vehicles as the proposed new
6 motor vehicle dealer and who have licensed locations within the
7 relevant market area;

8 4. The names and addresses of the person intended to be
9 franchised as the proposed additional or relocated new motor vehicle
10 dealership, the principal investors in the proposed additional or
11 relocated new motor vehicle dealership, and the proposed dealer
12 operator of the proposed additional or relocated new motor vehicle
13 dealership; and

14 5. The specific grounds or reasons for the proposed
15 establishment of an additional new motor vehicle dealer or
16 relocation of an existing new motor vehicle dealer.

17 B. ~~This section does not apply~~ The notice provisions and
18 hearing opportunities prescribed in subsection A of this section
19 shall not apply if any of the following are true:

20 1. To the relocation of an existing new motor vehicle dealer
21 within the relevant market area of that dealer; provided, that the
22 relocation not be at a site within ten (10) miles of a licensed new
23 motor vehicle dealer for the same line-make of motor vehicle;

1 2. To a proposed additional new motor vehicle dealer which is
2 to be established at or within two (2) miles of a location at which
3 a former licensed new motor vehicle dealer for the same line-make of
4 new motor vehicle had ceased operating within the previous two (2)
5 years;

6 3. To the relocation of an existing new motor vehicle dealer
7 within two (2) miles of the existing site of the new motor vehicle
8 dealership; or

9 4. To the relocation of an existing new motor vehicle dealer if
10 the proposed site of the relocated new motor vehicle dealership is
11 farther away from all other new motor vehicle dealers of the same
12 line-make in that relevant market area.

13 C. Within thirty (30) days after receipt of the notice, or
14 within thirty (30) days after the end of an appeal procedure
15 provided by the factory, whichever is greater, a new motor vehicle
16 dealer so notified or entitled to notice may file a petition with
17 the Commission protesting the proposed establishment or relocation.
18 The petition shall contain a short statement setting forth the
19 reasons for the objection of the new motor vehicle dealer to the
20 proposed establishment or relocation. Upon filing of a protest, the
21 Commission shall promptly notify the factory that a timely protest
22 has been filed and shall schedule a hearing, which shall be held
23 within one hundred twenty (120) days of the filing of a timely
24 protest. The factory shall not establish or relocate the new motor

1 vehicle dealer until the Commission has held a hearing and has
2 determined that there is good cause for permitting the proposed
3 establishment or relocation. When more than one protest is filed
4 against the establishment or relocation of the same dealer, the
5 Commission shall consolidate the hearings to expedite disposition of
6 the matter.

7 D. The burden of proof to establish that good cause exists for
8 permitting the proposed establishment of a new motor vehicle dealer
9 or relocating an existing new motor vehicle dealership shall be on
10 the applicant who seeks to establish a new motor vehicle dealership
11 or the relocation of an existing new motor vehicle dealership.

12 SECTION 18. AMENDATORY 47 O.S. 2021, Section 579, is
13 amended to read as follows:

14 Section 579. In determining whether good cause has been
15 established for permitting the proposed establishment or relocation
16 of an additional franchise for the same line-make, the Oklahoma New
17 Motor Vehicle Commission shall take into consideration, and must be
18 persuaded, that good cause exists for entering into or relocating an
19 additional franchise for the same line-make by the greater weight of
20 facts and the existing circumstances, including, but not limited to:

- 21 1. Permanency of the investment of the proposed dealership;
- 22 2. Effect on the retail new motor vehicle business and the
23 consuming public in the relevant market area;

24

1 3. Whether it is injurious to the public welfare for an
2 additional new motor vehicle dealership to be established;

3 4. Whether the new motor vehicle dealers of the same line-make
4 in that relevant market area are providing adequate competition and
5 convenient consumer care for the motor vehicle sales and service
6 facilities, equipment, supply of motor vehicle parts, and qualified
7 service personnel; and

8 5. Whether the establishment of an additional new motor vehicle
9 dealership would increase competition, and therefore be in the
10 public interest.

11 SECTION 19. AMENDATORY 47 O.S. 2021, Section 580.2, is
12 amended to read as follows:

13 Section 580.2 During the time a person is operating a motor
14 vehicle with the express or implied permission of ~~an authorized~~ a
15 new motor vehicle dealer, as defined in Section 562 of this title,
16 such person's motor vehicle liability policy shall have primary
17 coverage with the motor vehicle liability policy of the new motor
18 vehicle dealer having secondary coverage until the vehicle is
19 returned. As used herein, "motor vehicle liability policy" means
20 motor vehicle insurance against legal liability for the death,
21 injury, or disability of any human being, or for damage to real or
22 personal property. The motor vehicle liability policy of any person
23 who has been loaned a vehicle by a new motor vehicle dealer pursuant
24 to the terms of this section shall provide primary coverage for any

1 death or injury of any human being or for any real or personal
2 property damage, including damage to the loaned vehicle, with the
3 motor vehicle insurance policy of the new motor vehicle dealer
4 having secondary coverage for any death or injury of any human being
5 or for any real or personal property damage, including damage to the
6 loaned vehicle. The change in financial responsibility shall be
7 evidenced by a release signed by the person operating the vehicle
8 with the express or implied permission of the new motor vehicle
9 dealer with the release to be returned to the person upon the return
10 of the motor vehicle to the new motor vehicle dealer. The motor
11 vehicle liability policy of such person shall meet the minimum
12 financial responsibility requirements found in Section 7-324 of this
13 title.

14 This section shall apply only to the loan of a motor vehicle by
15 ~~an authorized~~ a new motor vehicle dealer which ~~loan~~ occurs without
16 financial remuneration in the form of a fee or lease charge.

17 SECTION 20. AMENDATORY 47 O.S. 2021, Section 583, as
18 amended by Section 3, Chapter 107, O.S.L. 2022 (47 O.S. Supp. 2022,
19 Section 583), is amended to read as follows:

20 Section 583. A. 1. It shall be unlawful and constitute a
21 misdemeanor for any person to engage in business as, or serve in the
22 capacity of, or act as a used motor vehicle dealer, wholesale used
23 motor vehicle dealer, manufactured home dealer, restricted
24 manufactured home park dealer, manufactured home installer, or

1 manufactured home manufacturer selling directly to a licensed
2 manufactured home dealer in this state without first obtaining a
3 license or following other requirements therefor as provided in this
4 section.

5 2. a. Any person engaging, acting, or serving in the
6 capacity of a used motor vehicle dealer, a
7 manufactured home dealer, restricted manufactured home
8 park dealer, a manufactured home installer, or a
9 manufactured home manufacturer, or having more than
10 one place where any such business, or combination of
11 businesses, is carried on or conducted shall be
12 required to obtain and hold a current license for each
13 such business, in which engaged.

14 b. If after a hearing in accordance with the provisions
15 of Section 585 of this title, the Oklahoma Used Motor
16 Vehicle, Dismantler, and Manufactured Housing
17 Commission shall find any person installing a mobile
18 or manufactured home to be in violation of any of the
19 provisions of this act, such person may be subject to
20 an administrative fine of not more than Five Hundred
21 Dollars (\$500.00) for each violation. Each day a
22 person is in violation of this act may constitute a
23 separate violation. All administrative fines
24 collected pursuant to the provisions of this

1 subparagraph shall be deposited in the fund
2 established in Section 582 of this title.
3 Administrative fines imposed pursuant to this
4 subparagraph may be enforceable in the district courts
5 of this state.

6 3. Any person, except persons penalized by administrative fine,
7 violating the provisions of this section shall, upon conviction, be
8 punished by a fine not to exceed Five Hundred Dollars (\$500.00). A
9 second or subsequent conviction shall be punished by a fine not to
10 exceed One Thousand Dollars (\$1,000.00); provided that each day such
11 unlicensed person violates this section shall constitute a separate
12 offense, and any vehicle involved in a violation of this subsection
13 shall be considered a separate offense.

14 B. 1. Applications for licenses required to be obtained under
15 the provisions of the Oklahoma Used Motor Vehicle, Dismantler, and
16 Manufactured Housing Commission shall be verified by the oath or
17 affirmation of the applicant and shall be on forms prescribed by the
18 Commission and furnished to the applicants, and shall contain such
19 information as the Commission deems necessary to enable it to fully
20 determine the qualifications and eligibility of the several
21 applicants to receive the license or licenses applied for. The
22 Commission shall require in the application, or otherwise,
23 information relating to:

24 a. the applicant's financial standing,

- 1 b. the applicant's business integrity,
- 2 c. whether the applicant has an established place of
- 3 business and is engaged in the pursuit, avocation, or
- 4 business for which a license, or licenses, is applied
- 5 for,
- 6 d. whether the applicant is able to properly conduct the
- 7 business for which a license, or licenses, is applied
- 8 for, and
- 9 e. such other pertinent information consistent with the
- 10 safeguarding of the public interest and the public
- 11 welfare.

12 2. All applications for license or licenses shall be

13 accompanied by the appropriate fee or fees in accordance with the

14 schedule hereinafter provided. In the event any application is

15 denied and the license applied for is not issued, the entire license

16 fee shall be returned to the applicant.

17 3. All bonds and licenses issued under the provisions of this

18 act shall expire on December 31, following the date of issue and

19 shall be nontransferable. All applications for renewal of licenses

20 shall be submitted by November 1 of each year of expiration, and

21 licenses for completed renewals received by November 1 shall be

22 issued by January 10. If applications have not been made for

23 renewal of licenses, such licenses shall expire on December 31 and

24 it shall be illegal for any person to represent himself or herself

1 and act as a dealer thereafter. Tag agents shall be notified not to
2 accept dealers' titles until such time as licenses have been issued.
3 Beginning January 1, 2016, all licenses shall be issued for a period
4 of two (2) years and the appropriate fees shall be assessed. The
5 Commission shall adopt rules necessary to implement the two-year
6 licensing provisions.

7 4. A certificate of registration shall permit the registered
8 person to engage in the activities of a used motor vehicle
9 salesperson. A salesperson shall be deemed to be temporarily
10 approved and allowed to sell vehicles when applications and fees are
11 on file with the Commission.

12 C. The schedule of license and inspection fees to be charged
13 and received by the Commission for the licenses and inspections
14 issued hereunder shall be as follows:

15 1. For each used motor vehicle dealer's license and each
16 wholesale used motor vehicle dealer's license, Six Hundred Dollars
17 (\$600.00). If a used motor vehicle dealer or a wholesale used motor
18 vehicle dealer has once been licensed by the Commission in the
19 classification for which he or she applies for a renewal of the
20 license, the fee for each subsequent renewal shall be Three Hundred
21 Dollars (\$300.00); provided, if an applicant holds a license to
22 conduct business as an automotive dismantler and parts recycler
23 issued pursuant to Section 591.1 et seq. of this title, the initial
24 fee shall be Two Hundred Dollars (\$200.00) and the renewal fee shall

1 be Two Hundred Dollars (\$200.00). If an applicant is applying
2 simultaneously for a license under this paragraph and a license
3 under paragraph 1 of Section 591.5 of this title, the initial
4 application fee shall be Four Hundred Dollars (\$400.00). For the
5 reinstatement of a used motor vehicle dealer's license after
6 revocation for cancellation or expiration of insurance pursuant to
7 subsection F of this section, the fee shall be Two Hundred Dollars
8 (\$200.00);

9 2. For a used motor vehicle dealer's license, for each place of
10 business in addition to the principal place of business, Two Hundred
11 Dollars (\$200.00);

12 3. For each holder who possesses a valid new motor vehicle
13 dealer's license from the Oklahoma New Motor Vehicle Commission, Two
14 Hundred Dollars (\$200.00) shall be the initial fee for a used motor
15 vehicle license and the fee for each subsequent renewal shall be Two
16 Hundred Dollars (\$200.00);

17 4. a. For each manufactured home dealer's license or a
18 restricted manufactured home park dealer's license,
19 Six Hundred Dollars (\$600.00), and for each place of
20 business in addition to the principal place of
21 business, Four Hundred Dollars (\$400.00), and

22 b. For each renewal of a manufactured home dealer's
23 license or a restricted manufactured home park
24 dealer's license, and renewal for each place of

1 business in addition to the principal place of
2 business, Three Hundred Dollars (\$300.00);

3 5. a. For each manufactured home installer's license, Four
4 Hundred Dollars (\$400.00), and

5 b. For each renewal of a manufactured home installer's
6 license, Four Hundred Dollars (\$400.00);

7 6. a. For each manufactured home manufacturer selling
8 directly to a licensed manufactured home dealer in
9 this state, One Thousand Five Hundred Dollars
10 (\$1,500.00), and

11 b. For each renewal of a manufactured home manufacturer's
12 license, One Thousand Five Hundred Dollars
13 (\$1,500.00);

14 7. Any manufactured home manufacturer who sells a new
15 manufactured home to be shipped to or sited in the State of Oklahoma
16 shall pay an installation inspection fee of Seventy-five Dollars
17 (\$75.00) for each new single-wide manufactured home and One Hundred
18 Twenty-five Dollars (\$125.00) for each new multi-floor manufactured
19 home; and

20 8. A used manufactured home inspection fee of Seventy-five
21 Dollars (\$75.00) shall be paid by the installer at or before the
22 time of installation of any used manufactured home sited and
23 installed in the State of Oklahoma.

24

1 D. 1. The license issued to each used motor vehicle dealer,
2 each wholesale used motor vehicle dealer, each restricted
3 manufactured home park dealer and each manufactured home dealer
4 shall specify the location of the place of business. If the
5 business location is changed, the Oklahoma Used Motor Vehicle,
6 Dismantler, and Manufactured Housing Commission shall be notified
7 immediately of the change and the Commission may endorse the change
8 of location on the license. The fee for a change of location shall
9 be One Hundred Dollars (\$100.00), and the fee for a change of name,
10 Twenty-five Dollars (\$25.00). The license of each licensee shall be
11 posted in a conspicuous place in the place or places of business of
12 the licensee.

13 2. The license issued to each manufactured home installer and
14 each manufactured home manufacturer shall specify the location of
15 the place of business. If the business location is changed, the
16 Oklahoma Used Motor Vehicle, Dismantler, and Manufactured Housing
17 Commission shall be notified immediately of the change and the
18 Commission may endorse the change of location on the license without
19 charge. The license of each licensee shall be posted in a
20 conspicuous place in the place or places of business of the
21 licensee.

22 3. Every manufactured home installer shall have the license
23 available for inspection at the primary place of business of the
24 licensee. This license shall be valid for the licensee and all of

1 the employees of the licensee. Any person who is not an employee of
2 the licensee must obtain a separate manufactured home installer
3 license regardless of whether such person is acting in the capacity
4 of a contractor or subcontractor.

5 E. 1. a. Each applicant for a used motor vehicle dealer's
6 license shall procure and file with the Commission a
7 good and sufficient bond in the amount of Twenty-five
8 Thousand Dollars (\$25,000.00). Each new applicant for
9 a used motor vehicle dealer's license for the purpose
10 of conducting a used motor vehicle auction shall
11 procure and file with the Commission a good and
12 sufficient bond in the amount of Fifty Thousand
13 Dollars (\$50,000.00). An applicant who intends to
14 conduct a used motor vehicle auction who provides
15 proof that the applicant has check and title insurance
16 in an amount not less than Fifty Thousand Dollars
17 (\$50,000.00) shall only be required to have a bond in
18 the amount of Twenty-five Thousand Dollars
19 (\$25,000.00).

20 b. Each new applicant for a used motor vehicle dealer
21 license for the purpose of conducting a used motor
22 vehicle business which will consist primarily of non-
23 auction consignment sales which are projected to equal
24 Five Hundred Thousand Dollars (\$500,000.00) or more in

1 gross annual sales shall procure and file with the
2 Commission a good and sufficient bond in the amount of
3 Fifty Thousand Dollars (\$50,000.00). The Commission
4 shall prescribe by rule the method of operation of the
5 non-auction consignment dealer in order to properly
6 protect the interests of all parties to the
7 transaction and to provide sanctions against dealers
8 who fail to comply with the rules.

9 c. Each applicant for a wholesale used motor vehicle
10 dealer's license shall procure and file with the
11 Commission a good and sufficient bond in the amount of
12 Twenty-five Thousand Dollars (\$25,000.00).

13 d. Any used motor vehicle dealer who, for the purpose of
14 being a rebuilder, applies for a rebuilder
15 certificate, as provided in Section 591.5 of this
16 title, whether as a new application or renewal, shall
17 procure and file with the Commission a good and
18 sufficient bond in the amount of Fifteen Thousand
19 Dollars (\$15,000.00), in addition to any other bonds
20 required.

21 e. Each applicant for a manufactured home dealer's
22 license or a restricted manufactured home park
23 dealer's license shall procure and file with the
24

1 Commission a good and sufficient bond in the amount of
2 Thirty Thousand Dollars (\$30,000.00).

3 f. Each manufactured home manufacturing facility selling
4 directly to a licensed manufactured home dealer or
5 restricted manufactured home park dealer in this state
6 shall procure and file with the Commission a good and
7 sufficient bond in the amount of Thirty Thousand
8 Dollars (\$30,000.00). In addition to all other
9 conditions and requirements set forth herein, the bond
10 shall require the availability of prompt and full
11 warranty service by the manufacturer to comply with
12 all warranties expressed or implied in connection with
13 each manufactured home which is manufactured for
14 resale or use in this state. A manufacturer may not
15 sell, exchange, or lease-purchase with an option to
16 own in any form a manufactured home to a person in
17 this state directly or indirectly through a
18 distributor or third party who is not a licensed
19 manufactured home dealer or a restricted manufactured
20 home park dealer.

21 g. The bond shall be approved as to form by the Attorney
22 General and conditioned that the applicant shall not
23 practice fraud, make any fraudulent representation, or
24 violate any of the provisions of this act in the

1 conduct of the business for which the applicant is
2 licensed. One of the purposes of the bond is to
3 provide reimbursement for any loss or damage suffered
4 by any person by reason of issuance of a certificate
5 of title by a used motor vehicle dealer, a wholesale
6 used motor vehicle dealer, a restricted manufactured
7 home park dealer or a manufactured home dealer.

8 2. The bonds as required by this section shall be maintained
9 throughout the period of licensure. Should the bond be canceled for
10 any reason, the license shall be revoked as of the date of
11 cancellation unless a new bond is furnished prior to such date.

12 F. Any used motor vehicle dealer or wholesale used motor
13 vehicle dealer is required to furnish and keep in force a minimum of
14 Twenty-five Thousand Dollars (\$25,000.00) of single liability
15 insurance coverage on all vehicles offered for sale or used in any
16 other capacity in demonstrating or utilizing the streets and
17 roadways in accordance with the financial responsibility laws of
18 this state.

19 G. Any manufactured home dealer or restricted manufactured home
20 park dealer is required to furnish and keep in force a minimum of
21 One Hundred Thousand Dollars (\$100,000.00) of garage liability or
22 general liability with products and completed operations insurance
23 coverage.

1 H. Any manufactured home installer is required to furnish and
2 keep in force a minimum of Twenty-five Thousand Dollars (\$25,000.00)
3 of general liability with products and completed operations
4 insurance coverage.

5 SECTION 21. AMENDATORY 47 O.S. 2021, Section 583.1, as
6 amended by Section 4, Chapter 107, O.S.L. 2022 (47 O.S. Supp. 2022,
7 Section 583.1), is amended to read as follows:

8 Section 583.1 A. It shall be punishable by an administrative
9 fine not to exceed Five Hundred Dollars (\$500.00) for any person,
10 firm, association, corporation or trust to engage in business as, or
11 serve in the capacity of, a used motor vehicle salesperson in this
12 state without first obtaining a certificate of registration with the
13 Oklahoma Used Motor Vehicle, Dismantler, and Manufactured Housing
14 Commission. However, a person may sell used motor vehicles without
15 obtaining a separate used motor vehicle salesperson's certificate of
16 registration if the person has a certificate of registration from
17 the Oklahoma New Motor Vehicle Commission to sell new or unused
18 motor vehicles at a new motor vehicle dealer's licensed franchise
19 location which also sells used vehicles; provided, such a person
20 shall only be authorized to sell used motor vehicles for the dealer
21 at the new motor vehicle dealer's licensed franchise location and to
22 represent the new motor vehicle dealer at used motor vehicle
23 auctions. The cost of the registration for each salesperson shall
24 be Fifty Dollars (\$50.00) to be renewed biennially and, for a

1 transfer, Twenty-five Dollars (\$25.00). The cost of registration is
2 to be borne by the employing entity of the salesperson. The
3 Oklahoma Used Motor Vehicle, Dismantler, and Manufactured Housing
4 Commission shall promulgate rules and procedures necessary for the
5 implementation and creation of a registry of salespersons and the
6 issuance of certificates of registration.

7 B. It shall be punishable by an administrative fine not to
8 exceed Five Hundred Dollars (\$500.00) for any person, firm,
9 association, corporation or trust to engage in business as, or serve
10 in the capacity of, a manufactured home salesperson in this state
11 without first obtaining a certificate of registration with the
12 Oklahoma Used Motor Vehicle, Dismantler, and Manufactured Housing
13 Commission. The cost of the registration for each salesperson shall
14 be Fifty Dollars (\$50.00) to be renewed biennially and, for a
15 transfer, Twenty-five Dollars (\$25.00). The cost of registration is
16 to be borne by the employing entity of the salesperson. The
17 Commission shall promulgate rules and procedures necessary for the
18 implementation and creation of a registry of salespersons and the
19 issuance of certificates of registration.

20 SECTION 22. AMENDATORY 47 O.S. 2021, Section 596.1, is
21 amended to read as follows:

22 Section 596.1 As used in this act:

23 1. "Area of sales responsibility" means a geographical area
24 agreed to by a dealer and the manufacturer in a dealer agreement in

1 which the dealer has the exclusive right to display or sell the new
2 recreational vehicles of a manufacturer of a particular line-make to
3 the public;

4 2. "Camping trailer" means a vehicular unit that is mounted on
5 wheels and constructed with collapsible partial side walls that fold
6 for towing by another vehicle and unfold at the campsite to provide
7 temporary living quarters for recreational, camping or travel use;

8 3. "Commission" means the Oklahoma New Motor Vehicle
9 Commission;

10 4. "Dealer" means any person, firm, corporation, or business
11 entity licensed or required to be licensed pursuant to the
12 provisions of this act to sell new recreational vehicles;

13 ~~4.~~ 5. "Dealer agreement" means a written agreement or contract
14 entered into between a manufacturer and a dealer that establishes
15 the legal rights and obligations of the parties to that agreement or
16 contract and pursuant to which the dealer is authorized to sell new
17 recreational vehicles manufactured or distributed by the
18 manufacturer;

19 ~~5.~~ 6. "Established place of business" means a permanently
20 enclosed building or structure, easily accessible to the public,
21 with a paved or graveled lot for customer parking and for the
22 showing and storage of vehicles. Established place of business
23 shall not mean tents, temporary stands, lots, or other temporary
24 quarters. The established place of business shall have a sign

1 visible from the outside of the business which identifies the
2 recreational vehicle dealership. The established place of business
3 shall have an indoor office with public areas sufficient to conduct
4 sales transactions with customers and have restroom facilities
5 available for the public. The established place of business shall
6 include a service and parts area, separated from the public areas,
7 equipped with tools, equipment, and replacement parts necessary for
8 reasonably expected warranty and service needs;

9 ~~6.~~ 7. "Factory campaign" means an effort by a warrantor to
10 contact recreational vehicle owners or recreational vehicle dealers
11 in order to address an issue concerning a recreational vehicle
12 problem, defective part or equipment;

13 ~~7.~~ 8. "Factory representative" means any officer or agent
14 engaged as a representative of a manufacturer of recreational
15 vehicles or a factory branch for the purpose of making or promoting
16 the sale of recreational vehicles of the manufacturer or for
17 supervising or contacting dealers or prospective dealers of the
18 manufacturer;

19 ~~8.~~ 9. "Family member" means any of the following:

- 20 a. a spouse of an individual,
- 21 b. a child, grandchild, parent, sibling, niece, or nephew
22 of an individual, or
- 23 c. the spouse of a child, grandchild, parent, sibling,
24 niece, or nephew of an individual;

1 ~~9.~~ 10. "Fifth wheel trailer" means a vehicular unit mounted on
2 wheels that is designed to provide temporary living quarters for
3 recreational, camping or travel use of such size and weight as to
4 not require a special highway movement permit and is designed to be
5 towed by a motorized vehicle that contains a towing mechanism that
6 is mounted above or forward of the rear axle of the tow vehicle;

7 ~~10.~~ 11. "Line-make" means a specific series of recreational
8 vehicle products that meet all of the following:

- 9 a. are identified by a common series trade name or
10 trademark,
- 11 b. are targeted to a particular market segment based on
12 the decor, features, equipment, size, weight, and
13 price range,
- 14 c. have dimensions and interior floor plans that
15 distinguish the recreational vehicles from
16 recreational vehicles that have substantially the same
17 decor, features, equipment, weight, and price,
- 18 d. belong to a single, distinct classification of
19 recreational vehicle product type that has a
20 substantial degree of commonality in the construction
21 of the chassis, frame, and body, and
- 22 e. are authorized for sale by the dealer in the dealer
23 agreement;

1 ~~11.~~ 12. "Manufacturer" means a person that manufactures or
2 wholesales recreational vehicles or that distributes or wholesales
3 recreational vehicles to dealers;

4 ~~12.~~ 13. "Motor home" means a motorized, vehicular unit designed
5 to provide temporary living quarters for recreational, camping or
6 travel use;

7 ~~13.~~ "~~OMVC~~" means the ~~Oklahoma Motor Vehicle Commission~~;

8 14. "Person" means an individual, partnership, corporation,
9 limited liability company, association, trust, estate, or other
10 legal entity;

11 15. "Proprietary part" means a recreational vehicle part
12 manufactured by or for a manufacturer and sold exclusively by a
13 manufacturer;

14 16. "Recreational vehicle" means a vehicle that:

15 a. is primarily designed as a vehicle that also provides
16 temporary living quarters for noncommercial,
17 recreational or camping use,

18 b. is built to the standards of the National Fire
19 Protection Association for recreational vehicles,

20 c. has its own motive power or is mounted on or towed by
21 another vehicle,

22 d. is regulated by the National Highway Traffic Safety
23 Administration as a vehicle or vehicle equipment,

24

1 e. does not require a special highway use permit for
2 operation on the highways, and

3 f. an individual can easily transport and set up on a
4 daily basis.

5 Recreational vehicles includes motor homes, travel trailers, fifth
6 wheel travel trailers, folding camping trailers and truck campers;

7 17. "Recreational vehicle salesperson" means any person who,
8 for gain or compensation of any kind, either directly or indirectly,
9 regularly or occasionally, by any form of agreement or arrangement,
10 sells or negotiates for the sale of any new recreational vehicle for
11 any new recreational vehicle dealer to any one or more third
12 parties;

13 18. "Transient customer" means a person who:

14 a. owns a recreational vehicle,

15 b. is temporarily traveling through the area of sales
16 responsibility of a dealer,

17 c. engages the dealer to perform service work on that
18 recreational vehicle, and

19 d. requires repairs that relate to the safe operations of
20 that recreational vehicle or, if not undertaken, are
21 of a nature that would render that recreational
22 vehicle unusable;

23 19. "Travel trailer" means a vehicular unit mounted on wheels
24 that is designed to provide temporary living quarters for

1 recreational, camping or travel use of such size and weight as to
2 not require a special highway movement permit when towed by a
3 motorized vehicle;

4 20. "Truck camper" means a portable unit that is constructed to
5 provide temporary living quarters for recreational, camping or
6 travel use and consists of a roof, floor and sides and is designed
7 to be loaded onto and unloaded from the back of a pickup truck; and

8 21. "Warrantor" means a manufacturer or any other person that
9 provides a warranty to the consumer in connection with a new
10 recreational vehicle or parts, accessories, or components of a new
11 recreational vehicle. The term does not include a person that
12 provides a service contract, mechanical or other insurance, or an
13 extended warranty sold for separate consideration by a dealer or
14 other person not controlled by a warrantor.

15 SECTION 23. AMENDATORY 47 O.S. 2021, Section 596.2, is
16 amended to read as follows:

17 Section 596.2 A. It shall be unlawful for any person, firm,
18 association, corporation or trust to engage in business as, or serve
19 in the capacity of, or act as a new recreational vehicle dealer, new
20 recreational vehicle manufacturer, new recreational vehicle factory
21 representative or new recreational vehicle salesperson in this state
22 without first obtaining a license or salesperson registration as
23 provided for by law.

24

1 B. The Oklahoma New Motor Vehicle Commission ~~(OMVC)~~ shall issue
2 new recreational vehicle dealer, manufacturer and factory
3 representative licenses and recreational vehicle salesperson
4 registrations upon application. The Commission shall promulgate
5 rules and forms to implement and enforce the provisions of this
6 section.

7 C. The schedule of license fees and salesperson registration
8 fees to be charged and received by the ~~Oklahoma Motor Vehicle~~
9 Commission for the licenses issued hereunder shall be as follows:

10 1. For each manufacturer or distributor of new recreational
11 vehicles, an initial fee of Four Hundred Dollars (\$400.00) with an
12 annual renewal fee of Three Hundred Dollars (\$300.00);

13 2. For each factory representative, an initial fee of One
14 Hundred Dollars (\$100.00) with an annual renewal fee of One Hundred
15 Dollars (\$100.00);

16 3. For each new motor home dealer, an initial fee of Three
17 Hundred Dollars (\$300.00) per franchise sold at each licensed
18 location with an annual renewal fee of One Hundred Dollars (\$100.00)
19 per franchise sold at each licensed location;

20 4. For each fifth wheel trailer, travel trailer, camping
21 trailer and truck camper dealer, an initial fee of Three Hundred
22 Dollars (\$300.00) per manufacturer represented at each licensed
23 location with an annual renewal fee of One Hundred Dollars (\$100.00)
24 per manufacturer represented at each location; and

1 2. The manufacturer shall not change the area of sales
2 responsibility of a dealer or establish another dealer for the same
3 line-make in that area during the term of the dealer agreement; and

4 3. The area of sales responsibility may not be reviewed or
5 changed without the consent of both parties until one (1) year after
6 the execution of the dealer agreement.

7 B. A dealer may not conduct sales activity or display for sale
8 recreational vehicles outside of its designated area of sales
9 responsibility.

10 C. A dealer may sell off-premise within the area of sales
11 responsibility of the dealer under the following circumstances:

12 1. At sanctioned recreational vehicle shows where the sales
13 event is held off-premise and at least sixty-seven percent (67%) of
14 the recreational vehicle dealers that are located within a sixty-
15 mile radius of the location of the show participate in the show. A
16 sanctioned recreational vehicle show may be held only under the
17 following conditions:

18 a. the sponsoring entity of the sales event shall obtain
19 a permit from the ~~OMVC~~ Oklahoma New Motor Vehicle
20 Commission at the rate of Two Hundred Dollars
21 (\$200.00) per event. The permit shall be for a period
22 not to exceed ten (10) consecutive days,

23 b. dealer permits for a sanctioned recreational vehicle
24 show described in this paragraph shall be obtained

1 from the ~~OMVC~~ Commission at a rate of Fifteen Dollars
2 (\$15.00) for each motor home per sanctioned
3 recreational vehicle show,

4 c. new recreational vehicle dealers whose manufacturer-
5 approved area of responsibility includes the event
6 location shall be eligible to participate in the
7 sanctioned recreational vehicle show,

8 d. new recreational vehicle dealers shall obtain written
9 approval from the manufacturer or distributor to
10 participate in the sanctioned recreational vehicle
11 show, and

12 e. the sanctioned recreational vehicle show shall be
13 conducted within municipal, county, or state-owned or
14 controlled facilities or within the grounds of any
15 county, district, or state fair; and

16 2. At nonsanctioned recreational vehicle shows where one or
17 more dealers may sell recreational vehicles off-premise under the
18 following conditions:

19 a. dealer permits for a nonsanctioned recreational
20 vehicle show described in this paragraph shall be
21 obtained from the ~~OMVC~~ Commission at a rate of Fifteen
22 Dollars (\$15.00) for each recreational vehicle per
23 nonsanctioned recreational vehicle show,

24

- 1 b. the location of the nonsanctioned recreational vehicle
2 show shall be within the manufacturer-approved area of
3 responsibility,
- 4 c. the nonsanctioned recreational vehicle show shall
5 occur no more than five (5) consecutive days per
6 event, excluding county, district, or state fairs,
- 7 d. each dealer may participate in no more than eight
8 nonsanctioned recreational vehicle shows per calendar
9 year, and
- 10 e. nonsanctioned recreational vehicle shows shall be held
11 on privately owned property no closer than two and
12 one-half (2 1/2) miles to any other nonparticipating
13 recreational vehicle dealer; provided, however a
14 nonsanctioned recreational vehicle show may be held on
15 county or municipally owned property with no mileage
16 barrier restriction.

17 D. A dealer may display a recreational vehicle within the
18 designated area of responsibility of the dealer for promotional
19 purposes. At an off-premise display event, no sales activities
20 shall be conducted including, but not limited to, negotiations,
21 financing and accepting credit applications. Sales or finance
22 personnel shall not be permitted to participate at an off-premise
23 display event. A permit for the off-premise display event shall not
24 be required.

1 E. A dealer agreement shall include a designated principal of
2 the dealer. A dealer agreement may identify a family member as the
3 successor of the principal or include a succession plan of the
4 dealer. A dealer may at any time change a designation or succession
5 plan made in the dealer agreement by providing written notice to the
6 manufacturer.

7 SECTION 25. AMENDATORY 47 O.S. 2021, Section 596.5, is
8 amended to read as follows:

9 Section 596.5 A. A manufacturer, directly or through any
10 officer, agent, or employee, may terminate or not renew a dealer
11 agreement without good cause. If the manufacturer terminates or
12 does not renew the dealer agreement without good cause, the
13 manufacturer shall comply with the provisions of subsections D and E
14 of this section. If the manufacturer terminates or does not renew
15 the dealer agreement with good cause, the provisions of subsections
16 D and E of this section shall not apply.

17 B. A manufacturer has the burden of showing good cause for
18 terminating or not renewing a dealer agreement. All of the
19 following factors shall be considered in determining whether there
20 is good cause for a proposed termination or nonrenewal of a dealer
21 agreement by a manufacturer:

22 1. The extent of the penetration of the dealer in the relevant
23 market area;

24

1 2. The extent and quality of the service of the dealer under
2 recreational vehicle warranties;

3 3. The nature and extent of the investment of the dealer in
4 business of the dealer;

5 4. The adequacy of the service facilities, equipment, parts,
6 supplies, and personnel of the dealer;

7 5. The effect of the proposed action on the community;

8 6. Whether the dealer fails to follow agreed-upon procedures or
9 standards related to the overall operation of the dealership; and

10 7. The performance by the dealer under the terms of dealer
11 agreement.

12 C. Except as otherwise provided in this section, a manufacturer
13 shall provide a dealer with written notice of a termination or
14 nonrenewal of a dealer agreement. All of the following conditions
15 apply to a notice described in this subsection:

16 1. Except as provided in paragraph 4 or 5 of this subsection,
17 the manufacturer shall provide written notice at least ninety (90)
18 days before the effective date of the termination or nonrenewal of
19 the dealer agreement;

20 2. The notice shall state all of the reasons for the
21 termination or nonrenewal of the dealer agreement;

22 3. The notice shall state that if the dealer provides to the
23 manufacturer a written notification of the intent of the dealer to
24 cure all claimed deficiencies within thirty (30) days after the

1 dealer receives the notice, the dealer shall have one hundred twenty
2 (120) days after the date of the notice to correct the claimed
3 deficiencies. If all of the deficiencies are corrected within the
4 one-hundred-twenty-day time period, the notice shall be deemed void
5 and the manufacturer shall not terminate or not renew the dealer
6 agreement because of the claimed deficiencies stated in the notice.
7 If the dealer does not provide a notification of intent to cure
8 deficiencies within the thirty-day time period, the termination or
9 nonrenewal of the dealer agreement shall take effect sixty (60) days
10 after the dealer received the notice from the manufacturer;

11 4. A manufacturer may reduce the notice period described in
12 paragraph 1 of this subsection from ninety (90) days to thirty (30)
13 days and shall not be required to allow the dealer an opportunity to
14 correct the deficiencies if the grounds for termination or
15 nonrenewal of the dealer agreement by the manufacturer are any of
16 the specific categories of good cause described in subsection F of
17 this section; and

18 5. A manufacturer shall not be required to provide notice or an
19 opportunity to correct deficiencies under this subsection if the
20 grounds for termination or nonrenewal of the dealer agreement by the
21 manufacturer includes one of the following:

- 22 a. the dealer becomes insolvent,
- 23 b. the dealer is bankrupt, or

24

1 c. the dealer makes an assignment for the benefit of
2 creditors.

3 D. If a manufacturer terminates or does not renew a dealer
4 agreement for good cause under this section the dealer, at its
5 option, may require the manufacturer to repurchase any of the
6 following from the dealer:

7 1. All new, untitled recreational vehicles that were acquired
8 from the manufacturer within eighteen (18) months before the
9 effective date of the notice of termination of the dealer agreement
10 that have not been used, except for demonstration purposes and have
11 not been altered or damaged, may be repurchased at one hundred
12 percent (100%) of the net invoice cost of the recreational vehicles,
13 including transportation, less applicable rebates and discounts to
14 the dealer;

15 2. All current and undamaged accessories and proprietary parts
16 sold to the dealer for resale within the eighteen (18) months prior
17 to the effective date of the termination of the dealer agreement
18 that are accompanied by the original invoice may be repurchased at
19 one hundred five percent (105%) of the original net price paid to
20 the manufacturer to compensate the dealer for handling, packing, and
21 shipping the accessories and parts; and

22 3. Any properly functioning diagnostic equipment, special
23 tools, current signage, and other equipment and machinery, purchased
24 by the dealer within the five (5) years prior to the effective date

1 of the termination of the dealer agreement at the request of the
2 manufacturer, if such equipment or machinery cannot be used in the
3 normal course of the ongoing business of the dealer, may be
4 repurchased at one hundred percent (100%) of the net cost of the
5 dealer, plus freight, destination, delivery, and distribution
6 charges and sales taxes.

7 E. The dealer shall promptly return or arrange for the return
8 of all of the items the manufacturer is required to repurchase under
9 subsection D of this section at the expense of the manufacturer.

10 F. As used in this section, "good cause" includes, but is not
11 limited to, any of the following:

12 1. A conviction of a felony or a plea of guilty or nolo
13 contendere to a felony by a dealer or an owner of a dealership of a
14 crime that was committed during the time frame of the current dealer
15 agreement; provided, there is full disclosure, in writing, of any
16 felony conviction or plea of guilty or nolo contendere to any such
17 felony crime that occurred within ten (10) years of entering into
18 such dealer agreement;

19 2. Abandonment or permanent closing of the business operations
20 of a dealer for twenty-one (21) consecutive business days without
21 contacting the manufacturer prior to the closing unless the closing
22 is due to an act of God, strike, labor difficulty, or other cause
23 over which the dealer has no control;

24

1 3. A material misrepresentation to a manufacturer by a dealer
2 that severely affects the business relationship between the dealer
3 and the manufacturer;

4 4. Suspension or revocation of the license of a dealer or
5 refusal to renew the license of the dealer by the ~~OMVC~~ Oklahoma New
6 Motor Vehicle Commission;

7 5. A material violation of any of the provisions of the
8 Recreational Vehicle Franchise Act by a dealer; or

9 6. The dealer becomes insolvent, is bankrupt, or makes an
10 assignment for the benefit of creditors.

11 SECTION 26. AMENDATORY 47 O.S. 2021, Section 596.7, is
12 amended to read as follows:

13 Section 596.7 The ~~OMVC~~ Oklahoma New Motor Vehicle Commission
14 may not prohibit a dealer from selling the remaining in stock
15 inventory of a particular line-make after a dealer agreement has
16 been terminated or not renewed pursuant to the provisions of Section
17 ~~7 or 8 of this act~~ 596.5 or 596.6 of this title. If recreational
18 vehicles of a line-make are not returned or required to be returned
19 to the manufacturer, the dealer may continue to sell all line-makes
20 that were subject to the dealer agreement and are currently in stock
21 until those line-makes are no longer in the dealer inventory.

22 SECTION 27. AMENDATORY 47 O.S. 2021, Section 596.8, is
23 amended to read as follows:

24

1 Section 596.8 A. All of the following conditions shall apply
2 to a proposed sale of the business assets, transfer of the stock, or
3 other transaction that will result in a change of ownership of a
4 dealer, except a transaction described in subsection B of this
5 section:

6 1. The dealer shall provide written notice to the manufacturer
7 at least ninety (90) days prior to the proposed closing of the
8 transaction;

9 2. If the dealer is not in breach of the dealer agreement or in
10 violation of the provisions of this act at the time the dealer
11 provides the notice described in paragraph 1 of this subsection, the
12 manufacturer shall not object to the proposed transaction, unless
13 the prospective transferee meets one or more of the following:

14 a. the prospective transferee was previously a party to a
15 dealer agreement with the manufacturer that the
16 manufacturer terminated,

17 b. in the preceding ten (10) years, the prospective
18 transferee was convicted of a felony crime or any
19 crime of fraud, deceit or moral turpitude,

20 c. the prospective transferee does not have an
21 application for a recreational vehicle dealer license
22 pending with the ~~OMVC~~ Oklahoma New Motor Vehicle
23 Commission or a tentative dealer agreement with a
24

1 recreational vehicle manufacturer to conduct business
2 as a dealer in this state,

3 d. the prospective transferee does not have an active
4 line of credit sufficient to purchase recreational
5 vehicles from the manufacturer according to the terms
6 of the dealer agreement, or

7 e. in the preceding ten (10) years, the prospective
8 transferee was bankrupt or insolvent, made a general
9 assignment for the benefit of creditors, or a
10 receiver, trustee, or conservator was appointed to
11 take possession of the business or property of the
12 prospective transferee;

13 3. If the manufacturer objects to the proposed transaction, the
14 manufacturer shall give written notice of an objection, including
15 the reasons by the manufacturer for objecting, to the dealer within
16 thirty (30) days after receiving the notice described in paragraph 1
17 of this subsection. If the manufacturer does not give notice of an
18 objection within the thirty-day time period, the proposed
19 transaction shall be considered approved by the manufacturer; and

20 4. For purposes of paragraph 3 of this subsection, the
21 manufacturer has the burden of demonstrating why the manufacturer
22 objects to the proposed transaction.

23 B. All of the following conditions apply concerning the death,
24 incapacity, or retirement of the designated principal of a dealer:

1 1. The manufacturer shall provide the dealer an opportunity to
2 designate, in writing, a family member as a successor to the dealer
3 in the event of the death, incapacity, or retirement of the
4 designated principal;

5 2. The manufacturer shall not prevent or refuse to honor the
6 succession to a dealership by a family member of the deceased,
7 incapacitated, or retired designated principal of that dealer unless
8 the manufacturer previously provided written notice to the dealer of
9 any objections to the succession plan of the dealer within thirty
10 (30) days after receiving the succession plan of the dealer or any
11 modification of the succession plan of the dealer;

12 3. Except as provided in paragraph 5 of this subsection, unless
13 the dealer is in breach of the dealer agreement, a manufacturer
14 shall not object to the succession to a dealership by a family
15 member of the deceased, incapacitated, or retired designated
16 principal, unless the successor meets one or more of the following:

17 a. in the preceding ten (10) years, the successor was
18 convicted of a felony crime or any crime of fraud,
19 deceit or moral turpitude,

20 b. in the preceding ten (10) years, the successor was
21 bankrupt, insolvent, or made an assignment for the
22 benefit of creditors,
23
24

- 1 c. the successor was previously a party to a dealer
2 agreement with the manufacturer that the manufacturer
3 terminated for a breach of a dealer agreement,
4 d. the successor does not have an active line of credit
5 sufficient to purchase recreational vehicles from the
6 manufacturer according to the terms of the dealer
7 agreement, or
8 e. the successor does not have an application for a
9 recreational vehicle dealer license pending with the
10 OMVC or a tentative dealer agreement with a
11 recreational vehicle manufacturer to conduct business
12 as a dealer in this state;

13 4. The manufacturer has the burden of proof regarding any
14 objection to the succession to a dealership by a family member of
15 the deceased, incapacitated, or retired designated principal; and

16 5. The consent of the manufacturer shall be required for the
17 succession to a dealership by a family member of the deceased,
18 incapacitated, or retired designated principal if the succession
19 involves a relocation of the business or an alteration of the terms
20 and conditions of the dealer agreement.

21 SECTION 28. AMENDATORY 47 O.S. 2021, Section 596.14, is
22 amended to read as follows:

23 Section 596.14 The Oklahoma New Motor Vehicle Commission may
24 deny an application for a license, revoke or suspend a license,

1 impose a fine against a manufacturer or distributor in an amount not
2 to exceed Ten Thousand Dollars (\$10,000.00) per occurrence, or
3 impose a fine against a dealer in an amount not to exceed One
4 Thousand Dollars (\$1,000.00) per occurrence if any provision of the
5 Recreational Vehicle Franchise Act is violated or for any of the
6 following reasons:

7 1. On satisfactory proof of unfitness of the applicant in any
8 application for any license under the provisions of the Recreational
9 Vehicle Franchise Act;

10 2. For any material misstatement made by an applicant in any
11 application for any license under the provisions of the Recreational
12 Vehicle Franchise Act;

13 3. For any failure to comply with any provision of the
14 Recreational Vehicle Franchise Act or any rule promulgated by the
15 Commission under authority vested to the ~~OMVC~~ Commission pursuant to
16 the Recreational Vehicle Franchise Act;

17 4. A change of condition after a license is granted resulting
18 in the failure to maintain the qualifications for a license;

19 5. Being a new recreational vehicle dealer who:

20 a. has required a purchaser of a new recreational
21 vehicle, as a condition of sale and delivery thereof,
22 to also purchase special features, appliances,
23 accessories or equipment not desired or requested by
24 the purchaser and installed by the dealer,

- 1 b. uses any false or misleading advertising in connection
2 with business as a new recreational vehicle dealer or
3 vehicle salesperson,
4 c. has committed any unlawful act which resulted in the
5 revocation of any similar license in another state,
6 d. has failed or refused to perform any written agreement
7 with any retail buyer involving the sale of a
8 recreational vehicle,
9 e. has been convicted of a crime involving moral
10 turpitude,
11 f. has committed a fraudulent act in selling, purchasing
12 or otherwise dealing in new recreational vehicles or
13 has misrepresented the terms and conditions of a sale,
14 purchase or contract for sale or purchase of a new
15 recreational vehicle or any interest therein including
16 an option to purchase such vehicle,
17 g. has failed to meet or maintain the conditions and
18 requirements necessary to qualify for the issuance of
19 a license, or
20 h. has employed an unregistered new recreational vehicle
21 salesperson;

22 6. Being a new recreational vehicle dealer who:

- 23 a. does not have an established place of business,
24

1 b. does not provide for a suitable repair shop separate
2 from the display room with ample space to repair or
3 recondition one or more recreational vehicles at the
4 same time and equipped with tools, equipment, and
5 replacement parts as may be necessary for the
6 servicing of recreational vehicles in such a manner as
7 to make such vehicles comply with the safety laws of
8 this state and properly fulfill the warranty
9 obligation of the dealer or manufacturer,

10 c. does not hold a dealer agreement in effect with a
11 manufacturer or distributor of new or unused
12 recreational vehicles for the sale of the same and is
13 not authorized by the manufacturer or distributor to
14 render predelivery preparation of such vehicles sold
15 to purchasers and perform authorized postsale work
16 pursuant to the warranty of the manufacturer or
17 distributor,

18 d. employs unregistered salespersons or employs or
19 utilizes the services of used recreational vehicle
20 lots, dealers or other unregistered persons in
21 connection with the sale of new recreational vehicles;

22 7. Being a factory that has:

23 a. induced or attempted to induce by means of coercion or
24 intimidation any new recreational vehicle dealer:

- 1 (1) to accept delivery of any recreational vehicle or
2 vehicles, parts or accessories for recreational
3 vehicles, or any other commodities including
4 advertising material which shall not have been
5 ordered by the new recreational vehicle dealer,
- 6 (2) to order or accept delivery of any recreational
7 vehicle with special features, appliances,
8 accessories or equipment not included in the list
9 price of the recreational vehicles as publicly
10 advertised by the manufacturer of the
11 recreational vehicle, or
- 12 (3) to order or accept delivery of any parts,
13 accessories, equipment, machinery, tools,
14 appliances or any commodity whatsoever,
- 15 b. induced under threat or discrimination by the
16 withholding from delivery to a recreational vehicle
17 dealer certain models of recreational vehicles,
18 changing or amending unilaterally the allotment of
19 recreational vehicles of a dealer or withholding and
20 delaying delivery of such vehicles out of the ordinary
21 course of business, in order to induce a dealer by
22 such coercion to participate or contribute to any
23 local or national advertising fund controlled directly
24 or indirectly by the factory or for any other purposes

1 including contests, giveaways, other sales promotional
2 devices, or change of quotas in any sales contest, or
3 c. required recreational vehicle dealers, as a condition
4 of receiving the vehicle allotment of the dealer, to
5 order a certain percentage of the recreational
6 vehicles with optional equipment not specified by the
7 new recreational vehicle dealer; however, nothing in
8 this paragraph shall prohibit a factory from
9 supporting an advertising association which is open to
10 all dealers on the same basis; or

11 8. Has employed unlicensed factory representatives.

12 The Commission may deny any application for license, or suspend
13 or revoke a license issued, or impose a fine, only after a hearing
14 for which the applicant or licensee affected shall be given at least
15 ten (10) days' written notice specifying the reason for denying the
16 applicant a license, or, in the case of a revocation or suspension
17 or imposition of a fine, the offense which the licensee is alleged
18 to have committed. The notice may be served as provided by law for
19 the service of notices or mailing a copy by registered mail to the
20 last-known residence or business address of the applicant or
21 licensee. The hearing on alleged violations shall be at such time
22 and place as the Commission may prescribe and the aforementioned
23 notice shall further specify the time and place. If the applicant
24 or licensee is a motor vehicle salesperson, factory representative

1 or distributor representative, the Commission shall in like manner
2 additionally notify the person, firm, association, corporation or
3 trust with whom he or she is associated, or in whose association he
4 or she is about to enter. The Commission shall have the power to
5 compel the production of all records, papers and other documents
6 which may be deemed relevant to the proceeding bearing upon the
7 complaints. The Commission shall have the power to subpoena and
8 bring before it any person, or take testimony of any person by
9 deposition, with the same fees and mileage and in the same manner as
10 prescribed in the proceedings before courts of the state in civil
11 cases. Any party to the hearing shall have the right to the
12 attendance of witnesses on his or her behalf upon designating to the
13 Commission the person or persons sought to be subpoenaed.

14 SECTION 29. AMENDATORY 47 O.S. 2021, Section 596.15, is
15 amended to read as follows:

16 Section 596.15 A. A dealer, manufacturer, or warrantor injured
17 by another party who has violated a provision of this act may bring
18 a civil action in court for the recovery of actual damages. The
19 court shall award attorney fees and costs to the prevailing party in
20 a civil action under this section.

21 B. Venue for a civil action filed pursuant to this section
22 shall be the county in which the business of the dealer is located.
23 In an action involving more than one dealer, any county in which the
24

1 business of any dealer that is party to the action is located is a
2 proper venue for that action.

3 C. Before bringing a civil action under this section, the party
4 bringing suit for an alleged violation of this act shall serve a
5 written demand for mediation on the offending party. The demand for
6 mediation shall include a brief statement of the dispute and the
7 relief sought by the party making the demand. The party making the
8 demand for mediation shall serve the demand by certified mail to one
9 of the following addresses:

10 1. In an action between a dealer and a manufacturer, the
11 address stated in the dealer agreement between the parties;

12 2. In an action between a dealer and a warrantor that is not a
13 manufacturer, the address stated in any agreement between the
14 parties; or

15 3. In an action between two dealers, the address of the
16 offending dealer in the records of the ~~OMVC~~ Oklahoma New Motor
17 Vehicle Commission.

18 D. Within twenty (20) days after a demand for mediation is
19 served under subsection C of this section, the parties shall
20 mutually select an independent mediator who is approved by the ~~OMVC~~
21 Commission, and meet with that mediator for the purpose of
22 attempting to resolve the dispute at a location in this state
23 selected by the mediator. The mediator may extend the date of the
24

1 meeting for good cause shown by either party or if the parties agree
2 to the extension.

3 E. The service of a demand for mediation under subsection C of
4 this section tolls the time for the filing of any complaint,
5 petition, protest, or other action under this act until
6 representatives of both parties have met with the mediator selected
7 pursuant to subsection D of this section for the purpose of
8 attempting to resolve the dispute. If a complaint, petition,
9 protest, or other action is filed before that meeting, the court
10 shall enter an order suspending the proceeding or action until the
11 mediation meeting has occurred and may, if all of the parties to the
12 proceeding or action stipulate in writing that they wish to continue
13 to mediate under this section, enter an order suspending the
14 proceeding or action for as long a period as the court considers
15 appropriate. The court may modify, extend, or revoke a suspension
16 order issued under this subsection if it considers that action
17 appropriate.

18 F. Each of the parties to the mediation under this section is
19 responsible for its own attorney fees. The parties shall equally
20 divide the cost of the mediator.

21 SECTION 30. AMENDATORY 47 O.S. 2021, Section 596.16, is
22 amended to read as follows:

23 Section 596.16 A. In addition to any remedy available under
24 the provisions of this act or otherwise available by law, a

1 manufacturer, warrantor, or dealer may apply to the court for the
2 grant, after a hearing and for cause shown, of a temporary or
3 permanent injunction or other equitable relief restraining any
4 person from doing any of the following:

5 1. Acting as a dealer without a proper license;

6 2. Violating or continuing to violate the provisions of this
7 act. A single violation of the provisions of this act shall be a
8 sufficient basis for the court to grant equitable relief under this
9 section; or

10 3. Failing or refusing to comply with any requirement of the
11 provisions of this act.

12 B. The court may not require a bond as a condition to the grant
13 of equitable relief under this section.

14 C. If, on January 1, 2011, a dealership does not meet the
15 requirements of the definition of established place of business as
16 defined in Section ~~3 of this act~~ 596.1 of this title, the dealership
17 shall be eligible for licensing by the ~~OMVC~~ Oklahoma New Motor
18 Vehicle Commission for that location. If the dealership moves the
19 dealership to a new location, the new dealership shall comply with
20 the requirements of the definition of established place of business
21 as defined in Section ~~3 of this act~~ 596.1 of this title.

22 SECTION 31. AMENDATORY 47 O.S. 2021, Section 1116.1, is
23 amended to read as follows:

24

1 Section 1116.1 A license plate or decal bearing an expiration
2 date of four (4) months from the date of registration shall be
3 issued for a vehicle registered in the name of a manufacturer or
4 dealer of new motor vehicles. Such license plate or decal shall be
5 issued if the vehicle so registered is exempt from the vehicle
6 excise tax pursuant to the provisions of ~~subsection (k)~~ paragraph 12
7 of Section 2105 of Title 68 of the Oklahoma Statutes. It shall be
8 unlawful for any person other than a manufacturer, licensed dealer,
9 person contemplating purchase of the vehicle or person holding a
10 valid salesman's license issued by the Oklahoma New Motor Vehicle
11 Commission to operate the vehicle after the expiration of the
12 four-month registration period.

13 SECTION 32. AMENDATORY 47 O.S. 2021, Section 1128, as
14 amended by Section 142, Chapter 282, O.S.L. 2022 (47 O.S. Supp.
15 2022, Section 1128), is amended to read as follows:

16 Section 1128. A. Every person manufacturing or having a
17 contract to sell new vehicles in this state shall file a verified
18 application for a general distinctive number for all new vehicles
19 owned or controlled by the manufacturer or dealer; provided, Service
20 Oklahoma shall issue a license to sell such new motor vehicles only
21 for those types of new vehicles for which the applicant has a sales
22 contract or franchise; provided, further, that no license shall be
23 issued to any applicant that has not complied with the provisions of
24 Sections 561 through 568 of this title and does not hold a current

1 license issued by the Oklahoma New Motor Vehicle Commission pursuant
2 thereto. A separate manufacturer's or dealer's license shall be
3 required for each separate county within which such manufacturer or
4 dealer has an established place of business and upon payment of a
5 license fee of Ten Dollars (\$10.00) there shall be assigned and
6 issued to such manufacturer or dealer a Certificate of Registration
7 and one license plate which shall be displayed upon each vehicle of
8 such manufacturer or dealer when same is operated, driven, or
9 displayed on any street, road, or highway, in the same manner as
10 hereinbefore provided for vehicles owned by other persons. Such a
11 manufacturer or dealer in new vehicles may obtain as many additional
12 license plates as may be desired, upon the payment of the sum of Ten
13 Dollars (\$10.00) for each additional plate; provided that no such
14 license plate issued to any manufacturer or dealer shall be used or
15 displayed upon any secondhand or used vehicle, or upon any new
16 vehicle which is used for a service car, or private use, or for
17 hire. Any person, with consent of the dealer, may operate a motor
18 vehicle, with the dealer's tag affixed, while contemplating
19 purchase, so long as this intent is limited to a consecutive
20 seventy-two-hour period, or a weekend. An individual holding a
21 valid salesman's license issued by the Oklahoma New Motor Vehicle
22 Commission shall not be subject to this limitation. If such person
23 also buys and sells used vehicles, he or she shall, after obtaining
24 his or her new motor vehicle dealer's license from the Oklahoma New

1 Motor Vehicle Commission, also obtain a used motor vehicle dealer's
2 license, from the Oklahoma Used Motor Vehicle and Parts, Dismantler,
3 and Manufactured Housing Commission, the cost of which shall be as
4 prescribed in Section 1101 et seq. of this title.

5 B. Each dealer and used motor vehicle dealer shall keep a
6 record of the purchase and sale of each motor vehicle he or she buys
7 or sells, which shall show the name of the seller or buyer as the
8 case may be, and a complete description of the vehicle purchased or
9 sold, and such other information as Service Oklahoma may prescribe.

10 C. Application for manufacturer's or dealer's license must show
11 that such dealer or manufacturer has not violated any of the
12 provisions of this section; and such license shall be nonassignable;
13 and any such license may be suspended temporarily or revoked by
14 Service Oklahoma for violation or failure to comply with this
15 section; provided, the holder of such license shall be given ten
16 (10) days' notice of hearing to suspend or cancel such license. If
17 any such person subject to any of the licenses required in this
18 section fails to obtain it when due, a penalty of twenty-five cents
19 (\$0.25) per day on each such license shall be charged in the same
20 manner as is now provided on delinquent motor vehicle registrations,
21 and after a period of thirty (30) days such penalty shall be equal
22 to the license fee. It shall be the duty of every person licensed
23 to sell new or used motor vehicles to advise each purchaser in
24 writing about his or her title requirements and payment of any taxes

1 due. Each used motor vehicle must display a proper Oklahoma license
2 plate or a used dealer's license plate.

3 D. Every person engaged in the business of transporting and
4 delivering new or used vehicles by driving, either singly or by
5 towbar, saddle mount or full mount method, engaging in drive-away
6 operations as defined in Section 3 of Title 85 of the Oklahoma
7 Statutes, or any combination thereof, from the manufacturer or
8 shipper to the dealer or consignee and using the public highways of
9 this state shall file with Service Oklahoma a verified application
10 for in-transit license plates to identify such vehicles. The
11 application shall provide for a general distinctive number for all
12 vehicles so transported. Upon payment of a license fee of Ten
13 Dollars (\$10.00) there shall be assigned and issued to such person
14 one in-transit plate. Such in-transit plate shall be used by such
15 person only on vehicles when so transported. Such person may obtain
16 as many additional in-transit plates as desired upon payment of a
17 fee of Ten Dollars (\$10.00) for each additional plate. Provided, a
18 used motor vehicle dealer shall use a used dealer license plate in
19 lieu of the in-transit license plate for transporting a used motor
20 vehicle and, in such cases, shall be exempt from making application
21 for an in-transit license plate. Provided further, only a person
22 who possesses a valid motor carrier authority issued by the Federal
23 Motor Carrier Safety Administration, or a valid for-hire authority
24 issued by the Corporation Commission may use the in-transit license

1 plates obtained by them as herein authorized for transporting new or
2 used manufactured homes from one location to another location within
3 Oklahoma or from a point in another state to a point in this state.
4 Nothing contained in this section shall relieve any person from the
5 payment of license fees otherwise provided by law. When Service
6 Oklahoma deems it advisable and in the public interest, it may
7 require the holder of any in-transit license, or any person making
8 application therefor, to file a proper surety bond in any amount it
9 deems proper, not to exceed Ten Thousand Dollars (\$10,000.00).

10 E. Service Oklahoma shall issue dealer licenses to new and used
11 manufactured home dealers, new and used travel trailer dealers and
12 new and used commercial trailer dealers.

13 F. All licenses provided for in this section shall expire on
14 December 31 of each year.

15 SECTION 33. AMENDATORY 47 O.S. 2021, Section 1137.3, as
16 amended by Section 172, Chapter 282, O.S.L. 2022 (47 O.S. Supp.
17 2022, Section 1137.3), is amended to read as follows:

18 Section 1137.3 The purchaser of every new motor vehicle, travel
19 trailer or commercial trailer shall register or license the same
20 within thirty (30) days from the date of purchase. It shall be the
21 responsibility of the selling dealer to place a temporary license
22 plate, in size similar to the permanent Oklahoma license plate but
23 of a weatherproof plastic-impregnated substance approved by the
24 Oklahoma New Motor Vehicle Commission, upon a new motor vehicle,

1 travel trailer or commercial trailer when a transaction is completed
2 for the sale of said vehicle or trailer. Except for cab and chassis
3 trucks, the temporary license plate under this section shall be
4 placed at the location provided for the permanent motor vehicle
5 license plate. The purchaser of a new cab and chassis truck may
6 place the temporary license plate under this section in the rear
7 window. Said temporary license plate shall show the dealer's
8 license number which is issued to him or her each year by Service
9 Oklahoma, the date the new motor vehicle, travel trailer or
10 commercial trailer was purchased and the company name of the selling
11 dealer. The ~~Oklahoma Motor Vehicle~~ Commission is hereby directed to
12 develop a temporary license plate design to incorporate these
13 requirements in a manner that will permit law enforcement personnel
14 to readily identify the dealer license number and date of the
15 vehicle purchase. The ~~Motor Vehicle~~ Commission is further
16 authorized to develop additional requirements and parameters
17 designed to discourage or prevent illegal duplication and use of the
18 temporary license plate. On or before thirty (30) days from the
19 date of purchase of a new motor vehicle, travel trailer or
20 commercial trailer, said temporary license plate shall be removed
21 and replaced with a permanent, current Oklahoma license plate. Use
22 of said temporary license plate by a licensed dealer for other than
23 the purpose of normally doing business shall constitute grounds for
24 revocation of the dealer's license.

1 It shall be unlawful for any licensed dealer of new motor
2 vehicles, travel trailers or commercial trailers to procure the
3 registration and licensing of any new motor vehicle, travel trailer
4 or commercial trailer sold by such licensed dealer or to act as the
5 agent for such purchaser in the procurement of said registration and
6 licensing. The license of any licensed dealer of new motor
7 vehicles, travel trailers or commercial trailers violating the
8 provisions of this section shall be revoked.

9 SECTION 34. AMENDATORY 62 O.S. 2021, Section 155, is
10 amended to read as follows:

11 Section 155. A. There is hereby created in the State Treasury
12 a revolving fund for each of the following state boards, commissions
13 and departments:

- 14 1. The Board of Governors of the Licensed Architects, Landscape
15 Architects and Registered Interior Designers of Oklahoma;
- 16 2. Oklahoma Funeral Board;
- 17 3. Board of Podiatric Medical Examiners;
- 18 4. Board of Chiropractic Examiners;
- 19 5. State Board of Registration for Foresters;
- 20 6. State Board of Medical Licensure and Supervision;
- 21 7. Oklahoma Board of Nursing;
- 22 8. State Board of Osteopathic Examiners;
- 23 9. State Board of Pharmacy;
- 24 10. State Board of Licensed Social Workers;

- 1 11. Oklahoma New Motor Vehicle Commission;
- 2 12. Oklahoma Peanut Commission;
- 3 13. Oklahoma Real Estate Commission; and
- 4 14. Santa Claus Commission.

5 B. Each revolving fund shall consist of all monies received by
6 the boards, commissions and departments, pursuant to statutory
7 authority, but not including appropriated funds. These revolving
8 funds shall be continuing funds, not subject to fiscal year
9 limitations and shall be under the control and management of the
10 administrative authorities of the respective boards, commissions or
11 departments.

12 C. Expenditures from the revolving funds shall be made pursuant
13 to the laws of the state and the statutes relating to said boards,
14 commissions and departments, and without legislative appropriation.
15 Warrants for expenditures from said revolving funds shall be drawn
16 by the State Treasurer, based on claims signed by an authorized
17 employee or employees of the respective boards, commissions or
18 departments and approved for payment by the Director of the Office
19 of Management and Enterprise Services.

20 SECTION 35. AMENDATORY 74 O.S. 2021, Section 3601.1, as
21 amended by Section 24, Chapter 107, O.S.L. 2022 (74 O.S. Supp. 2022,
22 Section 3601.1), is amended to read as follows:

23 Section 3601.1 A. For purposes of Sections 3601.1 through 3603
24 of this title, the term "employee" means a full-time employee or any

1 number of part-time employees whose combined weekly hours of
2 employment equal those of a full-time employee, but shall not
3 include temporary employees working on a seasonal basis between May
4 1 and October 31.

5 B. Beginning July 1, 2008, the maximum number of full-time-
6 equivalent employees for each of the following agencies, boards,
7 commissions, departments, or programs shall not exceed the numbers
8 specified in this section, except as may be authorized pursuant to
9 the provisions of Section 3603 of this title.

	MAXIMUM NUMBER OF FULL-TIME-EQUIVALENT EMPLOYEES
Oklahoma Employment Security Commission	1150
Oklahoma Accountancy Board	11
Board of Governors of the Licensed Architects, Landscape Architects and Registered Interior Designers of Oklahoma	4
Board of Chiropractic Examiners	3
State Board of Cosmetology and Barbering	16
Board of Dentistry	10
Oklahoma State Board of Embalmers and Funeral Directors	5
State Board of Licensure for Professional Engineers and Land Surveyors	10

1	State Board of Medical Licensure and Supervision/ Board of Podiatric Medical Examiners/State Board of Examiners of Perfusionists	29
4	Oklahoma Energy Resources Board	5
5	Oklahoma <u>New</u> Motor Vehicle Commission	6
6	Oklahoma Board of Nursing	35
7	Oklahoma State Board of Examiners for Long-Term Care Administrators	4
9	Board of Examiners in Optometry	3
10	State Board of Osteopathic Examiners	7
11	Oklahoma State Board of Pharmacy	15
12	State Board of Examiners of Psychologists	2
13	Oklahoma Real Estate Commission	26
14	Board of Examiners for Speech-Language Pathology and Audiology	2
16	Oklahoma Used Motor Vehicle, Dismantler, and Manufactured Housing Commission	15
18	State Board of Veterinary Medical Examiners	6
19	Oklahoma Firefighters Pension and Retirement System	13
21	Oklahoma Police Pension and Retirement System	12
22	Teachers' Retirement System of Oklahoma	52
23	Oklahoma Public Employees Retirement System	63
24	Oklahoma Student Loan Authority	85

1	Oklahoma Industrial Finance Authority/Oklahoma	
2	Development Finance Authority	10
3	State and Education Employees Group Insurance	
4	Board	178
5	Oklahoma Capital Investment Board	4
6	State Board of Licensed Social Workers	1
7	Oklahoma State Employees Benefits Council	38
8	Oklahoma State Banking Department	46
9	Liquefied Petroleum Gas Administration	10
10	C. The duties and compensation of employees, not otherwise	
11	prescribed by law, necessary to perform the duties imposed upon the	
12	Oklahoma Public Employees Retirement System Board of Trustees by law	
13	shall be set by the Board of Trustees.	
14	D. Temporary employees of the Oklahoma Used Motor Vehicle,	
15	Dismantler, and Manufactured Housing Commission between the dates of	
16	November 1 and January 31 annually shall not be counted toward the	
17	maximum number of full-time-equivalent employees provided for in	
18	this section.	
19	SECTION 36. REPEALER	47 O.S. 2021, Section 1128, as
20	amended by Section 21, Chapter 107, O.S.L. 2022 (47 O.S. Supp. 2022,	
21	Section 1128), is hereby repealed.	
22	SECTION 37. This act shall become effective November 1, 2023.	
23	COMMITTEE REPORT BY: COMMITTEE ON BUSINESS AND COMMERCE	
24	April 10, 2023 - DO PASS	