

1 ENGROSSED HOUSE  
2 BILL NO. 3105

By: Dobrinski of the House

3 and

4 Coleman of the Senate

5  
6 An Act relating to motor vehicles; amending 47 O.S.  
7 2021, Section 561, which relates to necessity for  
8 regulation; modifying legislative findings to include  
9 the regulation of the sale of powersport vehicles;  
10 amending 47 O.S. 2021, Section 562, as amended by  
11 Section 3, Chapter 29, O.S.L. 2023 (47 O.S. Supp.  
12 2023, Section 562), which relates to definitions;  
13 modifying definitions; amending 47 O.S. 2021, Section  
14 563, as amended by Section 4, Chapter 29, O.S.L. 2023  
15 (47 O.S. Supp. 2023, Section 563), which relates to  
16 the Oklahoma New Motor Vehicle Commission; modifying  
17 professions to have been held by Commissioners;  
18 requiring spot delivery forms for the lease of  
19 certain vehicles; amending 47 O.S. 2021, Section 564,  
20 as amended by Section 5, Chapter 29, O.S.L. 2023 (47  
21 O.S. Supp. 2023, Section 564), which relates to  
22 licenses; requiring current financial standing for  
23 certain applications; modifying name of responsible  
24 entities; requiring license fees for certain  
manufacturers and distributors; modifying list of  
licensed entities; deleting certain notification  
requirement; amending 47 O.S. 2021, Section 564.1, as  
amended by Section 6, Chapter 29, O.S.L. 2023 (47  
O.S. Supp. 2023, Section 564.1), which relates to  
off-premises displays of new motor vehicles;  
modifying requirements for certain off-premises  
displays; providing for off-premises displays of  
certain powersports vehicles under certain  
conditions; authorizing Commission to provide certain  
variance for certain sales events; amending 47 O.S.  
2021, Section 564.2, as amended by Section 7, Chapter  
29, O.S.L. 2023 (47 O.S. Supp. 2023, Section 564.2),  
which relates to certificates of registration;  
modifying list of persons and entities subject to  
certain fine; amending 47 O.S. 2021, Section 565, as  
last amended by Section 8, Chapter 29, O.S.L. 2023  
(47 O.S. Supp. 2023, Section 565), which relates to

1 the denial, revocation, suspension of licenses;  
2 modifying to include applicability to new powersports  
3 dealers; amending 47 O.S. 2021, Section 565.1, as  
4 amended by Section 9, Chapter 29, O.S.L. 2023 (47  
5 O.S. Supp. 2023, Section 565.1), which relates to  
6 procedure for prevention or refusal to honor  
7 succession to dealership to designated successor;  
8 modifying to include applicability to new powersports  
9 dealers; amending 47 O.S. 2021, Section 565.2, as  
10 amended by Section 10, Chapter 29, O.S.L. 2023 (47  
11 O.S. Supp. 2023, Section 565.2), which relates to  
12 terminating, canceling, or failing to renew  
13 franchise; modifying to include applicability to new  
14 powersports dealers; 47 O.S. 2021, Section 565.3, as  
15 amended by Section 11, Chapter 29, O.S.L. 2023 (47  
16 O.S. Supp. 2023, Section 565.3), which relates to  
17 notice to manufacturers or distributors of sales,  
18 transfers, or assignments of franchise; modifying to  
19 include applicability to new powersports dealers;  
20 amending Section 2, Chapter 29, O.S.L. 2023 (47 O.S.  
21 Supp. 2023, Section 565.4), which relates to remote  
22 software upgrades; modifying to include applicability  
23 to new powersports dealers; amending 47 O.S. 2021,  
24 Section 566, as amended by Section 12, Chapter 29,  
O.S.L. 2023 (47 O.S. Supp. 2023, Section 566), which  
relates to procedures and fines for denial,  
suspension, or revocation of license; modifying  
certain notice requirement; modifying individuals for  
who may be fined or whose license or application may  
be suspended, denied, or revoked; amending 47 O.S.  
2021, Section 572, which relates to venue in damage  
actions; modifying to include applicability to new  
powersports dealers; amending 47 O.S. 2021, Section  
573, which relates to liberal construction; modifying  
description of certain vehicles; amending 47 O.S.  
2021, Section 578.1, as amended by Section 16,  
Chapter 29, O.S.L. 2023 (47 O.S. Supp. 2023, Section  
578.1), which relates to procedures for establishing  
new or relocating existing dealerships; modifying to  
include applicability to new powersports dealers;  
amending 47 O.S. 2021, Section 579, as amended by  
Section 17, Chapter 29, O.S.L. 2023 (47 O.S. Supp.  
2023, Section 579), which relates to considerations  
in determining good cause for not entering into or  
relocating additional franchise; modifying to include  
applicability to new powersports dealers; amending 47  
O.S. 2021, Section 579.1, which relates to certain

1 unlawful vehicle brokering; modifying to include  
2 applicability to new powersports dealers; amending 47  
3 O.S. 2021, Section 580.2, as amended by Section 18,  
4 Chapter 29, O.S.L. 2023 (47 O.S. Supp. 2023, Section  
5 580.2), which relates to vehicles on loan from  
6 authorized motor vehicle dealer; modifying to include  
7 applicability to new powersports dealers; and  
8 providing an effective date.

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

10 SECTION 1. AMENDATORY 47 O.S. 2021, Section 561, is  
11 amended to read as follows:

12 Section 561. The Legislature finds and declares that the  
13 distribution and sale of new motor vehicles and powersport vehicles  
14 in the State of Oklahoma vitally affects the general economy of the  
15 state and the public interest and the public welfare, and that in  
16 order to promote the public interest and the public welfare, and in  
17 the exercise of its police powers, it is necessary to regulate and  
18 to license motor vehicle manufacturers, distributors,  
19 representatives, new motor vehicle dealers, powersport vehicle  
20 dealers, and salespersons of new motor vehicles and powersport  
21 vehicles doing business in Oklahoma, in order to prevent frauds,  
22 impositions and other abuses upon its citizens and to protect and  
23 preserve the investments and properties of the citizens of this  
24 state, and in order to avoid undue control of the independent motor  
vehicle dealer or powersport dealer by the motor vehicle or  
powersport manufacturing and distributing organizations, and in  
order to foster and keep alive vigorous and healthy competition by

1 prohibiting unfair practices by which fair and honest competition is  
2 destroyed or prevented, and to protect the public against the  
3 creation or perpetuation of monopolies and practices detrimental to  
4 the public welfare, to prevent the practice of requiring the buying  
5 of special features, appliances and equipment not desired or  
6 requested by the purchaser, to prevent false and misleading  
7 advertising, to prevent unfair practices by motor vehicle dealers,  
8 or powersports dealers, manufacturers and distributing  
9 organizations, to promote the public safety and prevent disruption  
10 of the franchise system of distribution of motor vehicles or  
11 powersports vehicles to the public and prevent deterioration of  
12 facilities for servicing motor or powersport vehicles and keeping  
13 same safe and properly functioning, and prevent bankrupting of motor  
14 vehicle dealers and powersport dealers, who might otherwise be  
15 caused to fail because of such unfair practices.

16 SECTION 2. AMENDATORY 47 O.S. 2021, Section 562, as  
17 amended by Section 3, Chapter 29, O.S.L. 2023 (47 O.S. Supp. 2023,  
18 Section 562), is amended to read as follows:

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

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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 powersport 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  
11 who sells, offers for sale, advertises to sell, leases, or displays  
12 new motor vehicles and holds a bona fide contract or franchise in  
13 effect with a manufacturer or distributor authorized by the  
14 manufacturer to make predelivery preparation of such vehicles sold  
15 to purchasers and to perform post-sale work pursuant to the  
16 manufacturer's or distributor's warranty. As used herein,  
17 "authorized predelivery preparation" means the rendition by the  
18 dealer of services and safety adjustments on each new motor vehicle  
19 in accordance with the procedure and safety standards required by  
20 the manufacturer of the vehicle to be made before its delivery to  
21 the purchaser. "Performance of authorized post-sale work pursuant  
22 to the warranty", as used herein, means the rendition of services  
23 which are required by the terms of the warranty that stands extended  
24 to the vehicle at the time of its sale and are to be made in

1 accordance with the safety standards prescribed by the manufacturer.  
2 The term includes premises or facilities at which a person engages  
3 only in the repair of motor vehicles if repairs are performed  
4 pursuant to the terms of a franchise and motor vehicle  
5 manufacturer's warranty. For the purpose of Sections 561 through  
6 567, 572, 578.1, 579, and 579.1 of this title, the terms new motor  
7 vehicle dealer and "new motor vehicle dealership" shall be  
8 synonymous. The term new motor vehicle dealer does not include:

- 9 a. receivers, trustees, administrators, executors,  
10 guardians, or other persons appointed by or acting  
11 under judgment or order of any court,
- 12 b. public officers while performing or in operation of  
13 their duties,
- 14 c. employees of persons, corporations, or associations  
15 enumerated in subparagraph a of this paragraph when  
16 engaged in the specific performance of their duties as  
17 such employees, or
- 18 d. a powersports vehicle dealer;

19 3. "Motor vehicle salesperson" means any person, resident or  
20 nonresident, who, for gain or compensation of any kind, either  
21 directly or indirectly, regularly or occasionally, by any form of  
22 agreement or arrangement, sells or negotiates for the sale, lease,  
23 or conveyance or arranges the financing of any new motor vehicle or

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1 powersports vehicle as an employee for any new motor vehicle dealer  
2 or powersports dealer to any one or more third parties;

3 4. "Commission" means the Oklahoma New Motor Vehicle  
4 Commission;

5 5. "Manufacturer" means any person, firm, association,  
6 corporation, or trust, resident or nonresident, that manufactures or  
7 assembles new and unused motor vehicles or new and unused powersport  
8 vehicles or that engages in the fabrication or assembly of motorized  
9 vehicles of a type required to be registered in this state;

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

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

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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  
6 powersport vehicles or by a factory branch, for the purpose of  
7 making or promoting the sale of its motor vehicles or powersport  
8 vehicles, or for supervising or contacting its dealers or  
9 prospective dealers;

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

17 11. "Franchise" means any contract or agreement between a new  
18 motor vehicle dealer or a powersports vehicle dealer and a  
19 manufacturer of a new motor vehicle or powersports vehicle or its  
20 distributor or factory branch by which the new motor vehicle dealer  
21 or new powersports vehicle dealer is authorized to engage in the  
22 activities of a new motor vehicle dealer or new powersports vehicle  
23 dealer as defined by this section;

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1 12. "New or unused motor vehicle" means a vehicle which is in  
2 the possession of the manufacturer or distributor or has been sold  
3 only to the holder of a valid franchise granted by the manufacturer  
4 or distributor for the sale of that make of new vehicle so long as  
5 the manufacturer's statement of origin has not been assigned to  
6 anyone other than a licensed franchised new motor vehicle dealer of  
7 the same line-make;

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

16 14. "Off premises" means at a location other than the address  
17 designated on the new motor vehicle dealer's or new powersports  
18 vehicle dealer's license;

19 15. "Sponsoring entity" means any person, firm, association,  
20 corporation, or trust which has control, either permanently or  
21 temporarily, over the real property upon which the off-premises sale  
22 or display is conducted;

23 16. "Product" means new motor vehicles and new motor vehicle  
24 parts or new powersports vehicle and new powersports vehicle parts;

1 17. "Service" means motor vehicle or powersports vehicle  
2 warranty repairs including both parts and labor;

3 18. "Lead" means a consumer contact in response to a factory  
4 program designed to generate interest in purchasing or leasing a new  
5 motor vehicle or new powersports vehicle;

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

7 20. "Factory" means a manufacturer, distributor, factory  
8 branch, distributor branch, factory representative, or distributor  
9 representative, which manufactures or distributes vehicle products;

10 21. "Powersports vehicle" means any new or unused motorcycles,  
11 scooters, mopeds, all-terrain vehicles, and utility vehicles  
12 required to be registered under the Oklahoma Vehicle License and  
13 Registration Act, with the exception of all-terrain vehicles,  
14 utility vehicles, and motorcycles used exclusively for off-road use  
15 which are sold by a retail implement dealer;

16 22. "Powersports vehicle dealer" means any person, firm, or  
17 corporation, resident or nonresident, that is in the business of  
18 selling any new powersports vehicles except for retail implement  
19 dealers;

20 23. "Retail implement dealer" means a business engaged  
21 primarily in the sale of farm tractors as defined in Section 1-118  
22 of this title or implements of husbandry as defined in Section 1-125  
23 of this title or a combination thereof and is exempt from licensing  
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1 by the Commission for the sale of all-terrain vehicles, utility  
2 vehicles, and motorcycles used exclusively for off-road use;

3 24. "Consumer data" means nonpublic personal information as  
4 defined in 15 U.S.C., Section 6809(4) as it existed on January 1,  
5 2023, that is:

- 6 a. collected by a new motor vehicle dealer, and
- 7 b. provided by the new motor vehicle dealer directly to a  
8 manufacturer or third party acting on behalf of a  
9 manufacturer.

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

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

15 SECTION 3. AMENDATORY 47 O.S. 2021, Section 563, as  
16 amended by Section 4, Chapter 29, O.S.L. 2023 (47 O.S. Supp. 2023,  
17 Section 563), is amended to read as follows:

18 Section 563. A. There is hereby created the Oklahoma New Motor  
19 Vehicle Commission, to be composed of nine (9) members. Seven of  
20 the members shall have been engaged in the manufacture,  
21 distribution, or sale of new motor vehicles and two members shall be  
22 lay members, all to be appointed by the Governor of the State of  
23 Oklahoma, with the advice and consent of the Senate. Appointments  
24 shall be made within thirty (30) days after November 1, 1985. Each

1 of the Commissioners thus appointed shall, at the time of the  
2 appointment, be a resident in good faith of this state, shall be of  
3 good moral character, and each of the industry related Commissioners  
4 shall have been actually engaged in the manufacture, distribution,  
5 or sale of new motor vehicles, new powersport vehicles or new  
6 recreational vehicles for not less than ten (10) years preceding the  
7 appointment. The members of the Commission shall serve at the  
8 pleasure of the Governor.

9 B. 1. The Commissioners shall elect a chair from amongst them  
10 whose term shall be for one (1) year with the right to succeed  
11 himself or herself.

12 2. There shall be three at large members of the Commission.  
13 Six members of the Commission shall be appointed from the following  
14 geographical areas with at least one member from each area:

15 a. four areas of the state shall be the northwest,  
16 northeast, southwest, and southeast sections  
17 designated by Interstate 35 dividing the state east  
18 and west and Interstate 40 dividing the state north  
19 and south, excluding Oklahoma County and Tulsa County,  
20 and

21 b. two additional areas shall be Oklahoma County and  
22 Tulsa County.

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

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

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

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

7 3. The members appointed at large shall serve until June 30,  
8 1991.

9 Each member shall serve until a successor is appointed and  
10 qualifies. Thereafter, the term of office of each member of the  
11 Commission shall be for six (6) years. The term of office of any  
12 member will automatically expire if the member moves out of the  
13 geographical area from which the member was appointed. In event of  
14 death, resignation, removal, or term automatically expiring of any  
15 person serving on the Commission, the vacancy shall be filled by  
16 appointment as provided for the unexpired portion of the term. The  
17 Commission shall meet at Oklahoma City and complete its organization  
18 immediately after the membership has been appointed and has  
19 qualified. The chair and each member of the Commission shall take  
20 and subscribe to the oath of office required of public officers.

21 D. The members of the Commission shall receive reimbursement  
22 for subsistence and traveling expenses necessarily incurred in the  
23 performance of their duties as provided by the State Travel  
24 Reimbursement Act.

1 E. The Commission shall appoint a qualified person to serve as  
2 Executive Director thereof, which person shall have had not less  
3 than ten (10) years of experience in the motor vehicle industry.  
4 The Executive Director shall be appointed for a term of six (6)  
5 years, and shall not be subject to dismissal or removal without  
6 cause. The Commission shall fix the salary and prescribe the duties  
7 of the Executive Director. The Executive Director shall devote such  
8 time as necessary to fulfill the duties thereof, and before entering  
9 upon such duties shall take and subscribe to the oath of office.  
10 The Executive Director may employ such clerical, technical, and  
11 other help and legal services and incur such expenses as may be  
12 necessary for the proper discharge of the duties of the Executive  
13 Director under Section 561 et seq. of this title. The Commission  
14 shall maintain its office and transact its business in Oklahoma  
15 City, and it is authorized to adopt and use a seal. The Executive  
16 Director is hereby authorized to hire, retain, or otherwise acquire  
17 the services of an attorney to represent the Commission in any and  
18 all state and federal courts, and assist the Commission in any and  
19 all business or legal matters that may come before it. The attorney  
20 so representing the Commission shall discharge the duties under the  
21 direction of the Executive Director.

22 F. The Commission is hereby vested with the powers necessary to  
23 enable it to fully and effectively carry out the provisions and  
24 objects of Section 561 et seq. of this title, and is hereby

1 authorized and empowered to make and enforce all reasonable rules  
2 and to adopt and prescribe all forms necessary to accomplish such  
3 purpose. All forms used by a new motor vehicle dealer to facilitate  
4 the delivery of a vehicle pending approval of financing shall be  
5 approved by the Commission. Spot delivery agreement forms shall be  
6 required for all new motor vehicle or powersport vehicle deliveries  
7 subject to dealers finding lending institutions to purchase the  
8 retail or lease installment contracts executed by the purchasing and  
9 selling parties.

10 G. All fees, charges and fines collected under the provisions  
11 of Section 561 et seq. of this title shall be deposited by the  
12 Executive Director in the State Treasury in accordance with the  
13 depository laws of this state in a special fund to be known as the  
14 "Oklahoma New Motor Vehicle Commission Fund", which is hereby  
15 created, and except as hereinafter provided the monies in the fund  
16 shall be used by the Commission for the purpose of carrying out and  
17 enforcing the provisions of Section 561 et seq. of this title.  
18 Expenditures from the fund shall be made upon vouchers approved by  
19 the Commission or its authorized officers.

20 At the close of each fiscal year, the Commission shall file with  
21 the Governor and the State Auditor and Inspector a true and correct  
22 report of all fees, fines and charges collected and received by it  
23 during the preceding fiscal year and shall at the same time pay into  
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1 the General Revenue Fund of the state a sum equal to ten percent  
2 (10%) of the fees, fines, and charges collected and received.

3 All expenses incurred by the Commission in carrying out the  
4 provisions of Section 561 et seq. of this title, including but not  
5 limited to per diem, wages, salaries, rent, postage, advertising,  
6 supplies, bond premiums, travel, and subsistence for the  
7 Commissioners, the Executive Director, employees, and legal counsel,  
8 and printing and utilities, shall be a proper charge against such  
9 fund, exclusive of the portion thereof to be paid into the General  
10 Revenue Fund as above set out. In no event shall liability ever  
11 accrue hereunder against this state in any sum whatsoever, or  
12 against the Oklahoma New Motor Vehicle Commission Fund, in excess of  
13 the ninety percent (90%) of the fees, fines, and charges deposited  
14 therein.

15 SECTION 4. AMENDATORY 47 O.S. 2021, Section 564, as  
16 amended by Section 5, Chapter 29, O.S.L. 2023 (47 O.S. Supp. 2023,  
17 Section 564), is amended to read as follows:

18 Section 564. A. It shall be unlawful for any person, firm,  
19 association, corporation, or trust to engage in business as, or  
20 serve in the capacity of, or act as a new motor vehicle dealer,  
21 powersports dealer, or manufacturer or distributor of new motor  
22 vehicles or powersports vehicles, or factory branch, distributor  
23 branch or factory representative or distributor representative, as  
24 defined in Section 562 of this title, in this state without first

1 obtaining a license therefor as provided for by law. Any person,  
2 firm, association, corporation, or trust engaging in more than one  
3 of such capacities or having more than one place where such business  
4 is carried on or conducted shall be required to obtain and hold a  
5 current license for each thereof. Provided that, a new motor  
6 vehicle dealer's license shall authorize one person to sell in the  
7 event such person shall be the owner of a proprietorship, or the  
8 person designated as principal in the dealer's franchise or the  
9 managing officer or one partner if no principal person is named in  
10 the franchise. It is further provided that a factory or an entity  
11 affiliated by any ownership or control by the factory shall not be  
12 permitted to be licensed as a new motor vehicle dealer in this  
13 state, except as provided by subparagraph b of paragraph 12 of  
14 Section 565 of this title.

15 B. Applications for licenses required to be obtained under the  
16 provisions of Section 561 et seq. of this title shall be verified by  
17 the oath or affirmation of the applicant and shall be on forms  
18 prescribed by the Oklahoma New Motor Vehicle Commission and  
19 furnished to the applicants, and shall contain information as the  
20 Commission deems necessary to enable it to fully determine the  
21 qualifications and eligibility of the several applicants to receive  
22 the license or licenses applied for. The Commission shall require  
23 in such application, or otherwise, information relating to the  
24 applicant's current financial standing, the applicant's business

1 integrity, whether the applicant has an established place of  
2 business and is primarily engaged in the pursuit, avocation, or  
3 business for which a license, or licenses, are applied for, and  
4 whether the applicant is able to properly conduct the business for  
5 which a license, or licenses, are applied for, and such other  
6 pertinent information consistent with the safeguarding of the public  
7 interest and the public welfare. All applications for license or  
8 licenses shall be accompanied by the appropriate fee or fees  
9 therefor in accordance with the schedule thereof hereinafter set  
10 out. In the event any application is denied and the license applied  
11 for is not issued, the entire license fee shall be returned to the  
12 applicant. All licenses issued under the provisions of Section 561  
13 et seq. of this title shall expire on June 30, following the date of  
14 issue and shall be nontransferable. All applications for renewal of  
15 a license for a new motor vehicle dealer, powersports dealer,  
16 manufacturer, distributor, or manufacturer's or distributor's  
17 representative shall be submitted by June 1 of each year, and such  
18 license or licenses will be issued by July 1. If applications have  
19 not been made for renewal of licenses at the times described in this  
20 subsection, it shall be illegal for any person to represent himself  
21 or herself and act as a dealer, manufacturer, distributor, or  
22 manufacturer's or distributor's representative. ~~Motor license~~  
23 ~~agents~~ Service Oklahoma and licensed operators will be notified not  
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1 to accept such dealers' titles until such time as licenses have been  
2 issued by the Commission.

3 C. The schedule of license fees to be charged and received by  
4 the Commission for the licenses issued hereunder shall be as  
5 follows:

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

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

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

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

19 5. For each powersports vehicle dealer, initial fee of Three  
20 Hundred Dollars (\$300.00) per manufacturer represented by the dealer  
21 at each location licensed, with an annual renewal fee of One Hundred  
22 Dollars (\$100.00) per manufacturer represented by the dealer at each  
23 location licensed per year.

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

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

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

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1 SECTION 5. AMENDATORY 47 O.S. 2021, Section 564.1, as  
2 amended by Section 6, Chapter 29, O.S.L. 2023 (47 O.S. Supp. 2023,  
3 Section 564.1), is amended to read as follows:

4 Section 564.1 A. The Oklahoma New Motor Vehicle Commission  
5 shall provide for off-premises displays of new motor vehicles by  
6 currently licensed new motor vehicle dealers. An off-premises event  
7 may be held for display purposes only, without the need for permits,  
8 under the following conditions:

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

11 2. No selling activities shall be conducted;

12 3. The display is in the new motor vehicle dealer's factory-  
13 approved area of sales and service responsibility;

14 4. The new motor vehicle dealer ~~must~~ shall obtain written  
15 approval from the manufacturer or distributor; and

16 5. The new motor vehicle dealer is required to obtain approval  
17 for the display location from the sponsoring entity.

18 B. The Oklahoma New Motor Vehicle Commission shall provide for  
19 off-premises displays or sales of powersports vehicles by currently  
20 licensed new powersports vehicle dealers. An off-premises event may  
21 be held for display or sale purposes only under the following  
22 conditions:

23 1. The event is in the new powersport vehicle dealer's factory-  
24 approved area of sales and service responsibility;

1        2. The new powersport vehicle dealer must obtain written  
2 approval from the manufacturer or distributor;

3        3. The new powersport vehicle dealer must submit an application  
4 to obtain off-premises sales permits for new powersports being  
5 offered for sale at the event, at least seven (7) days prior to the  
6 event, and the permit fee is Fifteen Dollars (\$15.00) for each new  
7 powersport at the event;

8        4. The sponsor of the event must submit an application to  
9 obtain an off-premises sponsoring entity sales permit, at least  
10 seven (7) days prior to the event, and the permit fee is Two Hundred  
11 Dollars (\$200.00) for the event; and

12        5. No permit application or fee is required by the new  
13 powersports vehicle dealer nor sponsoring entity for an off-premises  
14 display only event.

15        C. The Oklahoma New Motor Vehicle Commission is authorized to  
16 provide a variance to the ~~distance requirements~~ conditions specified  
17 in this section, for any off-premises display or sales event if the  
18 off-premises display is conducted within municipal, county, or  
19 state-owned or controlled facilities or within the grounds of any  
20 county, district, or state fair.

21        SECTION 6.        AMENDATORY        47 O.S. 2021, Section 564.2, as  
22 amended by Section 7, Chapter 29, O.S.L. 2023 (47 O.S. Supp. 2023,  
23 Section 564.2), is amended to read as follows:

24

1 Section 564.2 It shall be punishable by an administrative fine  
2 not to exceed Five Hundred Dollars (\$500.00) for any person, ~~firm,~~  
3 ~~association, corporation, or trust~~ resident, or nonresident to  
4 engage in business as, or serve in the capacity of, a new motor  
5 vehicle salesperson in this state without first obtaining a  
6 certificate of registration with the Oklahoma New Motor Vehicle  
7 Commission. The cost of registration for each new salesperson shall  
8 be set at Twenty-five Dollars (\$25.00) to be renewed annually. The  
9 cost of registration and any administrative fine is to be borne by  
10 the employing entity of the new salesperson. The Commission shall  
11 promulgate rules and procedures necessary for the implementation and  
12 creation of the registry and the issuance of certificates of  
13 registration.

14 SECTION 7. AMENDATORY 47 O.S. 2021, Section 565, as last  
15 amended by Section 8, Chapter 29, O.S.L. 2023 (47 O.S. Supp. 2023,  
16 Section 565), is amended to read as follows:

17 Section 565. A. The Oklahoma New Motor Vehicle Commission may  
18 deny an application for a license, revoke or suspend a license, or  
19 impose a fine against any person or entity, not to exceed Ten  
20 Thousand Dollars (\$10,000.00) per occurrence, that violates any  
21 provision of Sections 561 through 567, 572, 578.1, 579, and 579.1 of  
22 this title or for any of the following reasons:  
23  
24

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

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

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

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

12          5. Being a new motor vehicle dealer or new powersports vehicle  
13 dealer who:

14           a. has required a purchaser of a new motor vehicle or new  
15 powersports vehicle, as a condition of sale and  
16 delivery thereof, to also purchase special features,  
17 appliances, accessories, or equipment not desired or  
18 requested by the purchaser and installed by the new  
19 motor vehicle dealer or new powersports vehicle  
20 dealer,

21           b. uses any false or misleading advertising in connection  
22 with business as a new motor vehicle dealer or new  
23 powersports vehicle dealer,

24

- 1 c. has committed any unlawful act which resulted in the  
2 revocation of any similar license in another state,
- 3 d. has failed or refused to perform any written agreement  
4 with any retail buyer involving the sale of a motor  
5 vehicle or powersports vehicle,
- 6 e. has been convicted of a felony crime that  
7 substantially relates to the occupation of a new motor  
8 vehicle dealer or new powersports vehicle dealer and  
9 poses a reasonable threat to public safety,
- 10 f. has committed a fraudulent act in selling, purchasing,  
11 or otherwise dealing in new motor vehicles or new  
12 powersports vehicles or has misrepresented the terms  
13 and conditions of a sale, purchase or contract for  
14 sale or purchase of a new motor vehicle or new  
15 powersports 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. completes any sale or transaction of an extended  
21 service contract, extended maintenance plan, or  
22 similar product using contract forms that do not  
23 conspicuously disclose the identity of the service  
24 contract provider;

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

3           7. Being a new motor vehicle dealer or new powersports vehicle  
4 dealer who:

- 5           a. does not have an established place of business,
- 6           b. does not provide for a suitable repair shop separate  
7           from the display room with ample space to repair or  
8           recondition one or more vehicles at the same time, and  
9           which is staffed with properly trained and qualified  
10           repair technicians and is equipped with such parts,  
11           tools, and equipment as may be requisite for the  
12           servicing of motor vehicles in such a manner as to  
13           make them comply with the safety laws of this state  
14           and to properly fulfill the dealer's or manufacturer's  
15           warranty obligation,
- 16           c. does not hold a franchise in effect with a  
17           manufacturer or distributor of new or unused ~~motor~~  
18           vehicles for the sale of the same and is not  
19           authorized by the manufacturer or distributor to  
20           render predelivery preparation of such vehicles sold  
21           to purchasers and to perform any authorized post-sale  
22           work pursuant to the manufacturer's or distributor's  
23           warranty,

- 1 d. employs ~~a person without obtaining a certificate of~~  
2 ~~registration for the person,~~ or utilizes the services  
3 of used motor vehicle lots or dealers or other  
4 unlicensed persons or unregistered persons in  
5 connection with the sale of new ~~motor~~ vehicles,  
6 e. does not properly service a new motor vehicle or new  
7 powersports vehicle before delivery of same to the  
8 original purchaser thereof, or  
9 f. fails to order and stock a reasonable number of new  
10 motor vehicles necessary to meet consumer demand for  
11 each of the new motor vehicles included in the new  
12 motor vehicle dealer's franchise agreement, unless the  
13 new motor vehicles are not readily available from the  
14 manufacturer or distributor due to limited production;

15 8. Being a factory that has:

- 16 a. either induced or attempted to induce by means of  
17 coercion or intimidation, any new motor vehicle dealer  
18 or powersports vehicle dealer:  
19 (1) to accept delivery of any ~~motor~~ vehicle or  
20 vehicles, parts, or accessories therefor, or any  
21 other commodities including advertising material  
22 which shall not have been ordered by the new  
23 motor vehicle dealer,  
24

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

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

10 b. induced under threat or discrimination by the  
11 withholding from delivery to a new motor vehicle  
12 dealer or new powersports vehicle dealer certain  
13 models of motor vehicles, changing or amending  
14 unilaterally the new motor vehicle dealer's allotment  
15 of motor vehicles, and/or withholding and delaying  
16 delivery of the vehicles out of the ordinary course of  
17 business, in order to induce by such coercion any new  
18 motor vehicle dealer or new powersports vehicle dealer  
19 to 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 "giveaways", or other so-called sales promotional  
23 devices, and/or change of quotas in any sales contest;  
24 or has required new motor vehicle dealers, as a

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

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

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

19 (1) is unfair, unreasonable, arbitrary, or  
20 inequitable, and

21 (2) does not consider the relevant and material local  
22 and state or regional criteria, including  
23 prevailing economic conditions affecting the  
24 sales or service performance of a vehicle dealer

1 or any relevant and material data and facts  
2 presented by the dealer in writing within thirty  
3 (30) days of the written notice of the  
4 manufacturer to the dealer of its intention to  
5 cancel, terminate, or not renew the dealer's  
6 franchise agreement,

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

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

1 g. failed to make available to its new motor vehicle  
2 dealers a fair and proportional share of all new  
3 vehicles distributed to same line-make dealers in this  
4 state, subject to the same reasonable terms, including  
5 any vehicles distributed from a common new vehicle  
6 inventory pool outside of the factory's ordinary  
7 allocation process such as any vehicles the factory  
8 reserves to distribute on a discretionary basis;

9 9. Being a factory that:

10 a. has attempted to coerce or has coerced any new motor  
11 vehicle dealer or new powersports vehicle dealer to  
12 enter into any agreement or to cancel any agreement;  
13 has failed to act in good faith and in a fair,  
14 equitable, and nondiscriminatory manner; has directly  
15 or indirectly coerced, intimidated, threatened, or  
16 restrained any new motor vehicle dealer; has acted  
17 dishonestly; or has failed to act in accordance with  
18 the reasonable standards of fair dealing,

19 b. has failed to compensate its dealers for the work and  
20 services they are required to perform in connection  
21 with the dealer's delivery and preparation obligations  
22 according to the agreements on file with the  
23 Commission which must be found by the Commission to be  
24 reasonable, or has failed to adequately and fairly

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

1 one hundred eighty (180) days before the submission  
2 and declaring the average percentage labor rate and/or  
3 markup rate. A ~~new~~ motor vehicle dealer may not  
4 submit a request to establish its retail rates more  
5 than once in a twelve-month period. That request may  
6 establish a parts markup rate, labor rate, or both.  
7 The new motor vehicle dealer or new powersports  
8 vehicle dealer shall calculate its retail parts rate  
9 by determining the total charges for parts from the  
10 qualified repair orders submitted, dividing that  
11 amount by the new motor vehicle dealer's total cost of  
12 the purchase of those parts, subtracting one (1), and  
13 multiplying by one hundred (100) to produce a  
14 percentage. The new motor vehicle dealer or new  
15 powersports vehicle dealer shall calculate its retail  
16 labor rate by dividing the amount of the new ~~motor~~  
17 vehicle dealer's total labor sales from the qualified  
18 repair orders by the total labor hours charged for  
19 those sales. When submitting repair orders to  
20 establish a retail parts and labor rate, a new motor  
21 vehicle dealer or new powersports vehicle dealer need  
22 not include repairs for:  
23 (1) routine maintenance including but not limited to  
24 the replacement of bulbs, fluids, filters,

1 batteries, and belts that are not provided in the  
2 course of and related to a repair,

3 (2) factory special events, specials, or promotional  
4 discounts for retail consumer repairs,

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

6 (4) factory-approved goodwill or policy repairs or  
7 replacements,

8 (5) repairs with aftermarket parts, when calculating  
9 the retail parts rate but not the retail labor  
10 rate,

11 (6) repairs on aftermarket parts,

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

14 (8) repairs of ~~motor~~ vehicles owned by the new motor  
15 vehicle dealer or new powersports vehicle dealer  
16 or employee thereof at the time of the repair,

17 (9) vehicle reconditioning, or

18 (10) items that do not have individual part numbers  
19 including, but not limited to, nuts, bolts, and  
20 fasteners.

21 A manufacturer or distributor may, not later than  
22 forty-five (45) days after submission, rebut that  
23 declared retail parts and labor rate in writing by  
24 reasonably substantiating that the rate is not

1 accurate or is incomplete pursuant to the provisions  
2 of this section. If the manufacturer or distributor  
3 determines the set of repair orders submitted by the  
4 new motor vehicle dealer or new powersports vehicle  
5 dealer pursuant to this section for a retail labor  
6 rate or retail parts markup rate is substantially  
7 higher than the new ~~motor~~ vehicle dealer's current  
8 warranty rates, the manufacturer or distributor may  
9 request, in writing, within forty-five (45) days after  
10 the manufacturer's or distributor's receipt of the new  
11 ~~motor~~ vehicle dealer's initial submission, all repair  
12 orders closed within the period of thirty (30) days  
13 immediately preceding, or thirty (30) days immediately  
14 following, the set of repair orders initially  
15 submitted by the new motor vehicle dealer. All time  
16 periods under this section shall be suspended until  
17 the supplemental repair orders are provided. If the  
18 manufacturer or distributor requests supplemental  
19 repair orders, the manufacturer or distributor may,  
20 within thirty (30) days after receiving the  
21 supplemental repair orders and in accordance with the  
22 formula described in this subsection, calculate a  
23 proposed adjusted retail labor rate or retail parts  
24 markup rate, as applicable, based upon any set of the

1 qualified repair orders submitted by the franchisee  
2 and following the formula set forth herein to  
3 establish the rate. The retail labor and parts rates  
4 shall go into effect thirty (30) days following the  
5 approval by the manufacturer or distributor. If the  
6 declared rate is rebutted, the manufacturer or  
7 distributor shall provide written notice stating the  
8 reasons for the rebuttal, an explanation of the  
9 reasons for the rebuttal, and a copy of all  
10 calculations used by the franchisor in determining the  
11 manufacturer or distributor's position and propose an  
12 adjustment in writing of the average percentage markup  
13 or labor rate based on that rebuttal not later than  
14 forty-five (45) days after submission. If the new  
15 motor vehicle dealer or new powersports vehicle dealer  
16 does not agree with the proposed average percentage  
17 markup or labor rate, the new ~~motor~~ vehicle dealer may  
18 file a protest with the Commission not later than  
19 thirty (30) days after receipt of that proposal by the  
20 manufacturer or distributor. In the event a protest  
21 is filed, the manufacturer or distributor shall have  
22 the burden of proof to establish the new ~~motor~~ vehicle  
23 dealer's submitted parts markup rate or labor rate was  
24 inaccurate or not complete pursuant to the provisions

1 of this section. A manufacturer or distributor may  
2 not retaliate against any new motor vehicle dealer or  
3 new powersports vehicle dealer seeking to exercise its  
4 rights under this section. A manufacturer or  
5 distributor may require a dealer to submit repair  
6 orders in accordance with this section in order to  
7 validate the reasonableness of a dealer's retail rate  
8 for parts or labor not more often than once every  
9 twelve (12) months. A manufacturer or distributor may  
10 not otherwise recover its costs from new ~~motor~~ vehicle  
11 dealers within this state including a surcharge  
12 imposed on a new motor vehicle dealer solely intended  
13 to recover the cost of reimbursing a ~~new motor vehicle~~  
14 dealer for parts and labor pursuant to this section;  
15 provided, a manufacturer or distributor shall not be  
16 prohibited from increasing prices for vehicles or  
17 parts in the normal course of business or from  
18 auditing and charging back claims in accordance with  
19 this section. All claims made by dealers for  
20 compensation for delivery, preparation, warranty, or  
21 recall repair work shall be paid within thirty (30)  
22 days after approval and shall be approved or  
23 disapproved within thirty (30) days after receipt.  
24 When any claim is disapproved, the dealer shall be

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

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

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

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

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

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

22 (3) that is held by the new motor vehicle dealer in  
23 the dealer's inventory at the time the stop-sale  
24 or do-not-drive order is issued or that is taken

1 by the new motor vehicle dealer into the dealer's  
2 inventory after the recall notice as a result of  
3 a retail consumer trade-in or a lease return to  
4 the dealer inventory in accordance with an  
5 applicable lease contract,

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

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

18 (a) the date the recall remedy or parts are made  
19 available, or

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

23 For the purposes of division (5) of this subparagraph,  
24 the value of a used vehicle shall be the average Black

1 Book value for the year, make, and model of the  
2 recalled vehicle. A factory may direct the manner and  
3 method in which a new motor vehicle dealer must  
4 demonstrate the inventory status of an affected used  
5 motor vehicle to determine eligibility under this  
6 subparagraph; provided, that the manner and method may  
7 not be unduly burdensome and may not require  
8 information that is unduly burdensome to provide. All  
9 reimbursement claims made by new motor vehicle dealers  
10 pursuant to this section for recall remedies or  
11 repairs, or for compensation where no part or repair  
12 is reasonably available and the vehicle is subject to  
13 a stop-sale or do-not-drive order, shall be subject to  
14 the same limitations and requirements as a warranty  
15 reimbursement claim made under subparagraph b of this  
16 paragraph. In the alternative, a manufacturer may  
17 compensate its franchised new motor vehicle dealers  
18 under a national recall compensation program;  
19 provided, the compensation under the program is equal  
20 to or greater than that provided under division (5) of  
21 this subparagraph, or as the manufacturer and new  
22 motor vehicle dealer otherwise agree. Nothing in this  
23 section shall require a factory to provide total  
24 compensation to a new motor vehicle dealer which would

1 exceed the total average Black Book value of the  
2 affected used motor vehicle as originally determined  
3 under division (5) of this subparagraph. Any remedy  
4 provided to a new motor vehicle dealer under this  
5 subparagraph is exclusive and may not be combined with  
6 any other state or federal compensation remedy,

7 d. unreasonably fails or refuses to offer to its same  
8 line-make franchised dealers a reasonable supply and  
9 mix of all models manufactured for that line-make, or  
10 unreasonably requires a dealer to pay any extra fee,  
11 purchase unreasonable advertising displays or other  
12 materials, or enter into a separate agreement which  
13 adversely alters the rights or obligations contained  
14 within the ~~new motor vehicle~~ dealer's existing  
15 franchise agreement or which waives any right of the  
16 new motor vehicle dealer or new powersports vehicle  
17 dealer as protected by Section 561 et seq. of this  
18 title, or remodel, renovate, or recondition the ~~new~~  
19 ~~motor vehicle~~ dealer's existing facilities as a  
20 prerequisite to receiving a model or series of  
21 vehicles, except as may be necessary to sell or  
22 service the model or series of vehicles as provided by  
23 subparagraph e of this paragraph. It shall be a  
24 violation of this section for new vehicle allocation

1 to be withheld subject to any requirement to purchase  
2 or sell any number of used or off-lease vehicles. The  
3 failure to deliver any such new motor vehicle shall  
4 not be considered a violation of the section if the  
5 failure is not arbitrary or is due to lack of  
6 manufacturing capacity or to a strike or labor  
7 difficulty, a shortage of materials, a freight  
8 embargo, or other cause over which the manufacturer  
9 has no control. However, this subparagraph shall not  
10 apply to ~~recreational vehicles~~, limited production  
11 model vehicles, a vehicle not advertised by the  
12 factory for sale in this state, vehicles that are  
13 subject to allocation affected by federal  
14 environmental laws or environmental laws of this  
15 state, or vehicles allocated in response to an  
16 unforeseen event or circumstance,

- 17 e. except as necessary to comply with a health or safety  
18 law, or to comply with a technology requirement which  
19 is necessary to sell or service a ~~motor~~ vehicle that  
20 the franchised new motor vehicle dealer or new  
21 powersports vehicle dealer is authorized or licensed  
22 by the franchisor to sell or service, requires a ~~new~~  
23 ~~motor vehicle~~ dealer to construct a new facility or  
24 substantially renovate the ~~new motor vehicle~~ dealer's

1 existing facility unless the facility construction or  
2 renovation is justified by the economic conditions  
3 existing at the time, as well as the reasonably  
4 foreseeable projections, in the new motor vehicle  
5 dealer's market and in the automotive industry.  
6 However, this subparagraph shall not apply if the new  
7 motor vehicle dealer or new powersports vehicle dealer  
8 voluntarily agrees to facility construction or  
9 renovation in exchange for money, credit, allowance,  
10 reimbursement, or additional vehicle allocation to a  
11 ~~new motor vehicle~~ dealer from the factory to  
12 compensate the ~~new motor vehicle~~ dealer for the cost  
13 of, or a portion of the cost of, the facility  
14 construction or renovation. Except as necessary to  
15 comply with a health or safety law, or to comply with  
16 a technology or safety requirement which is necessary  
17 to sell or service a motor vehicle or powersports  
18 vehicle that the franchised ~~new motor vehicle~~ dealer  
19 is authorized or licensed by the franchisor to sell or  
20 service, a new ~~motor~~ vehicle dealer which completes a  
21 facility construction or renovation pursuant to  
22 factory requirements shall not be required to  
23 construct a new facility or renovate the existing  
24 facility if the same area of the facility or premises

1 has been constructed or substantially altered within  
2 the last ten (10) years and the construction or  
3 alteration was approved by the manufacturer as a part  
4 of a facility upgrade program, standard, or policy.  
5 For purposes of this subparagraph, "substantially  
6 altered" means to perform an alteration that  
7 substantially impacts the architectural features,  
8 characteristics, or integrity of a structure or lot.  
9 The term shall not include routine maintenance  
10 reasonably necessary to maintain a dealership in  
11 attractive condition. If a facility upgrade program,  
12 standard, or policy under which the dealer completed a  
13 facility construction or substantial alteration does  
14 not contain a specific time period during which the  
15 manufacturer or distributor shall provide payments or  
16 benefits to a participating dealer, or the time frame  
17 specified under the program is reduced or canceled  
18 prematurely in the unilateral discretion of the  
19 manufacturer or distributor, the manufacturer or  
20 distributor shall not deny the participating dealer  
21 any payment or benefit under the terms of the program,  
22 standard, or policy as it existed when the dealer  
23 began to perform under the program, standard, or  
24 policy for the balance of the ten-year period,

1           regardless of whether the manufacturer's or  
2           distributor's program, standard, or policy has been  
3           changed or canceled, unless the manufacturer and  
4           dealer agree, in writing, to the change in payment or  
5           benefit,

6           f.    requires a new motor vehicle dealer or new powersports  
7           vehicle dealer to establish an exclusive facility,  
8           unless supported by reasonable business, market, and  
9           economic considerations; provided, that this section  
10          shall not restrict the terms of any agreement for such  
11          exclusive facility voluntarily entered into and  
12          supported by valuable consideration separate from the  
13          new motor vehicle dealer's right to sell and service  
14          motor vehicles for the franchisor,

15          g.    requires a new motor vehicle dealer or new powersports  
16          vehicle dealer to enter into a site-control agreement  
17          covering any or all of the new motor vehicle dealer's  
18          facilities or premises; provided, that this section  
19          shall not restrict the terms of any site-control  
20          agreement voluntarily entered into and supported by  
21          valuable consideration separate from the new motor  
22          vehicle dealer's right to sell and service motor  
23          vehicles for the franchisor. Notwithstanding the  
24          foregoing or the terms of any site-control agreement,

1 a site-control agreement automatically extinguishes if  
2 all of the factory's franchises that operated from the  
3 location that are the subject of the site-control  
4 agreement are terminated by the factory as part of the  
5 discontinuance of a product line,

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

21 i. requires a new motor vehicle dealer or new powersports  
22 vehicle dealer to purchase goods or services for the  
23 construction, renovation, or improvement of the new  
24 ~~motor vehicle~~ dealer's facility from a vendor chosen

1 by the factory if goods or services available from  
2 other sources are of substantially similar quality and  
3 design and comply with all applicable laws; provided,  
4 however, that such goods are not subject to the  
5 factory's intellectual property or trademark rights  
6 and the new ~~motor~~ vehicle dealer has received the  
7 factory's approval, which approval may not be  
8 unreasonably withheld. Nothing in this subparagraph  
9 may be construed to allow a new motor vehicle dealer  
10 or new powersports vehicle dealer to impair or  
11 eliminate a factory's intellectual property, trademark  
12 rights, or trade dress usage guidelines. Nothing in  
13 this section prohibits the enforcement of a voluntary  
14 agreement between the factory and the new ~~motor~~  
15 vehicle dealer where separate and valuable  
16 consideration has been offered and accepted;

17 10. Being a factory that:

- 18 a. establishes a system of motor vehicle allocation or  
19 distribution which is unfair, inequitable, or  
20 unreasonably discriminatory. Upon the request of any  
21 new motor vehicle dealer or new powersports vehicle  
22 dealer franchised by it, a factory shall disclose in  
23 writing to the ~~new motor vehicle~~ dealer the basis upon  
24 which new ~~motor~~ vehicles are allocated, scheduled, and

1 delivered among the new motor vehicle dealers of the  
2 same line-make for that factory, or  
3 b. changes an established plan or system of new motor  
4 vehicle or new powersports vehicle distribution. A  
5 new motor vehicle dealer or new powersports vehicle  
6 dealer franchise agreement shall continue in full  
7 force and operation notwithstanding a change, in whole  
8 or in part, of an established plan or system of  
9 distribution of the motor vehicles or new powersports  
10 vehicles offered or previously offered for sale under  
11 the franchise agreement. The appointment of a new  
12 importer or distributor for motor vehicles or new  
13 powersports vehicle offered for sale under the  
14 franchise agreement shall be deemed to be a change of  
15 an established plan or system of distribution. The  
16 discontinuation of a line-make shall not be deemed to  
17 be a change of an established plan or system of motor  
18 vehicle or new powersports vehicle distribution. The  
19 creation of a line-make shall not be deemed to be a  
20 change of an established plan or system of motor  
21 vehicle distribution as long as the new line-make is  
22 not selling the same, or substantially the same  
23 vehicle or vehicles previously sold through another  
24 line-make by new motor vehicle dealers or new

1           powersports vehicle dealers with an active franchise  
2           agreement for the other line-make in the state if such  
3           ~~new motor vehicle~~ dealers are no longer authorized to  
4           sell the comparable vehicle previously sold through  
5           their line-make. Changing a vehicle's powertrain is  
6           not sufficient to show it is substantially different.  
7           Upon the occurrence of such change, the manufacturer  
8           or distributor shall be prohibited from obtaining a  
9           license to distribute vehicles under the new plan or  
10          system of distribution unless the manufacturer or  
11          distributor offers to each ~~new motor~~ vehicle dealer  
12          who is a party to the franchise agreement a new  
13          franchise agreement containing substantially the same  
14          provisions which were contained in the previous  
15          franchise agreement;

16          11. Being a factory that sells directly or indirectly new motor  
17          vehicles or new powersports vehicles to any retail consumer in the  
18          state except through a new motor vehicle dealer or new powersports  
19          vehicle dealer holding a franchise for the line-make that includes  
20          the new motor vehicle or new powersports vehicle. This paragraph  
21          does not apply to factory sales of new ~~motor~~ vehicles to its  
22          employees, family members of employees, retirees and family members  
23          of retirees, not-for-profit organizations, or the federal, state, or  
24          local governments. The provisions of this paragraph shall not

1 preclude a factory from providing information to a consumer for the  
2 purpose of marketing or facilitating a sale of a new ~~motor~~ vehicle  
3 or from establishing a program to sell or offer to sell new motor  
4 vehicles or new powersports vehicle through participating dealers  
5 subject to the limitations provided in paragraph 2 of Section 562 of  
6 this title;

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

- 8 (1) owns any ownership interest or has any financial  
9 interest in a new motor vehicle dealer or new  
10 powersports vehicle dealer or any person who  
11 sells products or services pursuant to the terms  
12 of the franchise agreement,  
13 (2) operates or controls a new motor vehicle dealer  
14 or new powersports vehicle dealer, or  
15 (3) acts in the capacity of a new motor vehicle  
16 dealer or new powersports vehicle dealer.

- 17 b. (1) This paragraph does not prohibit a factory from  
18 owning or controlling a new motor vehicle dealer  
19 or new powersports vehicle dealer while in a bona  
20 fide relationship with a dealer development  
21 candidate who has made a substantial initial  
22 investment in the franchise and whose initial  
23 investment is subject to potential loss. The  
24 dealer development candidate can reasonably

1 expect to acquire full ownership of a new ~~motor~~  
2 vehicle dealer within a reasonable period of time  
3 not to exceed ten (10) years and on reasonable  
4 terms and conditions. The ten-year acquisition  
5 period may be expanded for good cause shown.

6 (2) This paragraph does not prohibit a factory from  
7 owning, operating, controlling, or acting in the  
8 capacity of a new motor vehicle dealer or new  
9 powersports vehicle dealer for a period not to  
10 exceed twelve (12) months during the transition  
11 from one independent dealer to another  
12 independent dealer if the dealership is for sale  
13 at a reasonable price and on reasonable terms and  
14 conditions to an independent qualified buyer. On  
15 showing by a factory of good cause, the Oklahoma  
16 New Motor Vehicle Commission may extend the time  
17 limit set forth above; extensions may be granted  
18 for periods not to exceed twelve (12) months.

19 (3) This paragraph does not prohibit a factory from  
20 owning, operating, or controlling or acting in  
21 the capacity of a new motor vehicle dealer or new  
22 powersports vehicle dealer which was in operation  
23 prior to January 1, 2000.  
24

1 (4) This paragraph does not prohibit a factory from  
2 owning, directly or indirectly, a minority  
3 interest in an entity that owns, operates, or  
4 controls motor vehicle dealerships or powersports  
5 vehicle dealerships of the same line-make  
6 franchised by the manufacturer, provided that  
7 each of the following conditions are met:

8 (a) all of the new motor vehicle or new  
9 powersports vehicle dealerships selling the  
10 ~~motor~~ vehicles of that manufacturer in this  
11 state trade exclusively in the line-make of  
12 that manufacturer,

13 (b) all of the franchise agreements of the  
14 manufacturer confer rights on the dealer of  
15 the line-make to develop and operate, within  
16 a defined geographic territory or area, as  
17 many dealership facilities as the dealer and  
18 manufacturer shall agree are appropriate,

19 (c) at the time the manufacturer first acquires  
20 an ownership interest or assumes operation,  
21 the distance between any dealership thus  
22 owned or operated and the nearest  
23 unaffiliated new motor vehicle or new  
24 powersports vehicle dealership trading in

1 the same line-make is not less than seventy  
2 (70) miles,

3 (d) during any period in which the manufacturer  
4 has such an ownership interest, the  
5 manufacturer has no more than three  
6 franchise agreements with new motor vehicle  
7 dealers or new powersports vehicle dealers  
8 licensed by the Oklahoma New Motor Vehicle  
9 Commission to do business within the state,  
10 and

11 (e) prior to January 1, 2000, the factory shall  
12 have furnished or made available to  
13 prospective new ~~motor~~ vehicle dealers an  
14 offering circular in accordance with the  
15 Trade Regulation Rule on Franchising of the  
16 Federal Trade Commission, and any guidelines  
17 and exemptions issued thereunder, which  
18 disclose the possibility that the factory  
19 may from time to time seek to own or  
20 acquire, directly or indirectly, ownership  
21 interests in retail dealerships;

22 13. Being a factory which directly or indirectly makes  
23 available for public disclosure any proprietary information provided  
24 to the factory by a new motor vehicle dealer or new powersports

1 vehicle dealer, other than in composite form to new ~~motor~~ vehicle  
2 dealers in the same line-make or in response to a subpoena or order  
3 of the Commission or a court. Proprietary information includes, but  
4 is not limited to, information:

- 5 a. derived from monthly financial statements provided to  
6 the factory, and
- 7 b. regarding any aspect of the profitability of a  
8 particular new motor vehicle dealer or new powersports  
9 vehicle dealer;

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

14 15. Being a factory which used the consumer list of a new motor  
15 vehicle dealer or new powersports vehicle dealer for the purpose of  
16 unfairly competing with dealers;

17 16. Being a factory which prohibits a new motor vehicle dealer  
18 or new powersports vehicle dealer from relocating after a written  
19 request by such ~~new motor vehicle~~ dealer if:

- 20 a. the facility and the proposed new location satisfies  
21 or meets the written reasonable guidelines of the  
22 factory. Reasonable guidelines do not include  
23 exclusivity or site control unless agreed to as set  
24

1           forth in subparagraphs f and g of paragraph 9 of this  
2           subsection,

3           b.    the proposed new location is within the area of  
4           responsibility of the new motor vehicle dealer or new  
5           powersports vehicle dealer pursuant to Section 578.1  
6           of this title, and

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

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

20          18.   Being a factory that increases prices of new motor vehicles  
21          or new powersports vehicles which the ~~new motor vehicle~~ dealer had  
22          ordered for retail consumers and notified the factory prior to the  
23          ~~new motor vehicle~~ dealer's receipt of the written official price  
24          increase notification. A sales contract signed by a retail consumer

1 accompanied with proof of order submission to the factory shall  
2 constitute evidence of each such order, provided that the vehicle is  
3 in fact delivered to the consumer. Price differences applicable to  
4 new models or series motor vehicles at the time of the introduction  
5 of new models or series shall not be considered a price increase for  
6 purposes of this paragraph. Price changes caused by any of the  
7 following shall not be subject to the provisions of this paragraph:

8 a. the addition to a motor vehicle or powersports vehicle  
9 of required or optional equipment pursuant to state or  
10 federal law,

11 b. revaluation of the United States dollar in the case of  
12 foreign-made vehicles or components, or

13 c. an increase in transportation charges due to increased  
14 rates imposed by common or contract carriers;

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

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

1 any other ~~new motor vehicle~~ dealer for any lawful purpose, unless  
2 otherwise permitted by this chapter; or

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

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  
14 plans, or similar products offered, endorsed, or  
15 sponsored by 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 or new powersports vehicle  
21 dealership, if such sale or transfer is conditioned upon the  
22 manufacturer or dealer entering into a dealer agreement with the  
23 proposed new owner or transferee, only if all the following  
24 requirements are met:

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

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

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

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

1 accounting. The accounting may be requested by a factory before  
2 exercising its right of first refusal.

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

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

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

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

23 c. motor vehicle or powersports vehicle financing  
24 provided by that person to retail consumers for motor

1                    vehicles or powersports vehicles is limited to used  
2                    vehicles sold by that person in the conduct of  
3                    business; or

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

6            D. As used in this section:

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

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

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

1 SECTION 8. AMENDATORY 47 O.S. 2021, Section 565.1, as  
2 amended by Section 9, Chapter 29, O.S.L. 2023 (47 O.S. Supp. 2023,  
3 Section 565.1), is amended to read as follows:

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

10 B. Notwithstanding the terms of any franchise agreement, and  
11 subject to the following conditions contained in paragraphs 1  
12 through 5 of this subsection, any manufacturer or distributor who  
13 prevents or refuses to honor the succession to the operation of a  
14 dealership by a designated successor without good cause or good  
15 faith, as defined in this section, shall be subject to the following  
16 procedure:

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

24

1           2. Within thirty (30) days of receipt of the dealership's  
2 timely written notice, the manufacturer may request, and the  
3 designated successor shall, within a reasonable time, provide any  
4 information which is reasonably necessary for the manufacturer to  
5 evaluate the designated successor dealer and dealership, including  
6 applications and financing;

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

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

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

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

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

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

13 SECTION 9. AMENDATORY 47 O.S. 2021, Section 565.2, as  
14 amended by Section 10, Chapter 29, O.S.L. 2023 (47 O.S. Supp. 2023,  
15 Section 565.2), is amended to read as follows:

16 Section 565.2 A. Irrespective of the terms, provisions, or  
17 conditions of any franchise, or the terms or provisions of any  
18 waiver, no manufacturer shall terminate, cancel, or fail to renew  
19 any franchise with a licensed new motor vehicle dealer or new  
20 powersports vehicle dealer unless the manufacturer has satisfied the  
21 notice requirements as provided in this section and has good cause  
22 for cancellation, termination, or nonrenewal. The manufacturer  
23 shall not attempt to cancel or fail to renew the franchise agreement  
24 of a new motor vehicle dealer in this state unfairly and without

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

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

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

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

1 section, and the new motor vehicle dealer or new powersports vehicle  
2 dealer has been afforded a reasonable opportunity of not less than  
3 six (6) months to comply with such a provision or 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 or new powersports vehicle dealer and the  
9 Oklahoma New Motor Vehicle Commission as follows:

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

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

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

21 b. failure of the new motor vehicle dealer or new  
22 powersports vehicle dealer to conduct its customary  
23 sales and service operations during its customary  
24 business hours for seven (7) consecutive business

1 days, provided that such failure to conduct business  
2 shall not be due to an act of God or circumstances  
3 beyond the direct control of the new ~~motor~~ vehicle  
4 dealer, or

5 c. conviction of the new ~~motor~~ vehicle dealer or new  
6 powersports vehicle dealer of any felony which is  
7 punishable by imprisonment or a violation of the  
8 Federal Odometer Act; and

9 3. Not less than one hundred eighty (180) days prior to the  
10 effective date of the termination or cancellation where the  
11 manufacturer or distributor is discontinuing the sale of the product  
12 line.

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

19 D. Upon the affected new motor vehicle or new powersports  
20 vehicle dealer's receipt of the aforementioned notice of  
21 termination, cancellation, or nonrenewal, the new motor vehicle  
22 dealer shall have the right to file a protest of such threatened  
23 termination, cancellation, or nonrenewal with the Commission within  
24 thirty (30) days and request a hearing. The hearing shall be held

1 within one hundred eighty (180) days of the date of the timely  
2 protest by the dealer and in accordance with the provisions of the  
3 Administrative Procedures Act, Sections 250 through 323 of Title 75  
4 of the Oklahoma Statutes, to determine if the threatened  
5 cancellation, termination, or nonrenewal of the franchise has been  
6 for good cause and if the factory has complied with its obligations  
7 pursuant to subsections A, B, and C of this section and the factory  
8 shall have the burden of proof. Either party may request an  
9 additional one-hundred-eighty-day extension of the hearing date from  
10 the Commission. Approval of the requested extension may not be  
11 unreasonably withheld or delayed. If the Commission finds that the  
12 threatened cancellation, termination, or nonrenewal of the franchise  
13 has not been for good cause or violates subsection A, B, or C of  
14 this section, then it shall issue a final order stating that the  
15 threatened termination is wrongful. A factory shall have the right  
16 to appeal such order. During the pendency of the hearing and after  
17 the decision, the franchise shall remain in full force and effect,  
18 including the right to transfer the franchise. If the Commission  
19 finds that the threatened cancellation, termination, or nonrenewal  
20 is for good cause and does not violate subsection A, B, or C of this  
21 section, the new motor vehicle or new powersports vehicle dealer  
22 shall have the right to an appeal. During the pendency of the  
23 action, including the final decision or appeal, the franchise shall  
24 remain in full force and effect, including the right to transfer the

1 franchise. If the ~~new motor vehicle~~ dealer prevails in the  
2 threatened termination action, the Commission shall award to the ~~new~~  
3 ~~motor vehicle~~ dealer the attorney fees and costs incurred to defend  
4 the action.

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

9 1. New, current, and previous model year vehicle inventory  
10 which has been acquired from the manufacturer, and which is unused  
11 and has not been damaged or altered while in the ~~new motor vehicle~~  
12 dealer's possession;

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

17 3. Equipment and furnishings, provided the ~~new motor vehicle~~  
18 dealer purchased them from the manufacturer or its approved sources;  
19 and

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

1 a. For the purposes of paragraph 1 of this subsection,  
2 fair and reasonable compensation shall be no less than  
3 the net acquisition price of the vehicle paid by the  
4 ~~new motor vehicle~~ dealer.

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

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

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

23 a. used solely for performance in accordance with the  
24 franchise. If the facility is used for the operation

1 of more than one franchise, the reasonable rent shall  
2 be paid based upon the portion of the facility  
3 utilized by the franchise being terminated, canceled,  
4 or nonrenewed, and

- 5 b. not substantially in excess of facilities recommended  
6 by the manufacturer.

7 2. If the facilities are owned by the new motor vehicle or new  
8 powersports vehicle dealer, within ninety (90) days following the  
9 effective date of the termination, cancellation, or nonrenewal, the  
10 manufacturer will either:

- 11 a. locate a qualified purchaser who will offer to  
12 purchase the dealership facilities at a reasonable  
13 price,  
14 b. locate a qualified lessee who will offer to lease the  
15 premises for the remaining lease term at the rent set  
16 forth in the lease, or  
17 c. failing the foregoing, lease the dealership facilities  
18 at a reasonable rental value for the portion of the  
19 facility that is recognized in the franchise agreement  
20 for one (1) year.

21 3. If the facilities are leased by the new motor vehicle or new  
22 powersports vehicle dealer, within ninety (90) days following the  
23 effective date of the termination, cancellation, or nonrenewal the  
24 manufacturer will either:

- 1 a. locate a tenant or tenants satisfactory to the lessor,  
2 who will sublet or assume the balance of the lease,  
3 b. arrange with the lessor for the cancellation of the  
4 lease without penalty to the ~~new motor vehicle~~ dealer,  
5 or  
6 c. failing the foregoing, lease the dealership facilities  
7 at a reasonable rent for the portion of the facility  
8 that is recognized in the franchise agreement for one  
9 (1) year.

10 4. The manufacturer shall not be obligated to provide  
11 assistance under this section if the new motor vehicle or new  
12 powersports vehicle dealer:

- 13 a. fails to accept a bona fide offer from a prospective  
14 purchaser, sublessee, or assignee,  
15 b. refuses to execute a settlement agreement with the  
16 lessor if such agreement with the lessor would be  
17 without cost to the ~~new motor vehicle~~ dealer, or  
18 c. fails to make written request for assistance under  
19 this section within ninety (90) days after the  
20 effective date of the termination, cancellation, or  
21 nonrenewal.

22 5. The manufacturer shall be entitled to occupy and use any  
23 space for which it pays rent required by this section.  
24

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

23  
24

1 SECTION 10. AMENDATORY 47 O.S. 2021, Section 565.3, as  
2 amended by Section 11, Chapter 29, O.S.L. 2023 (47 O.S. Supp. 2023,  
3 Section 565.3), is amended to read as follows:

4 Section 565.3 A. A franchised new motor vehicle or new  
5 powersports vehicle dealer proposing a sale, transfer, or assignment  
6 of a franchise agreement or the business and assets of a dealership  
7 or an interest in a dealership to another person, hereinafter  
8 transferee, shall notify the manufacturer or distributor whose  
9 vehicles the dealer is franchised to sell of the proposed action of  
10 the dealer. The manufacturer or distributor may make written  
11 request to the proposed transferee to submit completed application  
12 forms and related information generally utilized by a manufacturer  
13 to evaluate such a proposal and a copy of all agreements related to  
14 the proposed sale, transfer, or assignment.

15 B. The approval by the manufacturer or distributor of the sale,  
16 transfer, or assignment shall not be unreasonably withheld unless  
17 the proposed transferee is not of good moral character or fails to  
18 meet the written, reasonable, and uniformly applied requirements of  
19 the manufacturer or distributor relating to prospective franchisees.  
20 Approval of the transfer shall not be made contingent upon the  
21 transferee meeting unreasonable facility requirements or performance  
22 standards different than those contained in the transferor's  
23 franchise agreement and related addendum and agreements, and any  
24 written notices provided to the existing dealer prior to the

1 manufacturer's or distributor's receipt of any written notice from  
2 the existing dealer of the proposed transfer. However, to be valid,  
3 any proposed change to the franchise pursuant to written notice from  
4 the manufacturer or distributor shall be in compliance with existing  
5 law. The burden of proof shall be upon the manufacturer or  
6 distributor to show good cause existed to withhold approval. The  
7 manufacturer or distributor that has made such a determination shall  
8 send a letter by certified mail to the dealer and the applicant of  
9 its refusal to approve the proposal, which shall include a statement  
10 of the specific grounds for refusal, within sixty (60) days after  
11 the later of:

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

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

19 C. Failure of the manufacturer or distributor to send its  
20 notice of refusal pursuant to subsection B of this section shall  
21 mean that the application for the proposed sale, transfer, or  
22 assignment is approved.

23 D. If the proposed sale, transfer, or assignment is to an  
24 existing owner's family member or other existing owner, the

1 manufacturer or distributor's evaluation of the proposal is limited  
2 to the written, reasonable, and uniformly applied requirements of  
3 the manufacturer or distributor relating to good moral character and  
4 financial qualifications. Notwithstanding the foregoing, a change  
5 in dealer operator shall be addressed pursuant to the provisions of  
6 Section 565.1 of this ~~title~~ title.

7 E. A dealership or dealership owner receiving notice of refusal  
8 of the sale, transfer, or assignment shall have the right to file a  
9 protest with the Oklahoma New Motor Vehicle Commission within thirty  
10 (30) days of receipt of the refusal. In the event a protest is  
11 filed, the manufacturer or distributor shall have the burden of  
12 proof to establish the proposed transferee or the proposed  
13 transferee's controlling executive management is not of good moral  
14 character or fails to meet the written reasonable and uniformly  
15 applied requirements of the manufacturer or distributor relating to  
16 prospective franchisees or that the facility requirements are not  
17 different than those contained in the transferor's franchise  
18 agreement.

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

24

1 SECTION 11. AMENDATORY Section 2, Chapter 29, O.S.L.  
2 2023 (47 O.S. Supp. 2023, Section 565.4), is amended to read as  
3 follows:

4 Section 565.4 Any manufacturer or distributor who has new motor  
5 vehicle or new powersports vehicle sales and service agreements with  
6 new motor ~~vehicles~~ vehicle or new powersports vehicle dealers in  
7 this state shall allow its ~~new motor vehicle~~ dealers to offer  
8 consumers any remote software upgrade or change to vehicle functions  
9 and features to a new motor vehicle or new powersports vehicle which  
10 is of a line-make the ~~new motor vehicle~~ dealer holds an active sales  
11 and service contract for, as any offered to consumers by the  
12 manufacturer or distributor, and such upgrade or change shall be  
13 available for an authorized ~~new motor vehicle~~ dealer to offer to  
14 consumers at any time during the life cycle of the vehicle, and  
15 subject to the manufacturer or distributor's requirements, provided  
16 the same continues to be made available and offered to consumers in  
17 this state by the manufacturer or distributor. This section does  
18 not apply to remote software upgrades or changes administered at no  
19 cost to the consumer or related solely to the safety, regulatory  
20 requirements, cybersecurity, recall of a motor vehicle or  
21 powersports vehicle, Oklahoma Statutes, or federal statutes.  
22 Nothing in this section shall be construed to limit or impair a  
23 manufacturer or distributor's intellectual property rights, or to  
24 grant a new ~~motor~~ vehicle dealer authority to sell, copy, modify, or

1 use the manufacturer's or distributor's intellectual property in a  
2 manner that has not been authorized by the manufacturer or  
3 distributor. Nothing in this section shall obligate a manufacturer,  
4 distributor, or other person to support or maintain any software or  
5 change to vehicle functions and features.

6 SECTION 12. AMENDATORY 47 O.S. 2021, Section 566, as  
7 amended by Section 12, Chapter 29, O.S.L. 2023 (47 O.S. Supp. 2023,  
8 Section 566), is amended to read as follows:

9 Section 566. The Oklahoma New Motor Vehicle Commission may deny  
10 any application for license, or suspend or revoke a license issued  
11 or impose a fine, only after a hearing of which the applicant, or  
12 licensee affected, shall be given at least ten (10) days' written  
13 notice specifying the reason for denying the applicant a license,  
14 or, in the case of a revocation or suspension or imposition of a  
15 fine, the offenses of which the licensee is charged. The notices  
16 may be served as provided by law for the service of notices, or  
17 mailing a copy by ~~registered~~ certified mail to the last-known  
18 residence or business address of the applicant or licensee. The  
19 hearing on the charges shall be at such time and place as the  
20 Commission may prescribe and the aforementioned notice shall further  
21 specify the time and place. If the applicant, registrant, or  
22 licensee is a ~~motor vehicle~~ salesperson, factory representative, or  
23 distributor representative, the Commission shall in like manner also  
24 notify the person, firm, association, corporation, or trust with

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

12 | SECTION 13. AMENDATORY 47 O.S. 2021, Section 572, is  
13 | amended to read as follows:

14 | Section 572. Any action brought to recover any damages that may  
15 | be sustained by any motor vehicle or powersports vehicle dealer may  
16 | be brought in the county in which said dealer is located and in  
17 | addition to the action for damages he shall be entitled to sue for  
18 | and have injunctive relief against the threatened loss, damage or  
19 | injury to his business or property because of any violation of  
20 | Sections 565 through 566 and 579 of this title or the threatened  
21 | cancellation, termination or failure to renew any franchise  
22 | agreement between any factory and said dealer, and the court may  
23 | grant such injunctive relief, including temporary restraining  
24 | orders, as it deems just and proper, notwithstanding any other

1 provisions of law, and in addition to any other remedy which may be  
2 afforded under any other statute of this state.

3 SECTION 14. AMENDATORY 47 O.S. 2021, Section 573, is  
4 amended to read as follows:

5 Section 573. All provisions in this chapter shall be liberally  
6 interpreted to protect the public from fraud in the business of  
7 purchasing or selling ~~motor~~ new vehicles and to protect the  
8 investments of its citizens in ~~motor~~ new vehicles and dealerships  
9 and to protect the transportation system of the state and shall  
10 further be interpreted to affect existing as well as future  
11 franchise agreements.

12 SECTION 15. AMENDATORY 47 O.S. 2021, Section 578.1, as  
13 amended by Section 16, Chapter 29, O.S.L. 2023 (47 O.S. Supp. 2023,  
14 Section 578.1), is amended to read as follows:

15 Section 578.1 A. Notwithstanding the terms of a franchise and  
16 notwithstanding the terms of a waiver, if a factory intends or  
17 proposes to enter into a franchise to establish an additional new  
18 motor vehicle or powersports vehicle dealer or to relocate an  
19 existing new motor vehicle or powersports vehicle dealer within or  
20 into a relevant market area in which the same line-make of motor  
21 vehicle is currently represented, the factory shall provide at least  
22 sixty (60) days advance written notice to the Commission and to each  
23 new motor vehicle or powersports vehicle dealer of the same line-  
24 make in the relevant market area, of the intention of the factory to

1 establish an additional ~~new motor vehicle~~ dealer or to relocate an  
2 existing ~~new motor vehicle~~ dealer within or into the relevant market  
3 area. For purposes of this section, the "relevant market area"  
4 means the area within a radius of fifteen (15) miles around the site  
5 of the proposed new motor vehicle or powersports vehicle dealership  
6 measured from the property boundary of primary dealership property.  
7 The notice shall be sent by certified mail to each party and shall  
8 include the following information:

9 1. The specific location at which the additional or relocated  
10 ~~new motor vehicle~~ dealer will be established;

11 2. The date on or after which the additional or relocated ~~new~~  
12 ~~motor vehicle~~ dealer intends to commence business at the proposed  
13 location;

14 3. The identity of all ~~new motor vehicle~~ dealers who are  
15 franchised to sell the same line-make vehicles as the proposed ~~new~~  
16 ~~motor vehicle~~ dealer and who have licensed locations within the  
17 relevant market area;

18 4. The names and addresses of the person intended to be  
19 franchised as the proposed additional or relocated ~~new motor vehicle~~  
20 dealership, the principal investors in the proposed additional or  
21 relocated ~~new motor vehicle~~ dealership, and the proposed dealer  
22 operator of the proposed additional or relocated ~~new motor vehicle~~  
23 dealership; and  
24

1           5. The specific grounds or reasons for the proposed  
2 establishment of an additional ~~new motor vehicle~~ dealer or  
3 relocation of an existing ~~new motor vehicle~~ dealer.

4           B. The notification requirements prescribed in subsection A of  
5 this section shall not apply if:

6           1. The relocation of an existing ~~new motor vehicle~~ dealer is  
7 within the relevant market area of that dealer; provided, that the  
8 relocation not be at a site within ten (10) miles of a licensed ~~new~~  
9 ~~motor vehicle~~ dealer for the same line-make of ~~motor~~ vehicle;

10          2. A proposed additional ~~new motor vehicle~~ dealer which is to  
11 be established at or within two (2) miles of a location at which a  
12 former licensed ~~new motor vehicle~~ dealer for the same line-make of  
13 ~~new motor~~ vehicle had ceased operating within the previous two (2)  
14 years;

15          3. The relocation of an existing ~~new motor vehicle~~ dealer is  
16 within two (2) miles of the existing site of the ~~new motor vehicle~~  
17 dealership; or

18          4. The proposed site for the relocation of an existing ~~new~~  
19 ~~motor vehicle~~ dealer is farther away from all other ~~new motor~~  
20 ~~vehicle~~ dealers of the same line-make in that relevant market area.

21           C. Within thirty (30) days after receipt of the notice, or  
22 within thirty (30) days after the end of an appeal procedure  
23 provided by the factory, whichever is greater, a new motor vehicle  
24 dealer or new powersports vehicle dealer so notified or entitled to

1 notice may file a petition with the Commission protesting the  
2 proposed establishment or relocation. The petition shall contain a  
3 short statement setting forth the reasons for the objection of the  
4 new motor vehicle dealer to the proposed establishment or  
5 relocation. Upon filing of a protest, the Commission shall promptly  
6 notify the factory that a timely protest has been filed and shall  
7 schedule a hearing, which shall be held within one hundred twenty  
8 (120) days of the filing of a timely protest. The factory shall not  
9 establish or relocate the ~~new motor vehicle~~ dealer until the  
10 Commission has held a hearing and has determined that there is good  
11 cause for permitting the proposed establishment or relocation. When  
12 more than one protest is filed against the establishment or  
13 relocation of the same dealer, the Commission shall consolidate the  
14 hearings to expedite disposition of the matter.

15 D. The burden of proof to establish that good cause exists for  
16 permitting the proposed establishment of a new motor vehicle or new  
17 powersports vehicle dealer or relocating an existing ~~new motor~~  
18 ~~vehicle~~ dealership shall be on the applicant who seeks to establish  
19 a ~~new motor vehicle~~ dealership or the relocation of an existing ~~new~~  
20 ~~motor vehicle~~ dealership.

21 SECTION 16. AMENDATORY 47 O.S. 2021, Section 579, as  
22 amended by Section 17, Chapter 29, O.S.L. 2023 (47 O.S. Supp. 2023,  
23 Section 579), is amended to read as follows:

24

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

8 1. Permanency of the investment of the proposed dealership;

9 2. Effect on the retail new motor vehicle or new powersports  
10 vehicle business and the consuming public in the relevant market  
11 area;

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

14 4. Whether the ~~new motor vehicle~~ dealers of the same line-make  
15 in that relevant market area are providing adequate competition and  
16 convenient consumer care for the motor vehicle or powersports  
17 vehicle sales and service facilities, equipment, supply of ~~motor~~  
18 vehicle parts, and qualified service personnel; and

19 5. Whether the establishment of an additional ~~new motor vehicle~~  
20 dealership would increase competition, and therefore be in the  
21 public interest.

22 SECTION 17. AMENDATORY 47 O.S. 2021, Section 579.1, is  
23 amended to read as follows:

24 Section 579.1 A. It shall be unlawful to be a broker.

1 B. For the purposes of this section, "broker" means a person  
2 who, for a fee, commission or other valuable consideration, arranges  
3 or offers to arrange a transaction involving the sale of a new motor  
4 vehicle or new powersports vehicle, and who is not:

5 1. A new motor vehicle or new powersports vehicle dealer or  
6 employee of such a dealer;

7 2. A distributor or employee of such a distributor;

8 3. A motor vehicle manufacturer or employee of such a  
9 manufacturer; or

10 4. An auctioneer or any other person engaged in the auto  
11 auction business.

12 However, an individual shall not be deemed to be a broker if the  
13 individual is the owner of the new or used motor vehicle or new or  
14 used powersports vehicle which is the object of the brokering  
15 transaction.

16 C. Any person convicted of being a broker as defined by this  
17 section shall, upon conviction, be guilty of a misdemeanor  
18 punishable by imprisonment in the county jail for not more than one  
19 (1) year and a fine of not more than One Thousand Dollars  
20 (\$1,000.00). Any person convicted of a second or subsequent offense  
21 shall be guilty of a Schedule G felony offense, and the fine for a  
22 felony violation of this section shall be not less than One Thousand  
23 Dollars (\$1,000.00) nor more than Five Thousand Dollars (\$5,000.00).

24

1 SECTION 18. AMENDATORY 47 O.S. 2021, Section 580.2, as  
2 amended by Section 18, Chapter 29, O.S.L. 2023 (47 O.S. Supp. 2023,  
3 Section 580.2), is amended to read as follows:

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

1 ~~new motor vehicle~~ dealer with the release to be returned to the  
2 person upon the return of the motor vehicle or powersports vehicle  
3 to the ~~new motor vehicle~~ dealer. The motor vehicle liability policy  
4 of such person shall meet the minimum financial responsibility  
5 requirements found in Section 7-324 of this title.

6 This section shall apply only to the loan of a motor vehicle or  
7 powersports vehicle by a new motor vehicle or new powersports  
8 vehicle dealer which occurs without financial remuneration in the  
9 form of a fee or lease charge.

10 SECTION 19. This act shall become effective November 1, 2024.  
11 Passed the House of Representatives the 6th day of March, 2024.

12  
13  
14 Presiding Officer of the House  
of Representatives

15 Passed the Senate the \_\_\_ day of \_\_\_\_\_, 2024.

16  
17  
18 Presiding Officer of the Senate