

1 **SENATE FLOOR VERSION**

2 February 20, 2023

3 SENATE BILL NO. 643

By: Coleman

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5  
6 An Act relating to motor vehicles; amending 47 O.S.  
7 2021, Sections 562, 563, 564, 564.1, 564.2, 565, as  
8 amended by Section 3, Chapter 192, O.S.L. 2022,  
9 565.1, 565.2, 565.3, 566, 566.1, 567, 576, 578.1,  
10 579, 596.1, 596.2, 596.3, 596.5, 596.7, 596.8,  
11 596.14, 596.15, 596.16, 1116.1, 1128, as last amended  
12 by Section 142, Chapter 282, O.S.L. 2022, and 1137.3,  
13 as amended by Section 172, Chapter 282, O.S.L. 2022  
14 (47 O.S. Supp. 2022, Sections 565, 1128, and 1137.3),  
15 which relates to the Oklahoma Motor Vehicle  
16 Commission; updating name of Commission; modifying  
17 powers and duties of the Commission; updating  
18 statutory references; amending 21 O.S. 2021, Section  
19 918, which relates to sale, barter, or exchange of  
20 motor vehicles on Sunday prohibited; updating  
21 reference; repealing 47 O.S. 2021, Section 1128, as  
22 last amended by Section 21, Chapter 107, O.S.L. 2022  
23 (47 O.S. Supp. 2022, Section 1128), which relates to  
24 manufacturer of new vehicles; and providing an  
effective date.

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

SECTION 1. AMENDATORY 47 O.S. 2021, Section 562, is  
amended to read as follows:

Section 562. The following words, terms and phrases, when used  
in Sections 561 through 567, 572, 578.1, 579 and 579.1 of this  
title, shall have the meanings respectively ascribed to them in this

1 section, except where the context clearly indicates a different  
2 meaning:

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

6 a. ~~recreational vehicles, as defined in the Recreational  
7 Vehicle Franchise Act, or~~

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

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

1 of services which are required by the terms of the warranty that  
2 stands extended to the vehicle at the time of its sale and are to be  
3 made in accordance with the safety standards prescribed by the  
4 manufacturer. The term includes premises or facilities at which a  
5 person engages only in the repair of motor vehicles if repairs are  
6 performed pursuant to the terms of a franchise and motor vehicle  
7 manufacturer's warranty. However, the term shall not include  
8 premises or facilities at which a new motor vehicle dealer or  
9 dealers within the area of responsibility of such dealer or dealers  
10 as defined in the manufacturer's franchise agreement of such dealer  
11 or dealers performs motor vehicle repairs pursuant to the terms of a  
12 franchise and motor vehicle manufacturer's warranty. For the  
13 purpose of Sections 561 through 567, 572, 578.1, 579 and 579.1 of  
14 this title, the terms "new motor vehicle dealer" and "new motor  
15 vehicle dealership" shall be synonymous. The term "new motor  
16 vehicle dealer" does not include:

- 17 a. receivers, trustees, administrators, executors,  
18 guardians or other persons appointed by or acting  
19 under judgment or order of any court,
- 20 b. public officers while performing or in operation of  
21 their duties, or
- 22 c. employees of persons, corporations or associations  
23 enumerated in subparagraph a of this paragraph when  
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1 engaged in the specific performance of their duties as  
2 such employees;

3 3. "Motor vehicle salesperson" means any person who, for gain  
4 or compensation of any kind, either directly or indirectly,  
5 regularly or occasionally, by any form of agreement or arrangement,  
6 sells or negotiates for the sale of any new motor vehicle for any  
7 new motor vehicle dealer to any one or more third parties;

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

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

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

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

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

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

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

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

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

1 contract, granted by the manufacturer or distributor for the sale of  
2 that make of new vehicle so long as the manufacturer's statement of  
3 origin has not been assigned to anyone other than a licensed  
4 franchised new motor vehicle dealer of the same line-make;

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

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

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

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

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

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

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

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

5 21. "Powersports vehicle" means motorcycles, scooters, mopeds,  
6 all-terrain vehicles, and utility vehicles. Powersports vehicle  
7 shall mean the same as motor vehicle; and

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

11 ~~23. "Retail implement dealer" means a business engaged~~  
12 ~~primarily in the sale of farm tractors as defined in Section 1-118~~  
13 ~~of this title or implements of husbandry as defined in Section 1-125~~  
14 ~~of this title or a combination thereof. The term powersports~~  
15 vehicle dealer shall mean the same as new motor vehicle dealer.

16 SECTION 2. AMENDATORY 47 O.S. 2021, Section 563, is  
17 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, distribution  
21 or sale of new motor vehicles and two members shall be lay members,  
22 all to be appointed by the Governor of the State of Oklahoma, with  
23 the advice and consent of the State Senate. Such appointments shall  
24 be made within thirty (30) days after the effective date of this

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

9 B. 1. The Commissioners shall elect a Chairman from amongst  
10 them whose term shall be for one (1) year with the right to succeed  
11 him 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 designated  
17 by Interstate 35 dividing the state east and west and  
18 Interstate 40 dividing the state north and south,  
19 excluding Oklahoma County and Tulsa County, and  
20 b. two additional areas shall be Oklahoma County and  
21 Tulsa County.

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

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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 thereof has been appointed and has  
19 qualified. The Chairman and each member of the Commission shall  
20 take and subscribe to the oath of office required of public  
21 officers.

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

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

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

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

21 At the close of each fiscal year, the Commission shall file with  
22 the Governor and the State Auditor and Inspector a true and correct  
23 report of all fees, fines and charges collected and received by it  
24 during the preceding fiscal year and shall at the same time pay into

1 the General Revenue Fund of the state a sum equal to ten percent  
2 (10%) of the fees, fines and charges so collected and received.

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

14 SECTION 3. AMENDATORY 47 O.S. 2021, Section 564, is  
15 amended to read as follows:

16 Section 564. A. It shall be unlawful for any person, firm,  
17 association, corporation, or trust to engage in business as, or  
18 serve in the capacity of, or act as a motor vehicle dealer, or  
19 powersports dealer, or manufacturer or distributor of new motor  
20 vehicles, or powersports vehicles or factory branch, distributor  
21 branch or factory representative or distributor representative, as  
22 such, in this state without first obtaining a license therefor as  
23 provided for by law. Any person, firm, association, corporation or  
24 trust engaging in more than one of such capacities or having more

1 than one place where such business is carried on or conducted shall  
2 be required to obtain and hold a current license for each thereof.  
3 Provided that, a new motor vehicle dealer's license shall authorize  
4 one person to sell in the event such person shall be the owner of a  
5 proprietorship, or the person designated as principal in the  
6 dealer's franchise or the managing officer or one partner if no  
7 principal person is named in the franchise.

8 B. Applications for licenses required to be obtained under  
9 provisions of Section 561 et seq. of this title shall be verified by  
10 the oath or affirmation of the applicant and shall be on forms  
11 prescribed by the Oklahoma New Motor Vehicle Commission and  
12 furnished to such applicants, and shall contain such information as  
13 the Commission deems necessary to enable it to fully determine the  
14 qualifications and eligibility of the several applicants to receive  
15 the license or licenses applied for. The Commission shall require  
16 in such application, or otherwise, information relating to the  
17 applicant's financial standing, the applicant's business integrity,  
18 whether the applicant has an established place of business and is  
19 primarily engaged in the pursuit, avocation or business for which a  
20 license, or licenses, are applied for, and whether the applicant is  
21 able to properly conduct the business for which a license, or  
22 licenses, are applied for, and such other pertinent information  
23 consistent with the safeguarding of the public interest and the  
24 public welfare. All such applications for license or licenses shall

1 be accompanied by the appropriate fee or fees therefor in accordance  
2 with the schedule thereof hereinafter set out. In the event any  
3 such application is denied and the license applied for is not  
4 issued, the entire license fee shall be returned to the applicant.  
5 All licenses issued under the provisions of Section 561 et seq. of  
6 this title shall expire on June 30, following the date of issue and  
7 shall be nontransferable. All applications for renewal of a license  
8 for a new motor vehicle dealer, manufacturer, distributor or  
9 manufacturer's or distributor's representative shall be submitted by  
10 June 1 of each year, and such license or licenses will be issued by  
11 July 1. If applications have not been made for renewal of licenses  
12 at the times described in this subsection, it shall be illegal for  
13 any person to represent himself or herself and act as a dealer,  
14 manufacturer, distributor or manufacturer's or distributor's  
15 representative. Motor license agents will be notified not to accept  
16 such dealers' titles until such time as licenses have been issued by  
17 the Commission.

18 C. The schedule of license fees to be charged and received by  
19 the Commission for the licenses issued hereunder shall be as  
20 follows:

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

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

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

6           4. For each new motor vehicle dealer, except powersports  
7 vehicle dealers, initial fee of Three Hundred Dollars (\$300.00) per  
8 franchise sold at each location licensed, with an annual renewal fee  
9 of One Hundred Dollars (\$100.00) per franchise sold at each location  
10 per year; and

11           5. For each powersports vehicle dealer, initial fee of Three  
12 Hundred Dollars (\$300.00) per manufacturer represented by the dealer  
13 at each location licensed, with an annual renewal fee of One Hundred  
14 Dollars (\$100.00) per manufacturer represented by the dealer at each  
15 location licensed per year.

16           D. The licenses issued to each new motor vehicle dealer,  
17 manufacturer, distributor, factory branch, distributor branch or  
18 representative, if a corporation, shall specify the location of the  
19 factory, office or branch thereof. In case such location is  
20 changed, the Commission may endorse the change of location on the  
21 license without charge unless the change of address triggers a  
22 relocation of a new motor vehicle dealer pursuant to the provisions  
23 of Section 578.1 of this title. The license of each dealer shall be  
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1 posted in a conspicuous place in the dealer's place or places of  
2 business.

3 Every motor vehicle factory representative or distributor  
4 representative if an individual shall physically possess the license  
5 when engaged in business, and shall display same upon request. The  
6 name of the employer of such factory representative or distributor  
7 representative shall be stated on the license and, in case of a  
8 change of employer, the holder of such license shall immediately  
9 mail same to the Commission for its endorsement of such change  
10 thereon. The Commission shall endorse each such change of employer  
11 on licenses for a fee of Ten Dollars (\$10.00).

12 E. The powersports dealer license shall only allow the sale of  
13 the specific types of powersports vehicles authorized by the  
14 manufacturer and agreed to by the powersports dealer.

15 SECTION 4. AMENDATORY 47 O.S. 2021, Section 564.1, is  
16 amended to read as follows:

17 Section 564.1. ~~Licensing of off-premises displays of new motor~~  
18 ~~vehicles and off-premise sales of new motorized recreational~~  
19 ~~vehicles.~~

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

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

3 2. No selling activities shall be conducted;

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

6 4. The dealer must obtain written approval from the  
7 manufacturer or distributor; and

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

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

14 ~~1. The~~ the off-premise display is conducted within municipal,  
15 county, or state-owned or controlled facilities or within the  
16 grounds of any county, district, or state fair; ~~and~~

17 ~~2. The request for the variance must be in writing to the~~  
18 ~~Commission no less than thirty (30) days prior to the off-premise~~  
19 ~~display event.~~

20 SECTION 5. AMENDATORY 47 O.S. 2021, Section 564.2, is  
21 amended to read as follows:

22 Section 564.2. It shall be punishable by an administrative fine  
23 not to exceed Five Hundred Dollars (\$500.00) for any person, firm,  
24 association, corporation or trust to engage in business as, or serve

1 in the capacity of, a new motor vehicle salesperson in this state  
2 without first obtaining a certificate of registration with the  
3 Oklahoma New Motor Vehicle Commission. The cost of registration for  
4 each new salesperson shall be set at Twenty-five Dollars (\$25.00) to  
5 be renewed annually. The cost of registration and any  
6 administrative fine is to be borne by the employing entity of the  
7 new salesperson. The Commission shall promulgate rules and  
8 procedures necessary for the implementation and creation of the  
9 registry and the issuance of certificates of registration.

10 SECTION 6. AMENDATORY 47 O.S. 2021, Section 565, as  
11 amended by Section 3, Chapter 192, O.S.L. 2022 (47 O.S. Supp. 2022,  
12 Section 565), is amended to read as follows:

13 Section 565. A. The Oklahoma New Motor Vehicle Commission may  
14 deny an application for a license, or revoke or suspend a license or  
15 impose a fine not to exceed Ten Thousand Dollars (\$10,000.00) per  
16 occurrence against a dealer, manufacturer, or distributor ~~or a fine~~  
17 ~~not to exceed One Thousand Dollars (\$1,000.00) against a dealer per~~  
18 ~~occurrence~~ that violates any provision of Sections 561 through 567,  
19 572, 578.1, 579, and 579.1 of this title ~~is violated~~ or for any of  
20 the following reasons:

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

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

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

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

9        5. Being a new motor vehicle dealer who:

10        a. has required a purchaser of a new motor vehicle, as a  
11            condition of sale and delivery thereof, to also  
12            purchase special features, appliances, accessories or  
13            equipment not desired or requested by the purchaser  
14            and installed by the dealer,

15        b. uses any false or misleading advertising in connection  
16            with business as a new motor vehicle dealer,

17        c. has committed any unlawful act which resulted in the  
18            revocation of any similar license in another state,

19        d. has failed or refused to perform any written agreement  
20            with any retail buyer involving the sale of a motor  
21            vehicle,

22        e. has been convicted of a felony crime that  
23            substantially relates to the occupation of a motor  
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1 vehicle dealer and poses a reasonable threat to public  
2 safety,

3 f. has committed a fraudulent act in selling, purchasing  
4 or otherwise dealing in new motor vehicles or has  
5 misrepresented the terms and conditions of a sale,  
6 purchase or contract for sale or purchase of a new  
7 motor vehicle or any interest therein including an  
8 option to purchase such vehicle,

9 g. has failed to meet or maintain the conditions and  
10 requirements necessary to qualify for the issuance of  
11 a license, or

12 h. completes any sale or transaction of an extended  
13 service contract, extended maintenance plan, or  
14 similar product using contract forms that do not  
15 conspicuously disclose the identity of the service  
16 contract provider;

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

19 7. Being a new motor vehicle dealer who:

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

21 b. does not provide for a suitable repair shop separate  
22 from the display room with ample space to repair or  
23 recondition one or more vehicles at the same time, and  
24 which is equipped with such parts, tools and equipment

1 as may be requisite for the servicing of motor  
2 vehicles in such a manner as to make them comply with  
3 the safety laws of this state and to properly fulfill  
4 the dealer's or manufacturer's warranty obligation,

5 c. does not hold a franchise in effect with a  
6 manufacturer or distributor of new or unused motor  
7 vehicles for the sale of the same and is not  
8 authorized by the manufacturer or distributor to  
9 render predelivery preparation of such vehicles sold  
10 to purchasers and to perform any authorized post-sale  
11 work pursuant to the manufacturer's or distributor's  
12 warranty,

13 d. employs a person without obtaining a certificate of  
14 registration for the person, or utilizes the services  
15 of used motor vehicle lots or dealers or other  
16 unlicensed persons in connection with the sale of new  
17 motor vehicles,

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

20 f. fails to order and stock a reasonable number of new  
21 motor vehicles necessary to meet customer demand for  
22 each of the new motor vehicles included in the new  
23 motor vehicle dealer's franchise agreement, unless the  
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1 new motor vehicles are not readily available from the  
2 manufacturer or distributor due to limited production;

3 8. Being a factory that has:

4 a. either induced or attempted to induce by means of  
5 coercion or intimidation, any new motor vehicle  
6 dealer:

7 (1) to accept delivery of any motor vehicle or  
8 vehicles, parts or accessories therefor, or any  
9 other commodities including advertising material  
10 which shall not have been ordered by the new  
11 motor vehicle dealer,

12 (2) to order or accept delivery of any motor vehicle  
13 with special features, appliances, accessories or  
14 equipment not included in the list price of the  
15 motor vehicles as publicly advertised by the  
16 manufacturer thereof, or

17 (3) to order or accept delivery of any parts,  
18 accessories, equipment, machinery, tools,  
19 appliances or any commodity whatsoever, or

20 b. induced under threat or discrimination by the  
21 withholding from delivery to a motor vehicle dealer  
22 certain models of motor vehicles, changing or amending  
23 unilaterally the dealer's allotment of motor vehicles  
24 and/or withholding and delaying delivery of such

1 vehicles out of the ordinary course of business, in  
2 order to induce by such coercion any such dealer to  
3 participate or contribute to any local or national  
4 advertising fund controlled directly or indirectly by  
5 the factory or for any other purposes such as contest,  
6 "give-aways" or other so-called sales promotional  
7 devices and/or change of quotas in any sales contest;  
8 or has required motor vehicle dealers, as a condition  
9 to receiving their vehicle allotment, to order a  
10 certain percentage of the vehicles with optional  
11 equipment not specified by the new motor vehicle  
12 dealer; however, nothing in this section shall  
13 prohibit a factory from supporting an advertising  
14 association which is open to all dealers on the same  
15 basis;

16 9. Being a factory that:

- 17 a. has attempted to coerce or has coerced any new motor  
18 vehicle dealer to enter into any agreement or to  
19 cancel any agreement, or fails to act in good faith  
20 and in a fair, equitable and nondiscriminatory manner;  
21 or has directly or indirectly coerced, intimidated,  
22 threatened or restrained any motor vehicle dealer; or  
23 has acted dishonestly, or has failed to act in  
24

1 accordance with the reasonable standards of fair  
2 dealing,

3 b. has failed to compensate its dealers for the work and  
4 services they are required to perform in connection  
5 with the dealer's delivery and preparation obligations  
6 according to the agreements on file with the  
7 Commission which must be found by the Commission to be  
8 reasonable, or fail to adequately and fairly  
9 compensate its dealers for labor, parts and other  
10 expenses incurred by such dealer to perform under and  
11 comply with manufacturer's warranty agreements.

12 Adequate and fair compensation for parts shall be  
13 established by the dealer submitting to the  
14 manufacturer or distributor one hundred sequential  
15 nonwarranty customer-paid service repair orders which  
16 contain warranty-like parts, or ninety (90)  
17 consecutive days of nonwarranty customer-paid service  
18 repair orders which contain warranty-like parts,  
19 whichever is less, covering repairs made no more than  
20 one hundred eighty (180) days before the submission  
21 and declaring the average percentage markup. Adequate  
22 and fair compensation for labor shall be established  
23 by the dealer submitting to the manufacturer or  
24 distributor one hundred sequential customer-paid



1 service repair orders which contain labor charges, or  
2 ninety (90) consecutive days of customer-paid service  
3 repair orders which contain labor charges, whichever  
4 is less. When submitting repair orders to calculate a  
5 labor rate, a dealer need not include repair orders  
6 for routine maintenance. A manufacturer or  
7 distributor may, not later than thirty (30) days after  
8 submission, rebut that declared rate in writing by  
9 reasonably substantiating that the rate is inaccurate  
10 or unreasonable in light of the practices of all other  
11 franchised motor vehicle dealers in an economically  
12 similar part of the state offering the same line-make  
13 vehicles. The retail rate shall go into effect thirty  
14 (30) days following the approval by the manufacturer,  
15 subject to audit of the submitted repair orders by the  
16 franchisor and a rebuttal of the declared rate as  
17 described above. If the declared rate is rebutted,  
18 the manufacturer or distributor shall propose an  
19 adjustment in writing of the average percentage markup  
20 based on that rebuttal not later than thirty (30) days  
21 after submission. If the dealer does not agree with  
22 the proposed average percentage markup, the dealer may  
23 file a protest with the Commission not later than  
24 thirty (30) days after receipt of that proposal by the

1 manufacturer or distributor. In the event a protest  
2 is filed, the manufacturer or distributor shall have  
3 the burden of proof to establish the new motor vehicle  
4 dealer's submitted rate was inaccurate or unreasonable  
5 in light of the practices of all other franchised  
6 motor vehicle dealers in an economically similar part  
7 of the state. A manufacturer or distributor may not  
8 retaliate against any new motor vehicle dealer seeking  
9 to exercise its rights under this provision. A  
10 manufacturer or distributor may require a dealer to  
11 submit repair orders in accordance with this section  
12 in order to validate a dealer's retail rate for parts  
13 or labor not more often than once every twelve (12)  
14 months. All claims made by dealers for compensation  
15 for delivery, preparation and warranty work shall be  
16 paid within thirty (30) days after approval and shall  
17 be approved or disapproved within thirty (30) days  
18 after receipt. When any claim is disapproved, the  
19 dealer shall be notified in writing of the grounds for  
20 disapproval. The dealer's delivery, preparation and  
21 warranty obligations as filed with the Commission  
22 shall constitute the dealer's sole responsibility for  
23 product liability as between the dealer and  
24 manufacturer. A factory may reasonably and

1 periodically audit a new motor vehicle dealer to  
2 determine the validity of paid claims for dealer  
3 compensation or any charge-backs for warranty parts or  
4 service compensation. Except in cases of suspected  
5 fraud, audits of warranty payments shall only be for  
6 the one-year period immediately following the date of  
7 the payment. A manufacturer shall reserve the right  
8 to reasonable, periodic audits to determine the  
9 validity of paid claims for dealer compensation or any  
10 charge-backs for consumer or dealer incentives.  
11 Except in cases of suspected fraud, audits of  
12 incentive payments shall only be for a one-year period  
13 immediately following the date of the payment. A  
14 factory shall not deny a claim or charge a new motor  
15 vehicle dealer back subsequent to the payment of the  
16 claim unless the factory can show that the claim was  
17 false or fraudulent or that the new motor vehicle  
18 dealer failed to reasonably substantiate the claim by  
19 the written reasonable procedures of the factory. The  
20 factory shall provide written notice to a dealer of a  
21 proposed charge-back that is the result of an audit  
22 along with the specific audit results and proposed  
23 charge-back amount. A dealer that receives notice of  
24 a proposed charge-back pursuant to a factory's audit

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

10 c. unreasonably fails or refuses to offer to its same  
11 line-make franchised dealers all models manufactured  
12 for that line-make, or unreasonably requires a dealer  
13 to pay any extra fee, purchase unreasonable  
14 advertising displays or other materials, or remodel,  
15 renovate, or recondition the dealer's existing  
16 facilities as a prerequisite to receiving a model or  
17 series of vehicles. The failure to deliver any such  
18 new motor vehicle shall not be considered a violation  
19 of the section if the failure is not arbitrary or is  
20 due to lack of manufacturing capacity or to a strike  
21 or labor difficulty, a shortage of materials, a  
22 freight embargo or other cause over which the  
23 manufacturer has no control. However, this  
24

1           subparagraph shall not apply to recreational vehicles  
2           or limited production model vehicles,

3           d.    except as necessary to comply with a health or safety  
4           law, or to comply with a technology requirement which  
5           is necessary to sell or service a motor vehicle that  
6           the franchised motor vehicle dealer is authorized or  
7           licensed by the franchisor to sell or service,  
8           requires a new motor vehicle dealer to construct a new  
9           facility or substantially renovate the new motor  
10          vehicle dealer's existing facility unless the facility  
11          construction or renovation is justified by the  
12          economic conditions existing at the time, as well as  
13          the reasonably foreseeable projections, in the  
14          automotive industry. However, this subparagraph shall  
15          not apply if the factory provides money, credit,  
16          allowance, reimbursement, or additional vehicle  
17          allocation to a dealer to compensate the dealer for  
18          the cost of, or a portion of the cost of, the facility  
19          construction or renovation,

20          e.    requires a new motor vehicle dealer to establish an  
21          exclusive facility, unless supported by reasonable  
22          business, market and economic considerations;  
23          provided, that this provision shall not restrict the  
24          terms of any agreement for such exclusive facility

1 voluntarily entered into and supported by valuable  
2 consideration separate from the new motor vehicle  
3 dealer's right to sell and service motor vehicles for  
4 the franchisor,

- 5 f. requires a new motor vehicle dealer to enter into a  
6 site-control agreement covering any or all of the new  
7 motor vehicle dealer's facilities or premises;  
8 provided, that this provision shall not restrict the  
9 terms of any site-control agreement voluntarily  
10 entered into and supported by valuable consideration  
11 separate from the new motor vehicle dealer's right to  
12 sell and service motor vehicles for the franchisor.

13 Notwithstanding the foregoing or the terms of any  
14 site-control agreement, a site-control agreement  
15 automatically extinguishes if all of the factory's  
16 franchises that operated from the location that are  
17 the subject of the site-control agreement are  
18 terminated by the factory as part of the  
19 discontinuance of a product line, or

- 20 g. requires a new motor vehicle dealer to purchase goods  
21 or services for the construction, renovation, or  
22 improvement of the dealer's facility from a vendor  
23 chosen by the factory if goods or services available  
24 from other sources are of substantially similar

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

15 10. Being a factory that establishes a system of motor vehicle  
16 allocation or distribution which is unfair, inequitable or  
17 unreasonably discriminatory. Upon the request of any dealer  
18 franchised by it, a factory shall disclose in writing to the dealer  
19 the basis upon which new motor vehicles are allocated, scheduled and  
20 delivered among the dealers of the same line-make for that factory;

21 11. Being a factory that sells directly or indirectly new motor  
22 vehicles to any retail consumer in the state except through a new  
23 motor vehicle dealer holding a franchise for the line-make that  
24 includes the new motor vehicle. This paragraph does not apply to

1 factory sales of new motor vehicles to its employees, family members  
2 of employees, retirees and family members of retirees, not-for-  
3 profit organizations or the federal, state or local governments.  
4 The provisions of this paragraph shall not preclude a factory from  
5 providing information to a consumer for the purpose of marketing or  
6 facilitating a sale of a new motor vehicle or from establishing a  
7 program to sell or offer to sell new motor vehicles through  
8 participating dealers;

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

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

18 b. (1) This paragraph does not prohibit a factory from  
19 owning or controlling a new motor vehicle dealer  
20 while in a bona fide relationship with a dealer  
21 development candidate who has made a substantial  
22 initial investment in the franchise and whose  
23 initial investment is subject to potential loss.  
24 The 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 motor vehicle dealer for a period  
9 not to exceed twelve (12) months during the  
10 transition from one dealer to another dealer if  
11 the dealership is for sale at a reasonable price  
12 and on reasonable terms and conditions to an  
13 independent qualified buyer. On showing by a  
14 factory of good cause, the Oklahoma New Motor  
15 Vehicle Commission may extend the time limit set  
16 forth above; extensions may be granted for  
17 periods not to exceed twelve (12) months.

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

22 (4) This paragraph does not prohibit a factory from  
23 owning, directly or indirectly, a minority  
24 interest in an entity that owns, operates or

1 controls motor vehicle dealerships of the same  
2 line-make franchised by the manufacturer,  
3 provided that each of the following conditions  
4 are met:

5 (a) all of the motor vehicle dealerships selling  
6 the motor vehicles of that manufacturer in  
7 this state trade exclusively in the line-  
8 make of that manufacturer,

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

15 (c) at the time the manufacturer first acquires  
16 an ownership interest or assumes operation,  
17 the distance between any dealership thus  
18 owned or operated and the nearest  
19 unaffiliated motor vehicle dealership  
20 trading in the same line-make is not less  
21 than seventy (70) miles,

22 (d) during any period in which the manufacturer  
23 has such an ownership interest, the  
24 manufacturer has no more than three

1 franchise agreements with new motor vehicle  
2 dealers licensed by the Oklahoma New Motor  
3 Vehicle Commission to do business within the  
4 state, and

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

16 13. Being a factory which directly or indirectly makes  
17 available for public disclosure any proprietary information provided  
18 to the factory by a new motor vehicle dealer, other than in  
19 composite form to dealers in the same line-make or in response to a  
20 subpoena or order of the Commission or a court. Proprietary  
21 information includes, but is not limited to, information:

22 a. derived from monthly financial statements provided to  
23 the factory, and  
24

1           b.    regarding any aspect of the profitability of a  
2                    particular new motor vehicle dealer;

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

7           15.   Being a factory which used the customer list of a new motor  
8 vehicle dealer for the purpose of unfairly competing with dealers;

9           16.   Being a factory which prohibits a new motor vehicle dealer  
10 from relocating after a written request by such new motor vehicle  
11 dealer if:

12           a.    the facility and the proposed new location satisfies  
13                    or meets the written reasonable guidelines of the  
14                    factory. Reasonable guidelines do not include site  
15                    control unless agreed to as set forth in subparagraphs  
16                    e and f of paragraph 9 of this subsection,

17           b.    the proposed new location is within the area of  
18                    responsibility of the new motor vehicle dealer  
19                    pursuant to Section 578.1 of this title, and

20           c.    the factory has sixty (60) days from receipt of the  
21                    new motor vehicle dealer's relocation request to  
22                    approve or deny the request. The failure to approve  
23                    or deny the request within the sixty-day time frame  
24                    shall constitute approval of the request;

1           17. Being a factory which prohibits a new motor vehicle dealer  
2 from adding additional line-makes to its existing facility, if,  
3 after adding the additional line-makes, the facility satisfies the  
4 written reasonable capitalization standards and facility guidelines  
5 of each factory. Reasonable facility guidelines do not include a  
6 requirement to maintain site control unless agreed to by the dealer  
7 as set forth in subparagraphs e and f of paragraph 9 of this  
8 subsection;

9           18. Being a factory that increases prices of new motor vehicles  
10 which the new motor vehicle dealer had ordered for retail consumers  
11 and notified the factory prior to the dealer's receipt of the  
12 written official price increase notification. A sales contract  
13 signed by a retail consumer accompanied with proof of order  
14 submission to the factory shall constitute evidence of each such  
15 order, provided that the vehicle is in fact delivered to the  
16 customer. Price differences applicable to new models or series  
17 motor vehicles at the time of the introduction of new models or  
18 series shall not be considered a price increase for purposes of this  
19 paragraph. Price changes caused by any of the following shall not  
20 be subject to the provisions of this paragraph:

- 21           a. the addition to a motor vehicle of required or
- 22                 optional equipment pursuant to state or federal law,
- 23           b. revaluation of the United States dollar in the case of
- 24                 foreign-made vehicles or components, or

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

3 19. Being a factory that requires a new motor vehicle dealer to  
4 participate monetarily in an advertising campaign or contest, or  
5 purchase any promotional materials, showroom or other display  
6 decoration or materials at the expense of the new motor vehicle  
7 dealer without consent of the dealer, which consent shall not be  
8 unreasonably withheld;

9 20. Being a factory that denies any new motor vehicle dealer  
10 the right of free association with any other new motor vehicle  
11 dealer for any lawful purpose, unless otherwise permitted by this  
12 chapter; or

13 21. Being a factory that requires a new motor vehicle dealer to  
14 sell, offer to sell or sell exclusively an extended service  
15 contract, extended maintenance plan or similar product, such as gap  
16 products offered, endorsed or sponsored by the factory by the  
17 following means:

18 a. by an act or statement from the factory that will in  
19 any manner adversely impact the dealer,

20 b. by measuring the dealer's performance under the  
21 franchise based on the sale of extended service  
22 contracts, extended maintenance plans or similar  
23 products offered, endorsed or sponsored by the  
24 manufacturer or distributor.

1 B. Notwithstanding the terms of any franchise agreement, in the  
2 event of a proposed sale or transfer of a dealership, the  
3 manufacturer or distributor shall be permitted to exercise a right  
4 of first refusal to acquire the assets or ownership interest of the  
5 dealer of the new vehicle dealership, if such sale or transfer is  
6 conditioned upon the manufacturer or dealer entering into a dealer  
7 agreement with the proposed new owner or transferee, only if all the  
8 following requirements are met:

9 1. To exercise its right of first refusal, the factory must  
10 notify the dealer in writing within sixty (60) days of receipt of  
11 the completed proposal for the proposed sale transfer;

12 2. The exercise of the right of first refusal will result in  
13 the dealer and the owner of the dealership receiving the same or  
14 greater consideration as they have contracted to receive in  
15 connection with the proposed change of ownership or transfer;

16 3. The proposed sale or transfer of the assets of the  
17 dealership does not involve the transfer or sale to a member or  
18 members of the family of one or more dealer owners, or to a  
19 qualified manager or a partnership or corporation controlled by such  
20 persons; and

21 4. The factory agrees to pay the reasonable expenses, including  
22 attorney fees which do not exceed the usual, customary and  
23 reasonable fees charged for similar work done for other clients  
24 incurred by the proposed new owner and transferee prior to the

1 exercise by the factory of its right of first refusal in negotiating  
2 and implementing the contract for the proposed sale or transfer of  
3 the dealership or dealership assets. Notwithstanding the foregoing,  
4 no payment of expenses and attorney fees shall be required if the  
5 proposed new dealer or transferee has not submitted or caused to be  
6 submitted an accounting of those expenses within thirty (30) days of  
7 receipt of the written request of the factory for such an  
8 accounting. The accounting may be requested by a factory before  
9 exercising its right of first refusal.

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

12 1. Business activities, including without limitation the  
13 dealings with motor vehicle manufacturers and the representatives  
14 and affiliates of motor vehicle manufacturers, of any person that is  
15 primarily engaged in the business of short-term, not to exceed  
16 twelve (12) months, rental of motor vehicles and industrial and  
17 construction equipment and activities incidental to that business,  
18 provided that:

19 a. any motor vehicle sold by that person is limited to  
20 used motor vehicles that have been previously used  
21 exclusively and regularly by that person in the  
22 conduct of business and used motor vehicles traded in  
23 on motor vehicles sold by that person,

24



1           b.    warranty repairs performed by that person on motor  
2                   vehicles are limited to those motor vehicles that it  
3                   owns, previously owned or takes in trade, and

4           c.    motor vehicle financing provided by that person to  
5                   retail consumers for motor vehicles is limited to used  
6                   vehicles sold by that person in the conduct of  
7                   business; or

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

10          D.    As used in this section:

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

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

19          SECTION 7.        AMENDATORY        47 O.S. 2021, Section 565.1, is  
20 amended to read as follows:

21          Section 565.1.   Notwithstanding the terms of any franchise  
22 agreement, and subject to the following conditions contained in  
23 paragraphs 1 through 5 of this section, any manufacturer or  
24 distributor who prevents or refuses to honor the succession to a

1 dealership by any legal heir or devisee under the will of a new  
2 motor vehicle dealer or under the laws of descent and distribution  
3 of this state without good cause or good faith, as defined in this  
4 section, shall be subject to the following procedure:

5 1. Within one hundred twenty (120) days after the death of the  
6 new motor vehicle dealer, the manufacturer shall receive a written  
7 notice from any legal heir or devisee who intends to establish a  
8 successor dealership. If timely notice is not so received, then  
9 this paragraph shall not apply, and any succession shall be governed  
10 solely by the terms of the franchise;

11 2. Within thirty (30) days of receipt of the legal heir's or  
12 devisee's timely written notice, the manufacturer may request, and  
13 the legal heir or devisee shall, within a reasonable time, provide  
14 any information which is reasonably necessary for the manufacturer  
15 to evaluate the proposed successor dealer and dealership, including,  
16 but not limited to, applications, proposals for facilities and  
17 financing;

18 3. Within sixty (60) days of receipt of such information, the  
19 manufacturer shall approve or disapprove the proposed successor  
20 dealership, and in case of disapproval shall communicate in writing  
21 such disapproval and grounds for disapproval to the legal heir or  
22 devisee;

23

24

1 4. Failure of the manufacturer to act in a timely manner with  
2 respect to any time period described above shall constitute a waiver  
3 of the manufacturer's right to disapprove the proposed succession;

4 5. Within ten (10) days of its receipt of the manufacturer's  
5 notice of disapproval, the legal heir or devisee may file a protest  
6 of the manufacturer's decision with the Oklahoma New Motor Vehicle  
7 Commission and request a hearing. Such hearing shall be heard in a  
8 substantially similar manner as provided by Section 566 of this  
9 title, except that the Commission shall render a final decision  
10 within sixty (60) days of the filing of the protest. The  
11 manufacturer shall have the burden of proof to show that its  
12 disapproval was for a good cause and in good faith. A denial shall  
13 not be for good cause and in good faith unless the factory  
14 establishes that the legal heir or devisee, or the legal heir or  
15 devisee's controlling executive management, is not of good moral  
16 character or fails to meet the written, reasonable and uniformly  
17 applied requirements of the manufacturer or distributor relating to  
18 financial qualifications, general business experience, and other  
19 requirements relating to prospective franchisees. However, a legal  
20 heir that is of good moral character in accordance with the  
21 factory's qualifications and meets the factory's financial  
22 qualifications may rely on controlling executive management that is  
23 of good moral character and meets the factory's qualifications for  
24 general business experience and other requirements relating to

1 prospective franchises. The disapproval by the manufacturer shall  
2 be final if the legal heir or devisee fails to file a timely protest  
3 of such disapproval. In the event that the Commission finds that  
4 the manufacturer's disapproval was not made for good cause, then it  
5 shall issue a final order requiring the manufacturer to honor the  
6 successor designated in the notice sent by the legal heir or  
7 devisee. Notwithstanding anything to the contrary in this section,  
8 a new motor vehicle dealer may designate any person as successor by  
9 filing a written instrument pursuant to the franchise with the  
10 manufacturer during the new motor vehicle dealer's lifetime. In  
11 such a case, the written instrument and franchise shall govern the  
12 dealership succession.

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

19 SECTION 8. AMENDATORY 47 O.S. 2021, Section 565.2, is  
20 amended to read as follows:

21 Section 565.2. A. Irrespective of the terms, provisions or  
22 conditions of any franchise, or the terms or provisions of any  
23 waiver, no manufacturer shall terminate, cancel or fail to renew any  
24 franchise with a licensed new motor vehicle dealer unless the

1 manufacturer has satisfied the notice requirements as provided in  
2 this section and has good cause for cancellation, termination or  
3 nonrenewal. The manufacturer shall not attempt to cancel or fail to  
4 renew the franchise agreement of a new motor vehicle dealer in this  
5 state unfairly and without just provocation or without due regard to  
6 the equities of the dealer or without good faith as defined herein.  
7 As used herein, "good faith" means the duty of each party to any  
8 franchise agreement to act in a fair and equitable manner toward  
9 each other, with freedom from coercion or intimidation or threats  
10 thereof from each other.

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

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

22 2. The new motor vehicle dealer has received written  
23 notification of failure to comply with the manufacturer's reasonable  
24 sales performance standards, capitalization requirements, facility

1 commitments, business related equipment acquisitions or other such  
2 remediable failings exclusive of those reasons enumerated in  
3 paragraph 1 of subsection C of this section, and the new motor  
4 vehicle dealer has been afforded a reasonable opportunity of not  
5 less than six (6) months to comply with ~~such a provision or criteria~~  
6 the manufacturer's reasonable sales performance standards and  
7 business related equipment acquisitions and not less than three (3)  
8 months to comply with the manufacturer's reasonable capitalization  
9 requirements.

10 C. Irrespective of the terms, provisions or conditions of any  
11 franchise agreement prior to the termination, cancellation or  
12 nonrenewal of any franchise, the manufacturer shall furnish  
13 notification of such termination, cancellation or nonrenewal to the  
14 new motor vehicle dealer and the Oklahoma New Motor Vehicle  
15 Commission as follows:

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

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

22 a. insolvency of the new motor vehicle dealer, or the  
23 filing of any petition by or against the motor vehicle  
24 dealer under any bankruptcy or receivership law,

- 1           b. failure of the new motor vehicle dealer to conduct its  
2           customary sales and service operations during its  
3           customary business hours for seven (7) consecutive  
4           business days, provided that such failure to conduct  
5           business shall not be due to an act of God or  
6           circumstances beyond the direct control of the new  
7           motor vehicle dealer, or
- 8           c. conviction of the new motor vehicle dealer of any  
9           felony which is punishable by imprisonment or a  
10          violation of the Federal Odometer Act; and

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

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

21          D. Upon the affected new motor vehicle dealer's receipt of the  
22          aforementioned notice of termination, cancellation or nonrenewal,  
23          the new motor vehicle dealer shall have the right to file a protest  
24          of such threatened termination, cancellation or nonrenewal with the

1 Commission within thirty (30) days and request a hearing. Such  
2 hearing shall be held within one hundred eighty (180) days of the  
3 date of the dealer's timely protest and in accordance with the  
4 provisions of the Administrative Procedures Act, Sections 301  
5 through 326 of Title 75 of the Oklahoma Statutes, to determine if  
6 the threatened cancellation, termination or nonrenewal of the  
7 franchise has been for good cause and if the factory has complied  
8 with its obligations pursuant to subsections A, B and C of this  
9 section and the factory shall have the burden of proof. If the  
10 Commission finds that the threatened cancellation, termination or  
11 nonrenewal of the franchise has not been for good cause or violates  
12 subsection A, B or C of this section, then it shall issue a final  
13 order stating that the threatened termination is wrongful. A  
14 factory shall have the right to appeal such order. During the  
15 pendency of the hearing and after the decision, the franchise shall  
16 remain in full force and effect, including the right to transfer the  
17 franchise. If the Commission finds that the threatened  
18 cancellation, termination or nonrenewal is for good cause and does  
19 not violate subsection A, B or C of this section, the new motor  
20 vehicle dealer shall have the right to an appeal. During the  
21 pendency of the action, including the final decision or appeal, the  
22 franchise shall remain in full force and effect, including the right  
23 to transfer the franchise. If the new motor vehicle dealer prevails  
24 in the threatened termination action, the Commission shall award to



1 the new motor vehicle dealer the attorney fees and costs incurred to  
2 defend the action.

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

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

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

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

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

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

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

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

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

- 17           a. used solely for performance in accordance with the  
18           franchise. If the facility is used for the operation  
19           of more than one franchise, the reasonable rent shall  
20           be paid based upon the portion of the facility  
21           utilized by the franchise being terminated, canceled  
22           or nonrenewed, and
- 23           b. not substantially in excess of facilities recommended  
24           by the manufacturer.

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

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

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

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

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

19           a. locate a tenant or tenants satisfactory to the lessor,  
20 who will sublet or assume the balance of the lease,

21           b. arrange with the lessor for the cancellation of the  
22 lease without penalty to the dealer, or

23           c. failing the foregoing, lease the dealership facilities  
24 at a reasonable rent for the portion of the facility

1           that is recognized in the franchise agreement for one  
2           (1) year.

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

5           a. fails to accept a bona fide offer from a prospective  
6           purchaser, subleases or assignee,

7           b. refuses to execute a settlement agreement with the  
8           lessor if such agreement with the lessor would be  
9           without cost to the dealer, or

10          c. fails to make written request for assistance under  
11          this section within ninety (90) days after the  
12          effective date of the termination, cancellation or  
13          nonrenewal.

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

16          H. In addition to the repurchase requirements set forth in  
17 subsections E and G of this section, in the event the termination or  
18 cancellation is the result of a discontinuance of a product line,  
19 the manufacturer or distributor shall compensate the new motor  
20 vehicle dealer in an amount equivalent to the fair market value of  
21 the terminated franchise as of the date of the manufacturer's or  
22 distributor's announcement or provide the new motor vehicle dealer  
23 with a replacement franchise on substantially similar terms and  
24 conditions as those offered to other same line-make dealers. The

1 dealer may immediately request payment under this provision  
2 following the announcement in exchange for cancelling any further  
3 franchise rights, except payments owed to the dealer in the ordinary  
4 course of business, or may request payment under this provision upon  
5 the final termination, cancellation or nonrenewal of the franchise.  
6 In either case, payment under this provision shall be made not later  
7 than ninety (90) days after the fair market value is determined. If  
8 the factory and dealer cannot agree on the fair market value of the  
9 terminated franchise or agree to a process to determine the fair  
10 market value, then the factory and dealer shall utilize a neutral  
11 third party mediator to resolve the disagreement.

12 SECTION 9. AMENDATORY 47 O.S. 2021, Section 565.3, is  
13 amended to read as follows:

14 Section 565.3. A. A franchised vehicle dealer proposing a  
15 sale, transfer, or assignment of a franchise agreement or the  
16 business and assets of a dealership or an interest in a dealership  
17 to another person, hereinafter transferee, shall notify the  
18 manufacturer or distributor whose vehicles the dealer is franchised  
19 to sell of the proposed action of the dealer. The manufacturer or  
20 distributor may make written request to the transferee to submit  
21 completed application forms and related information generally  
22 utilized by a manufacturer to evaluate such a proposal and a copy of  
23 all agreements related to the proposed sale, transfer, or  
24 assignment.

1 B. The approval by the manufacturer or distributor of the sale,  
2 transfer, or assignment shall not be unreasonably withheld unless  
3 the transferee is not of good moral character or fails to meet the  
4 written, reasonable, and uniformly applied requirements of the  
5 manufacturer or distributor relating to prospective franchisees.  
6 Approval of the transfer shall not be made contingent upon the  
7 transferee meeting unreasonable facility requirements or  
8 performance standards, but may be made contingent upon the  
9 transferee meeting reasonable written requirements. The burden of  
10 proof shall be upon the manufacturer or distributor to show good  
11 cause existed to withhold approval. The manufacturer or distributor  
12 that has made such a determination shall send a letter by certified  
13 mail to the dealer and the applicant of its refusal to approve the  
14 proposal, which shall include a statement of the specific grounds  
15 for refusal, within sixty (60) days after the later of:

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

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

23 C. Failure of the manufacturer or distributor to send its  
24 notice of refusal pursuant to subsection B of this section shall

1 mean that the application for the proposed sale, transfer, or  
2 assignment is approved.

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

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

23 SECTION 10. AMENDATORY 47 O.S. 2021, Section 566, is  
24 amended to read as follows:

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



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

3 SECTION 11. AMENDATORY 47 O.S. 2021, Section 566.1, is  
4 amended to read as follows:

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

9 SECTION 12. AMENDATORY 47 O.S. 2021, Section 567, is  
10 amended to read as follows:

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

20 SECTION 13. AMENDATORY 47 O.S. 2021, Section 576, is  
21 amended to read as follows:

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

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

3 SECTION 14. AMENDATORY 47 O.S. 2021, Section 578.1, is  
4 amended to read as follows:

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

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

23 2. The date on or after which the additional or relocated motor  
24 vehicle intends to commence business at the proposed location;

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

4           4. The names and addresses of the person intended to be  
5 franchised as the proposed additional or relocated motor vehicle  
6 dealership, the principal investors in the proposed additional or  
7 relocated motor vehicle dealership, and the proposed dealer operator  
8 of the proposed additional or relocated motor vehicle dealership;  
9 and

10          5. The specific grounds or reasons for the proposed  
11 establishment of an additional motor vehicle dealer or relocation of  
12 an existing dealer.

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

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

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

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

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

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

24

1 Commission shall consolidate the hearings to expedite disposition of  
2 the matter.

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

8 SECTION 15. AMENDATORY 47 O.S. 2021, Section 579, is  
9 amended to read as follows:

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

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

18 2. Effect on the retail new motor vehicle business and the  
19 consuming public in the relevant market area;

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

22 4. Whether the new motor vehicle dealers of the same line-make  
23 in that relevant market area are providing adequate competition and  
24 convenient consumer care for the motor vehicle sales and service

1 facilities, equipment, supply of motor vehicle parts, and qualified  
2 service personnel; and

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

6 SECTION 16. AMENDATORY 47 O.S. 2021, Section 596.1, is  
7 amended to read as follows:

8 Section 596.1. As used in this act:

9 1. "Area of sales responsibility" means a geographical area  
10 agreed to by a dealer and the manufacturer in a dealer agreement in  
11 which the dealer has the exclusive right to display or sell the new  
12 recreational vehicles of a manufacturer of a particular line-make to  
13 the public;

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

18 3. "Commission" means the Oklahoma New Motor Vehicle  
19 Commission;

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

23 ~~4.~~ 5. "Dealer agreement" means a written agreement or contract  
24 entered into between a manufacturer and a dealer that establishes

1 the legal rights and obligations of the parties to that agreement or  
2 contract and pursuant to which the dealer is authorized to sell new  
3 recreational vehicles manufactured or distributed by the  
4 manufacturer;

5 ~~5.~~ 6. "Established place of business" means a permanently  
6 enclosed building or structure, easily accessible to the public,  
7 with a paved or graveled lot for customer parking and for the  
8 showing and storage of vehicles. Established place of business  
9 shall not mean tents, temporary stands, lots, or other temporary  
10 quarters. The established place of business shall have a sign  
11 visible from the outside of the business which identifies the  
12 recreational vehicle dealership. The established place of business  
13 shall have an indoor office with public areas sufficient to conduct  
14 sales transactions with customers and have restroom facilities  
15 available for the public. The established place of business shall  
16 include a service and parts area, separated from the public areas,  
17 equipped with tools, equipment, and replacement parts necessary for  
18 reasonably expected warranty and service needs;

19 ~~6.~~ 7. "Factory campaign" means an effort by a warrantor to  
20 contact recreational vehicle owners or recreational vehicle dealers  
21 in order to address an issue concerning a recreational vehicle  
22 problem, defective part or equipment;

23 ~~7.~~ 8. "Factory representative" means any officer or agent  
24 engaged as a representative of a manufacturer of recreational

1 vehicles or a factory branch for the purpose of making or promoting  
2 the sale of recreational vehicles of the manufacturer or for  
3 supervising or contacting dealers or prospective dealers of the  
4 manufacturer;

5 ~~8.~~ 9. "Family member" means any of the following:

- 6 a. a spouse of an individual,
- 7 b. a child, grandchild, parent, sibling, niece, or nephew  
8 of an individual, or
- 9 c. the spouse of a child, grandchild, parent, sibling,  
10 niece, or nephew of an individual;

11 ~~9.~~ 10. "Fifth wheel trailer" means a vehicular unit mounted on  
12 wheels that is designed to provide temporary living quarters for  
13 recreational, camping or travel use of such size and weight as to  
14 not require a special highway movement permit and is designed to be  
15 towed by a motorized vehicle that contains a towing mechanism that  
16 is mounted above or forward of the rear axle of the tow vehicle;

17 ~~10.~~ 11. "Line-make" means a specific series of recreational  
18 vehicle products that meet all of the following:

- 19 a. are identified by a common series trade name or  
20 trademark,
- 21 b. are targeted to a particular market segment based on  
22 the decor, features, equipment, size, weight, and  
23 price range,

24



- 1 c. have dimensions and interior floor plans that  
2 distinguish the recreational vehicles from  
3 recreational vehicles that have substantially the same  
4 decor, features, equipment, weight, and price,  
5 d. belong to a single, distinct classification of  
6 recreational vehicle product type that has a  
7 substantial degree of commonality in the construction  
8 of the chassis, frame, and body, and  
9 e. are authorized for sale by the dealer in the dealer  
10 agreement;

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

14 ~~12.~~ 13. "Motor home" means a motorized, vehicular unit designed  
15 to provide temporary living quarters for recreational, camping or  
16 travel use;

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

18 14. "Person" means an individual, partnership, corporation,  
19 limited liability company, association, trust, estate, or other  
20 legal entity;

21 15. "Proprietary part" means a recreational vehicle part  
22 manufactured by or for a manufacturer and sold exclusively by a  
23 manufacturer;

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

- a. is primarily designed as a vehicle that also provides temporary living quarters for noncommercial, recreational or camping use,
- b. is built to the standards of the National Fire Protection Association for recreational vehicles,
- c. has its own motive power or is mounted on or towed by another vehicle,
- d. is regulated by the National Highway Traffic Safety Administration as a vehicle or vehicle equipment,
- e. does not require a special highway use permit for operation on the highways, and
- f. an individual can easily transport and set up on a daily basis.

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

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

18. "Transient customer" means a person who:

- a. owns a recreational vehicle,

- 1           b.    is temporarily traveling through the area of sales  
2                    responsibility of a dealer,  
3           c.    engages the dealer to perform service work on that  
4                    recreational vehicle, and  
5           d.    requires repairs that relate to the safe operations of  
6                    that recreational vehicle or, if not undertaken, are  
7                    of a nature that would render that recreational  
8                    vehicle unusable;

9           19.   "Travel trailer" means a vehicular unit mounted on wheels  
10           that is designed to provide temporary living quarters for  
11           recreational, camping or travel use of such size and weight as to  
12           not require a special highway movement permit when towed by a  
13           motorized vehicle;

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

18           21.   "Warrantor" means a manufacturer or any other person that  
19           provides a warranty to the consumer in connection with a new  
20           recreational vehicle or parts, accessories, or components of a new  
21           recreational vehicle. The term does not include a person that  
22           provides a service contract, mechanical or other insurance, or an  
23           extended warranty sold for separate consideration by a dealer or  
24           other person not controlled by a warrantor.

1 SECTION 17. AMENDATORY 47 O.S. 2021, Section 596.2, is  
2 amended to read as follows:

3 Section 596.2. A. It shall be unlawful for any person, firm,  
4 association, corporation or trust to engage in business as, or serve  
5 in the capacity of, or act as a new recreational vehicle dealer, new  
6 recreational vehicle manufacturer, new recreational vehicle factory  
7 representative or new recreational vehicle salesperson in this state  
8 without first obtaining a license or salesperson registration as  
9 provided for by law.

10 B. The Oklahoma New Motor Vehicle Commission ~~(OMVC)~~ shall issue  
11 new recreational vehicle dealer, manufacturer and factory  
12 representative licenses and recreational vehicle salesperson  
13 registrations upon application. The Commission shall promulgate  
14 rules and forms to implement and enforce the provisions of this  
15 section.

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

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

22 2. For each factory representative, an initial fee of One  
23 Hundred Dollars (\$100.00) with an annual renewal fee of One Hundred  
24 Dollars (\$100.00);

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

5           4. For each fifth wheel trailer, travel trailer, camping  
6 trailer and truck camper dealer, an initial fee of Three Hundred  
7 Dollars (\$300.00) per manufacturer represented at each licensed  
8 location with an annual renewal fee of One Hundred Dollars (\$100.00)  
9 per manufacturer represented at each location; and

10          5. For each salesperson registration, an initial fee of Twenty-  
11 five Dollars (\$25.00) with an annual renewal fee of Twenty-five  
12 Dollars (\$25.00).

13          D. A manufacturer shall not sell or display for sale a  
14 recreational vehicle in this state except to a dealer or through a  
15 dealer that is licensed by the Commission to sell recreational  
16 vehicles in the State of Oklahoma. The manufacturer shall also be  
17 required to have a dealer agreement with the dealer that meets the  
18 requirements of the Recreational Vehicle Franchise Act and is signed  
19 by both parties.

20          E. A dealer shall not sell or display for sale a new  
21 recreational vehicle in this state unless the dealer is licensed by  
22 the Commission to sell recreational vehicles in the State of  
23 Oklahoma. The dealer shall also be required to have a dealer  
24

1 agreement with the manufacturer of the recreational vehicle that  
2 meets the requirements of this act and is signed by both parties.

3 SECTION 18. AMENDATORY 47 O.S. 2021, Section 596.3, is  
4 amended to read as follows:

5 Section 596.3. A. All of the following conditions shall apply  
6 to the area of sales responsibility of a dealer included in a dealer  
7 agreement between a manufacturer and a dealer:

8 1. The manufacturer shall designate in the dealer agreement the  
9 area of sales responsibility exclusively assigned to the dealer;

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

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

16 B. A dealer may not conduct sales activity or display for sale  
17 recreational vehicles outside of its designated area of sales  
18 responsibility.

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

21 1. At sanctioned recreational vehicle shows where the sales  
22 event is held off-premise and at least sixty-seven percent (67%) of  
23 the recreational vehicle dealers that are located within a sixty-  
24 mile radius of the location of the show participate in the show. A

1 sanctioned recreational vehicle show may be held only under the  
2 following conditions:

- 3 a. the sponsoring entity of the sales event shall obtain  
4 a permit from the ~~OMVC~~ Oklahoma New Motor Vehicle  
5 Commission at the rate of Two Hundred Dollars  
6 (\$200.00) per event. The permit shall be for a period  
7 not to exceed ten (10) consecutive days,
- 8 b. dealer permits for a sanctioned recreational vehicle  
9 show described in this paragraph shall be obtained  
10 from the ~~OMVC~~ Commission at a rate of Fifteen Dollars  
11 (\$15.00) for each motor home per sanctioned  
12 recreational vehicle show,
- 13 c. new recreational vehicle dealers whose manufacturer-  
14 approved area of responsibility includes the event  
15 location shall be eligible to participate in the  
16 sanctioned recreational vehicle show,
- 17 d. new recreational vehicle dealers shall obtain written  
18 approval from the manufacturer or distributor to  
19 participate in the sanctioned recreational vehicle  
20 show, and
- 21 e. the sanctioned recreational vehicle show shall be  
22 conducted within municipal, county, or state-owned or  
23 controlled facilities or within the grounds of any  
24 county, district, or state fair; and

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

- 4           a. dealer permits for a nonsanctioned recreational  
5 vehicle show described in this paragraph shall be  
6 obtained from the ~~OMVC~~ Commission at a rate of Fifteen  
7 Dollars (\$15.00) for each recreational vehicle per  
8 nonsanctioned recreational vehicle show,
- 9           b. the location of the nonsanctioned recreational vehicle  
10 show shall be within the manufacturer-approved area of  
11 responsibility,
- 12           c. the nonsanctioned recreational vehicle show shall  
13 occur no more than five (5) consecutive days per  
14 event, excluding county, district, or state fairs,
- 15           d. each dealer may participate in no more than eight  
16 nonsanctioned recreational vehicle shows per calendar  
17 year, and
- 18           e. nonsanctioned recreational vehicle shows shall be held  
19 on privately owned property no closer than two and  
20 one-half (2 1/2) miles to any other nonparticipating  
21 recreational vehicle dealer; provided, however a  
22 nonsanctioned recreational vehicle show may be held on  
23 county or municipally owned property with no mileage  
24 barrier restriction.



1 D. A dealer may display a recreational vehicle within the  
2 designated area of responsibility of the dealer for promotional  
3 purposes. At an off-premise display event, no sales activities  
4 shall be conducted including, but not limited to, negotiations,  
5 financing and accepting credit applications. Sales or finance  
6 personnel shall not be permitted to participate at an off-premise  
7 display event. A permit for the off-premise display event shall not  
8 be required.

9 E. A dealer agreement shall include a designated principal of  
10 the dealer. A dealer agreement may identify a family member as the  
11 successor of the principal or include a succession plan of the  
12 dealer. A dealer may at any time change a designation or succession  
13 plan made in the dealer agreement by providing written notice to the  
14 manufacturer.

15 SECTION 19. AMENDATORY 47 O.S. 2021, Section 596.5, is  
16 amended to read as follows:

17 Section 596.5. A. A manufacturer, directly or through any  
18 officer, agent, or employee, may terminate or not renew a dealer  
19 agreement without good cause. If the manufacturer terminates or  
20 does not renew the dealer agreement without good cause, the  
21 manufacturer shall comply with the provisions of subsections D and E  
22 of this section. If the manufacturer terminates or does not renew  
23 the dealer agreement with good cause, the provisions of subsections  
24 D and E of this section shall not apply.

1 B. A manufacturer has the burden of showing good cause for  
2 terminating or not renewing a dealer agreement. All of the  
3 following factors shall be considered in determining whether there  
4 is good cause for a proposed termination or nonrenewal of a dealer  
5 agreement by a manufacturer:

6 1. The extent of the penetration of the dealer in the relevant  
7 market area;

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

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

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

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

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

17 7. The performance by the dealer under the terms of dealer  
18 agreement.

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

23 1. Except as provided in paragraph 4 or 5 of this subsection,  
24 the manufacturer shall provide written notice at least ninety (90)

1 days before the effective date of the termination or nonrenewal of  
2 the dealer agreement;

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

5 3. The notice shall state that if the dealer provides to the  
6 manufacturer a written notification of the intent of the dealer to  
7 cure all claimed deficiencies within thirty (30) days after the  
8 dealer receives the notice, the dealer shall have one hundred twenty  
9 (120) days after the date of the notice to correct the claimed  
10 deficiencies. If all of the deficiencies are corrected within the  
11 one-hundred-twenty-day time period, the notice shall be deemed void  
12 and the manufacturer shall not terminate or not renew the dealer  
13 agreement because of the claimed deficiencies stated in the notice.  
14 If the dealer does not provide a notification of intent to cure  
15 deficiencies within the thirty-day time period, the termination or  
16 nonrenewal of the dealer agreement shall take effect sixty (60) days  
17 after the dealer received the notice from the manufacturer;

18 4. A manufacturer may reduce the notice period described in  
19 paragraph 1 of this subsection from ninety (90) days to thirty (30)  
20 days and shall not be required to allow the dealer an opportunity to  
21 correct the deficiencies if the grounds for termination or  
22 nonrenewal of the dealer agreement by the manufacturer are any of  
23 the specific categories of good cause described in subsection F of  
24 this section; and

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

- 5           a. the dealer becomes insolvent,
- 6           b. the dealer is bankrupt, or
- 7           c. the dealer makes an assignment for the benefit of  
8           creditors.

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

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

21           2. All current and undamaged accessories and proprietary parts  
22 sold to the dealer for resale within the eighteen (18) months prior  
23 to the effective date of the termination of the dealer agreement  
24 that are accompanied by the original invoice may be repurchased at

1 one hundred five percent (105%) of the original net price paid to  
2 the manufacturer to compensate the dealer for handling, packing, and  
3 shipping the accessories and parts; and

4 3. Any properly functioning diagnostic equipment, special  
5 tools, current signage, and other equipment and machinery, purchased  
6 by the dealer within the five (5) years prior to the effective date  
7 of the termination of the dealer agreement at the request of the  
8 manufacturer, if such equipment or machinery cannot be used in the  
9 normal course of the ongoing business of the dealer, may be  
10 repurchased at one hundred percent (100%) of the net cost of the  
11 dealer, plus freight, destination, delivery, and distribution  
12 charges and sales taxes.

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

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

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

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

6           3. A material misrepresentation to a manufacturer by a dealer  
7 that severely affects the business relationship between the dealer  
8 and the manufacturer;

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

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

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

16           SECTION 20.           AMENDATORY           47 O.S. 2021, Section 596.7, is  
17 amended to read as follows:

18           Section 596.7. The ~~OMVC~~ Oklahoma New Motor Vehicle Commission  
19 may not prohibit a dealer from selling the remaining in stock  
20 inventory of a particular line-make after a dealer agreement has  
21 been terminated or not renewed pursuant to the provisions of Section  
22 ~~7 or 8 of this act~~ 596.5 or 596.6 of this title. If recreational  
23 vehicles of a line-make are not returned or required to be returned  
24 to the manufacturer, the dealer may continue to sell all line-makes

1 that were subject to the dealer agreement and are currently in stock  
2 until those line-makes are no longer in the dealer inventory.

3 SECTION 21. AMENDATORY 47 O.S. 2021, Section 596.8, is  
4 amended to read as follows:

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

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

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

18 a. the prospective transferee was previously a party to a  
19 dealer agreement with the manufacturer that the  
20 manufacturer terminated,

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

24

- 1           c.    the prospective transferee does not have an  
2                    application for a recreational vehicle dealer license  
3                    pending with the ~~OMVC~~ Oklahoma New Motor Vehicle  
4                    Commission or a tentative dealer agreement with a  
5                    recreational vehicle manufacturer to conduct business  
6                    as a dealer in this state,
- 7           d.    the prospective transferee does not have an active  
8                    line of credit sufficient to purchase recreational  
9                    vehicles from the manufacturer according to the terms  
10                  of the dealer agreement, or
- 11           e.    in the preceding ten (10) years, the prospective  
12                  transferee was bankrupt or insolvent, made a general  
13                  assignment for the benefit of creditors, or a  
14                  receiver, trustee, or conservator was appointed to  
15                  take possession of the business or property of the  
16                  prospective transferee;

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



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

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

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

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

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

- 22           a. in the preceding ten (10) years, the successor was  
23                convicted of a felony crime or any crime of fraud,  
24                deceit or moral turpitude,

- 1           b.    in the preceding ten (10) years, the successor was  
2               bankrupt, insolvent, or made an assignment for the  
3               benefit of creditors,  
4           c.    the successor was previously a party to a dealer  
5               agreement with the manufacturer that the manufacturer  
6               terminated for a breach of a dealer agreement,  
7           d.    the successor does not have an active line of credit  
8               sufficient to purchase recreational vehicles from the  
9               manufacturer according to the terms of the dealer  
10              agreement, or  
11           e.    the successor does not have an application for a  
12               recreational vehicle dealer license pending with the  
13               ~~OMVC~~ Commission or a tentative dealer agreement with a  
14               recreational vehicle manufacturer to conduct business  
15               as a dealer in this state;

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

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

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

3 Section 596.14. The Oklahoma New Motor Vehicle Commission may  
4 deny an application for a license, revoke or suspend a license,  
5 impose a fine against a manufacturer or distributor in an amount not  
6 to exceed Ten Thousand Dollars (\$10,000.00) per occurrence, or  
7 impose a fine against a dealer in an amount not to exceed One  
8 Thousand Dollars (\$1,000.00) per occurrence if any provision of the  
9 Recreational Vehicle Franchise Act is violated or for any of the  
10 following reasons:

11 1. On satisfactory proof of unfitness of the applicant in any  
12 application for any license under the provisions of the Recreational  
13 Vehicle Franchise Act;

14 2. For any material misstatement made by an applicant in any  
15 application for any license under the provisions of the Recreational  
16 Vehicle Franchise Act;

17 3. For any failure to comply with any provision of the  
18 Recreational Vehicle Franchise Act or any rule promulgated by the  
19 Commission under authority vested to the ~~OMVC~~ Commission pursuant to  
20 the Recreational Vehicle Franchise Act;

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

23 5. Being a new recreational vehicle dealer who:  
24

- 1 a. has required a purchaser of a new recreational  
2 vehicle, as a condition of sale and delivery thereof,  
3 to also purchase special features, appliances,  
4 accessories or equipment not desired or requested by  
5 the purchaser and installed by the dealer,
- 6 b. uses any false or misleading advertising in connection  
7 with business as a new recreational vehicle dealer or  
8 vehicle salesperson,
- 9 c. has committed any unlawful act which resulted in the  
10 revocation of any similar license in another state,
- 11 d. has failed or refused to perform any written agreement  
12 with any retail buyer involving the sale of a  
13 recreational vehicle,
- 14 e. has been convicted of a crime involving moral  
15 turpitude,
- 16 f. has committed a fraudulent act in selling, purchasing  
17 or otherwise dealing in new recreational vehicles or  
18 has misrepresented the terms and conditions of a sale,  
19 purchase or contract for sale or purchase of a new  
20 recreational vehicle or any interest therein including  
21 an option to purchase such vehicle,
- 22 g. has failed to meet or maintain the conditions and  
23 requirements necessary to qualify for the issuance of  
24 a license, or

1           h.    has employed an unregistered new recreational vehicle  
2                    salesperson;

3       6.   Being a new recreational vehicle dealer who:

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

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

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

22          d.    employs unregistered salespersons or employs or  
23                  utilizes the services of used recreational vehicle  
24

1           lots, dealers or other unregistered persons in  
2           connection with the sale of new recreational vehicles;

3       7. Being a factory that has:

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

6           (1) to accept delivery of any recreational vehicle or  
7           vehicles, parts or accessories for recreational  
8           vehicles, or any other commodities including  
9           advertising material which shall not have been  
10          ordered by the new recreational vehicle dealer,

11          (2) to order or accept delivery of any recreational  
12          vehicle with special features, appliances,  
13          accessories or equipment not included in the list  
14          price of the recreational vehicles as publicly  
15          advertised by the manufacturer of the  
16          recreational vehicle, or

17          (3) to order or accept delivery of any parts,  
18          accessories, equipment, machinery, tools,  
19          appliances or any commodity whatsoever,

20          b. induced under threat or discrimination by the  
21          withholding from delivery to a recreational vehicle  
22          dealer certain models of recreational vehicles,  
23          changing or amending unilaterally the allotment of  
24          recreational vehicles of a dealer or withholding and

1           delaying delivery of such vehicles out of the ordinary  
2           course of business, in order to induce a dealer by  
3           such coercion to participate or contribute to any  
4           local or national advertising fund controlled directly  
5           or indirectly by the factory or for any other purposes  
6           including contests, giveaways, other sales promotional  
7           devices, or change of quotas in any sales contest, or  
8           c.    required recreational vehicle dealers, as a condition  
9           of receiving the vehicle allotment of the dealer, to  
10           order a certain percentage of the recreational  
11           vehicles with optional equipment not specified by the  
12           new recreational vehicle dealer; however, nothing in  
13           this paragraph shall prohibit a factory from  
14           supporting an advertising association which is open to  
15           all dealers on the same basis; or

16           8.   Has employed unlicensed factory representatives.

17           The Commission may deny any application for license, or suspend  
18           or revoke a license issued, or impose a fine, only after a hearing  
19           for which the applicant or licensee affected shall be given at least  
20           ten (10) days' written notice specifying the reason for denying the  
21           applicant a license, or, in the case of a revocation or suspension  
22           or imposition of a fine, the offense which the licensee is alleged  
23           to have committed. The notice may be served as provided by law for  
24           the service of notices or mailing a copy by registered mail to the

1 last-known residence or business address of the applicant or  
2 licensee. The hearing on alleged violations shall be at such time  
3 and place as the Commission may prescribe and the aforementioned  
4 notice shall further specify the time and place. If the applicant  
5 or licensee is a motor vehicle salesperson, factory representative  
6 or distributor representative, the Commission shall in like manner  
7 additionally notify the person, firm, association, corporation or  
8 trust with whom he or she is associated, or in whose association he  
9 or she is about to enter. The Commission shall have the power to  
10 compel the production of all records, papers and other documents  
11 which may be deemed relevant to the proceeding bearing upon the  
12 complaints. The Commission shall have the power to subpoena and  
13 bring before it any person, or take testimony of any person by  
14 deposition, with the same fees and mileage and in the same manner as  
15 prescribed in the proceedings before courts of the state in civil  
16 cases. Any party to the hearing shall have the right to the  
17 attendance of witnesses on his or her behalf upon designating to the  
18 Commission the person or persons sought to be subpoenaed.

19 SECTION 23. AMENDATORY 47 O.S. 2021, Section 596.15, is  
20 amended to read as follows:

21 Section 596.15. A. A dealer, manufacturer, or warrantor  
22 injured by another party who has violated a provision of this act  
23 may bring a civil action in court for the recovery of actual  
24



1 damages. The court shall award attorney fees and costs to the  
2 prevailing party in a civil action under this section.

3 B. Venue for a civil action filed pursuant to this section  
4 shall be the county in which the business of the dealer is located.  
5 In an action involving more than one dealer, any county in which the  
6 business of any dealer that is party to the action is located is a  
7 proper venue for that action.

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

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

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

20 3. In an action between two dealers, the address of the  
21 offending dealer in the records of the ~~OMVC~~ Oklahoma New Motor  
22 Vehicle Commission.

23 D. Within twenty (20) days after a demand for mediation is  
24 served under subsection C of this section, the parties shall

1 mutually select an independent mediator who is approved by the ~~OMVC~~  
2 Commission, and meet with that mediator for the purpose of  
3 attempting to resolve the dispute at a location in this state  
4 selected by the mediator. The mediator may extend the date of the  
5 meeting for good cause shown by either party or if the parties agree  
6 to the extension.

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

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

1 SECTION 24. AMENDATORY 47 O.S. 2021, Section 596.16, is  
2 amended to read as follows:

3 Section 596.16. A. In addition to any remedy available under  
4 the provisions of this act or otherwise available by law, a  
5 manufacturer, warrantor, or dealer may apply to the court for the  
6 grant, after a hearing and for cause shown, of a temporary or  
7 permanent injunction or other equitable relief restraining any  
8 person from doing any of the following:

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

10 2. Violating or continuing to violate the provisions of this  
11 act. A single violation of the provisions of this act shall be a  
12 sufficient basis for the court to grant equitable relief under this  
13 section; or

14 3. Failing or refusing to comply with any requirement of the  
15 provisions of this act.

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

18 C. If, on January 1, 2011, a dealership does not meet the  
19 requirements of the definition of established place of business as  
20 defined in Section ~~3 of this act~~ 596.1 of this title, the dealership  
21 shall be eligible for licensing by the ~~OMVC~~ Oklahoma New Motor  
22 Vehicle Commission for that location. If the dealership moves the  
23 dealership to a new location, the new dealership shall comply with  
24

1 the requirements of the definition of established place of business  
2 as defined in Section ~~3 of this act~~ 596.1 of this title.

3 SECTION 25. AMENDATORY 47 O.S. 2021, Section 1116.1, is  
4 amended to read as follows:

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

17 SECTION 26. AMENDATORY 47 O.S. 2021, Section 1128, as  
18 last amended by Section 142, Chapter 282, O.S.L. 2022 (47 O.S. Supp.  
19 2022, Section 1128), is amended to read as follows:

20 Section 1128. A. Every person manufacturing or having a  
21 contract to sell new vehicles in this state shall file a verified  
22 application for a general distinctive number for all new vehicles  
23 owned or controlled by the manufacturer or dealer; provided, Service  
24 Oklahoma shall issue a license to sell such new motor vehicles only

1 for those types of new vehicles for which the applicant has a sales  
2 contract or franchise; provided, further, that no license shall be  
3 issued to any applicant that has not complied with the provisions of  
4 Sections 561 through 568 of this title and does not hold a current  
5 license issued by the Oklahoma New Motor Vehicle Commission pursuant  
6 thereto. A separate manufacturer's or dealer's license shall be  
7 required for each separate county within which such manufacturer or  
8 dealer has an established place of business and upon payment of a  
9 license fee of Ten Dollars (\$10.00) there shall be assigned and  
10 issued to such manufacturer or dealer a Certificate of Registration  
11 and one license plate which shall be displayed upon each vehicle of  
12 such manufacturer or dealer when same is operated, driven, or  
13 displayed on any street, road, or highway, in the same manner as  
14 hereinbefore provided for vehicles owned by other persons. Such a  
15 manufacturer or dealer in new vehicles may obtain as many additional  
16 license plates as may be desired, upon the payment of the sum of Ten  
17 Dollars (\$10.00) for each additional plate; provided that no such  
18 license plate issued to any manufacturer or dealer shall be used or  
19 displayed upon any secondhand or used vehicle, or upon any new  
20 vehicle which is used for a service car, or private use, or for  
21 hire. Any person, with consent of the dealer, may operate a motor  
22 vehicle, with the dealer's tag affixed, while contemplating  
23 purchase, so long as this intent is limited to a consecutive  
24 seventy-two-hour period, or a weekend. An individual holding a

1 valid salesman's license issued by the ~~Oklahoma Motor Vehicle~~  
2 Commission shall not be subject to this limitation. If such person  
3 also buys and sells used vehicles, he shall, after obtaining his new  
4 motor vehicle dealer's license from the ~~Oklahoma Motor Vehicle~~  
5 Commission, also obtain a used motor vehicle dealer's license, from  
6 the Used Motor Vehicle and Parts Commission, the cost of which shall  
7 be as prescribed in Section 1101 et seq. of this title.

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

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

1 to the license fee. It shall be the duty of every person licensed  
2 to sell new or used motor vehicles to advise each purchaser in  
3 writing about his title requirements and payment of any taxes due.  
4 Each used motor vehicle must display a proper Oklahoma license plate  
5 or a used dealer's license plate.

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

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

13 E. Service Oklahoma shall issue dealer licenses to new and used  
14 manufactured home dealers, new and used travel trailer dealers and  
15 new and used commercial trailer dealers.

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

18 SECTION 27. AMENDATORY 47 O.S. 2021, Section 1137.3, as  
19 amended by Section 172, Chapter 282, O.S.L. 2022 (47 O.S. Supp.  
20 2022, Section 1137.3), is amended to read as follows:

21 Section 1137.3. The purchaser of every new motor vehicle,  
22 travel trailer or commercial trailer shall register or license the  
23 same within thirty (30) days from the date of purchase. It shall be  
24 the responsibility of the selling dealer to place a temporary



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

1 of said temporary license plate by a licensed dealer for other than  
2 the purpose of normally doing business shall constitute grounds for  
3 revocation of the dealer's license.

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

12 SECTION 28. AMENDATORY 21 O.S. 2021, Section 918, is  
13 amended to read as follows:

14 Section 918. No person, firm or corporation, whether owner,  
15 proprietor, agent or employee, shall keep open, operate or assist in  
16 keeping open or operating any place or premises or residences  
17 whether open or closed, for the purpose of selling, bartering, or  
18 exchanging, or offering for sale, barter, or exchange, any motor  
19 vehicle or motor vehicles, whether new, used or second hand, on the  
20 first day of the week, commonly called Sunday, except as otherwise  
21 provided in this section; and provided, however, that this act shall  
22 not apply to the opening of an establishment or place of business on  
23 the first day of the week for other purposes, such as the sale of  
24 petroleum products, tires, automobile accessories, or for the

1 purpose of operating and conducting a motor vehicle repair shop, or  
2 for the purpose of supplying such services as towing or wrecking.  
3 Antique, classic, or special interest automobiles sold, bartered,  
4 auctioned, or exchanged by any person, firm, or corporation are  
5 exempt from the provisions of this section, as well as ~~off-premise~~  
6 off-premises sales of new motorized recreational vehicles approved  
7 by the Oklahoma New Motor Vehicle Commission pursuant to the  
8 provisions of the Recreational Vehicle Franchise Act.

9 SECTION 29. REPEALER 47 O.S. 2021, Section 1128, as last  
10 amended by Section 21, Chapter 107, O.S.L. 2022 (47 O.S. Supp. 2022,  
11 Section 1128), is hereby repealed.

12 SECTION 30. This act shall become effective November 1, 2023.

13 COMMITTEE REPORT BY: COMMITTEE ON BUSINESS AND COMMERCE  
14 February 20, 2023 - DO PASS  
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