

1 **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2 STATE OF OKLAHOMA

3 2nd Session of the 59th Legislature (2024)

4 COMMITTEE SUBSTITUTE
5 FOR
6 HOUSE BILL NO. 3105

By: Dobrinski of the House

and

Coleman of the Senate

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10 COMMITTEE SUBSTITUTE

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

1 certain powersports vehicles under certain
2 conditions; authorizing Commission to provide certain
3 variance for certain sales events; amending 47 O.S.
4 2021, Section 564.2, as amended by Section 7, Chapter
5 29, O.S.L. 2023 (47 O.S. Supp. 2023, Section 564.2),
6 which relates to certificates of registration;
7 modifying list of persons and entities subject to
8 certain fine; amending 47 O.S. 2021, Section 565, as
9 last amended by Section 8, Chapter 29, O.S.L. 2023
10 (47 O.S. Supp. 2023, Section 565), which relates to
11 the denial, revocation, suspension of licenses;
12 modifying to include applicability to new powersports
13 dealers; amending 47 O.S. 2021, Section 565.1, as
14 amended by Section 9, Chapter 29, O.S.L. 2023 (47
15 O.S. Supp. 2023, Section 565.1), which relates to
16 procedure for prevention or refusal to honor
17 succession to dealership to designated successor;
18 modifying to include applicability to new powersports
19 dealers; amending 47 O.S. 2021, Section 565.2, as
20 amended by Section 10, Chapter 29, O.S.L. 2023 (47
21 O.S. Supp. 2023, Section 565.2), which relates to
22 terminating, canceling, or failing to renew
23 franchise; modifying to include applicability to new
24 powersports dealers; 47 O.S. 2021, Section 565.3, as
amended by Section 11, Chapter 29, O.S.L. 2023 (47
O.S. Supp. 2023, Section 565.3), which relates to
notice to manufacturers or distributors of sales,
transfers, or assignments of franchise; modifying to
include applicability to new powersports dealers;
amending Section 2, Chapter 29, O.S.L. 2023 (47 O.S.
Supp. 2023, Section 565.4), which relates to remote
software upgrades; modifying to include applicability
to new powersports dealers; amending 47 O.S. 2021,
Section 566, as amended by Section 12, Chapter 29,
O.S.L. 2023 (47 O.S. Supp. 2023, Section 566), which
relates to procedures and fines for denial,
suspension, or revocation of license; modifying
certain notice requirement; modifying individuals for
who may be fined or whose license or application may
be suspended, denied, or revoked; amending 47 O.S.
2021, Section 572, which relates to venue in damage
actions; modifying to include applicability to new
powersports dealers; amending 47 O.S. 2021, Section
573, which relates to liberal construction; modifying
description of certain vehicles; amending 47 O.S.
2021, Section 578.1, as amended by Section 16,
Chapter 29, O.S.L. 2023 (47 O.S. Supp. 2023, Section

1 578.1), which relates to procedures for establishing
2 new or relocating existing dealerships; modifying to
3 include applicability to new powersports dealers;
4 amending 47 O.S. 2021, Section 579, as amended by
5 Section 17, Chapter 29, O.S.L. 2023 (47 O.S. Supp.
6 2023, Section 579), which relates to considerations
7 in determining good cause for not entering into or
8 relocating additional franchise; modifying to include
9 applicability to new powersports dealers; amending 47
10 O.S. 2021, Section 579.1, which relates to certain
11 unlawful vehicle brokering; modifying to include
12 applicability to new powersports dealers; amending 47
13 O.S. 2021, Section 580.2, as amended by Section 18,
14 Chapter 29, O.S.L. 2023 (47 O.S. Supp. 2023, Section
15 580.2), which relates to vehicles on loan from
16 authorized motor vehicle dealer; modifying to include
17 applicability to new powersports dealers; and
18 providing an effective date.

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

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

22 Section 561. The Legislature finds and declares that the
23 distribution and sale of new motor vehicles and powersport vehicles
24 in the State of Oklahoma vitally affects the general economy of the
state and the public interest and the public welfare, and that in
order to promote the public interest and the public welfare, and in
the exercise of its police powers, it is necessary to regulate and
to license motor vehicle manufacturers, distributors,
representatives, new motor vehicle dealers, powersport vehicle
dealers, and salespersons of new motor vehicles and powersport
vehicles doing business in Oklahoma, in order to prevent frauds,

1 | impositions and other abuses upon its citizens and to protect and
2 | preserve the investments and properties of the citizens of this
3 | state, and in order to avoid undue control of the independent motor
4 | vehicle dealer or powersport dealer by the motor vehicle or
5 | powersport manufacturing and distributing organizations, and in
6 | order to foster and keep alive vigorous and healthy competition by
7 | prohibiting unfair practices by which fair and honest competition is
8 | destroyed or prevented, and to protect the public against the
9 | creation or perpetuation of monopolies and practices detrimental to
10 | the public welfare, to prevent the practice of requiring the buying
11 | of special features, appliances and equipment not desired or
12 | requested by the purchaser, to prevent false and misleading
13 | advertising, to prevent unfair practices by motor vehicle dealers,
14 | or powersports dealers, manufacturers and distributing
15 | organizations, to promote the public safety and prevent disruption
16 | of the franchise system of distribution of motor vehicles or
17 | powersports vehicles to the public and prevent deterioration of
18 | facilities for servicing motor or powersport vehicles and keeping
19 | same safe and properly functioning, and prevent bankrupting of motor
20 | vehicle dealers and powersport dealers, who might otherwise be
21 | caused to fail because of such unfair practices.

22 | SECTION 2. AMENDATORY 47 O.S. 2021, Section 562, as
23 | amended by Section 3, Chapter 29, O.S.L. 2023 (47 O.S. Supp. 2023,
24 | Section 562), is amended to read as follows:

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

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

- 9 a. recreational vehicles, as defined in the Recreational
10 Vehicle Franchise Act, or
- 11 b. ~~all-terrain powersport vehicles, utility vehicles, and~~
12 ~~motorcycles used exclusively for off-road use which~~
13 ~~are sold by a retail implement dealer;~~

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

1 the manufacturer of the vehicle to be made before its delivery to
2 the purchaser. "Performance of authorized post-sale work pursuant
3 to the warranty", as used herein, means the rendition of services
4 which are required by the terms of the warranty that stands extended
5 to the vehicle at the time of its sale and are to be made in
6 accordance with the safety standards prescribed by the manufacturer.
7 The term includes premises or facilities at which a person engages
8 only in the repair of motor vehicles if repairs are performed
9 pursuant to the terms of a franchise and motor vehicle
10 manufacturer's warranty. For the purpose of Sections 561 through
11 567, 572, 578.1, 579, and 579.1 of this title, the terms new motor
12 vehicle dealer and "new motor vehicle dealership" shall be
13 synonymous. The term new motor vehicle dealer does not include:

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

24

1 3. "Motor vehicle salesperson" means any person, resident or
2 nonresident, who, for gain or compensation of any kind, either
3 directly or indirectly, regularly or occasionally, by any form of
4 agreement or arrangement, sells or negotiates for the sale, lease,
5 or conveyance or arranges the financing of any new motor vehicle or
6 powersports vehicle as an employee for any new motor vehicle dealer
7 or powersports 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, that manufactures or
12 assembles new and unused motor vehicles or new and unused powersport
13 vehicles or that engages in the fabrication or assembly of motorized
14 vehicles of a type required to be registered in this state;

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

21 7. "Factory branch" means any branch office maintained by a
22 person, firm, association, corporation, or trust that manufactures
23 or assembles motor vehicles or powersport vehicles for the sale of
24 motor vehicles or powersport vehicles to distributors, or for the

1 sale of motor vehicles to new motor vehicle dealers, or for the sale
2 of powersport vehicles to new powersport vehicle dealers, or for
3 directing or supervising, in whole or in part, its representatives;

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

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

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

20 11. "Franchise" means any contract or agreement between a new
21 motor vehicle dealer or a powersports vehicle dealer and a
22 manufacturer of a new motor vehicle or powersports vehicle or its
23 distributor or factory branch by which the new motor vehicle dealer
24 or new powersports vehicle dealer is authorized to engage in the

1 activities of a new motor vehicle dealer or new powersports vehicle
2 dealer as defined by this section;

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

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

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

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

1 16. "Product" means new motor vehicles and new motor vehicle
2 parts or new powersports vehicle and new powersports vehicle parts;

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

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

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

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

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

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

22 23. "Retail implement dealer" means a business engaged
23 primarily in the sale of farm tractors as defined in Section 1-118
24 of this title or implements of husbandry as defined in Section 1-125

1 of this title or a combination thereof and is exempt from licensing
2 by the Commission for the sale of all-terrain vehicles, utility
3 vehicles, and motorcycles used exclusively for off-road use;

4 24. "Consumer data" means nonpublic personal information as
5 defined in 15 U.S.C., Section 6809(4) as it existed on January 1,
6 2023, that is:

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

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

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

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

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

1 shall be made within thirty (30) days after November 1, 1985. Each
2 of the Commissioners thus appointed shall, at the time of the
3 appointment, be a resident in good faith of this state, shall be of
4 good moral character, and each of the industry related Commissioners
5 shall have been actually engaged in the manufacture, distribution,
6 or sale of new motor vehicles, new powersport vehicles or new
7 recreational vehicles for not less than ten (10) years preceding the
8 appointment. The members of the Commission shall serve at the
9 pleasure of the Governor.

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

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

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

22 b. two additional areas shall be Oklahoma County and
23 Tulsa County.
24

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

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

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

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

9 3. The members appointed at large shall serve until June 30,
10 1991.

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

23 D. The members of the Commission shall receive reimbursement
24 for subsistence and traveling expenses necessarily incurred in the

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
13 other help and legal services and incur such expenses as may be
14 necessary for the proper discharge of the duties of the Executive
15 Director under Section 561 et seq. of this title. The Commission
16 shall maintain its office and transact its business in Oklahoma
17 City, and it is authorized to adopt and use a seal. The Executive
18 Director is hereby authorized to hire, retain, or otherwise acquire
19 the services of an attorney to represent the Commission in any and
20 all state and federal courts, and assist the Commission in any and
21 all business or legal matters that may come before it. The attorney
22 so representing the Commission shall discharge the duties under the
23 direction of the Executive Director.

24

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 Section 561 et seq. of this title, and is hereby
4 authorized and empowered to make and enforce all reasonable rules
5 and to adopt and prescribe all forms necessary to accomplish such
6 purpose. All forms used by a new motor vehicle dealer to facilitate
7 the delivery of a vehicle pending approval of financing shall be
8 approved by the Commission. Spot delivery agreement forms shall be
9 required for all new motor vehicle or powersport vehicle deliveries
10 subject to dealers finding lending institutions to purchase the
11 retail or lease installment contracts executed by the purchasing and
12 selling parties.

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

23 At the close of each fiscal year, the Commission shall file with
24 the Governor and the State Auditor and Inspector a true and correct

1 report of all fees, fines and charges collected and received by it
2 during the preceding fiscal year and shall at the same time pay into
3 the General Revenue Fund of the state a sum equal to ten percent
4 (10%) of the fees, fines, and charges collected and received.

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

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

20 Section 564. A. It shall be unlawful for any person, firm,
21 association, corporation, or trust to engage in business as, or
22 serve in the capacity of, or act as a new motor vehicle dealer,
23 powersports dealer, or manufacturer or distributor of new motor
24 vehicles or powersports vehicles, or factory branch, distributor

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

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

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

1 ~~agents~~ Service Oklahoma and licensed operators will be notified not
2 to accept such dealers' titles until such time as licenses have been
3 issued by the Commission.

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

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

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

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

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

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

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

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

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

24

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

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

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

11 2. No selling activities shall be conducted;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

24

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

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

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

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

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

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

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

15 8. Being a factory that has:

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

19 (1) to accept delivery of any ~~motor~~ vehicle or
20 vehicles, parts, or accessories therefor, or any
21 other commodities including advertising material
22 which shall not have been ordered by the new
23 motor vehicle dealer,
24

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

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

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

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

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

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

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

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

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

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

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

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

9 9. Being a factory that:

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

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

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

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

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

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

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

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

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

11 (6) repairs on aftermarket parts,

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

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

17 (9) vehicle reconditioning, or

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

17 10. Being a factory that:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

6 D. As used in this section:

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

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

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

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

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

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

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

24

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

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

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

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

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

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

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

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

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

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

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

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

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

1 reasonable opportunity of not less than six (6) months to comply
2 with such a provision or criteria.

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

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

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

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

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

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

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

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

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

17 D. Upon the affected new motor vehicle or new powersports
18 vehicle dealer's receipt of the aforementioned notice of
19 termination, cancellation, or nonrenewal, the new motor vehicle
20 dealer shall have the right to file a protest of such threatened
21 termination, cancellation, or nonrenewal with the Commission within
22 thirty (30) days and request a hearing. The hearing shall be held
23 within one hundred eighty (180) days of the date of the timely
24 protest by the dealer and in accordance with the provisions of the

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

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

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

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

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

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

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

23 a. For the purposes of paragraph 1 of this subsection,
24 fair and reasonable compensation shall be no less than

1 the net acquisition price of the vehicle paid by the
2 ~~new motor vehicle~~ dealer.

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

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

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

21 a. used solely for performance in accordance with the
22 franchise. If the facility is used for the operation
23 of more than one franchise, the reasonable rent shall
24 be paid based upon the portion of the facility

1 utilized by the franchise being terminated, canceled,
2 or nonrenewed, and

3 b. not substantially in excess of facilities recommended
4 by the manufacturer.

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

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

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

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

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

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

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

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

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

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

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

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

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

23 Section 565.3 A. A franchised new motor vehicle or new
24 powersports vehicle dealer proposing a sale, transfer, or assignment

1 of a franchise agreement or the business and assets of a dealership
2 or an interest in a dealership to another person, hereinafter
3 transferee, shall notify the manufacturer or distributor whose
4 vehicles the dealer is franchised to sell of the proposed action of
5 the dealer. The manufacturer or distributor may make written
6 request to the proposed transferee to submit completed application
7 forms and related information generally utilized by a manufacturer
8 to evaluate such a proposal and a copy of all agreements related to
9 the proposed sale, transfer, or assignment.

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

1 distributor to show good cause existed to withhold approval. The
2 manufacturer or distributor that has made such a determination shall
3 send a letter by certified mail to the dealer and the applicant of
4 its refusal to approve the proposal, which shall include a statement
5 of the specific grounds for refusal, within sixty (60) days after
6 the later of:

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

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

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

18 D. If the proposed sale, transfer, or assignment is to an
19 existing owner's family member or other existing owner, the
20 manufacturer or distributor's evaluation of the proposal is limited
21 to the written, reasonable, and uniformly applied requirements of
22 the manufacturer or distributor relating to good moral character and
23 financial qualifications. Notwithstanding the foregoing, a change
24

1 in dealer operator shall be addressed pursuant to the provisions of
2 Section 565.1 of this ~~title~~ title.

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

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

20 SECTION 11. AMENDATORY Section 2, Chapter 29, O.S.L.
21 2023 (47 O.S. Supp. 2023, Section 565.4), is amended to read as
22 follows:

23 Section 565.4 Any manufacturer or distributor who has new motor
24 vehicle or new powersports vehicle sales and service agreements with

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

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

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

1 person, or take testimony of any such person by deposition, with the
2 same fees and mileage and in the same manner as prescribed in
3 proceedings before courts of the state in civil cases. Any party to
4 the hearing shall have the right to the attendance of witnesses ~~in~~
5 on his or her behalf upon designating to the Commission the person
6 or persons sought to be subpoenaed.

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

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

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

24

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

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

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

1 of the proposed new motor vehicle or powersports vehicle dealership
2 measured from the property boundary of primary dealership property.
3 The notice shall be sent by certified mail to each party and shall
4 include the following information:

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

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

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

14 4. The names and addresses of the person intended to be
15 franchised as the proposed additional or relocated ~~new motor vehicle~~
16 dealership, the principal investors in the proposed additional or
17 relocated ~~new motor vehicle~~ dealership, and the proposed dealer
18 operator of the proposed additional or relocated ~~new motor vehicle~~
19 dealership; and

20 5. The specific grounds or reasons for the proposed
21 establishment of an additional ~~new motor vehicle~~ dealer or
22 relocation of an existing ~~new motor vehicle~~ dealer.

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

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

5 2. A proposed additional ~~new motor vehicle~~ dealer which is to
6 be established at or within two (2) miles of a location at which a
7 former licensed ~~new motor vehicle~~ dealer for the same line-make of
8 ~~new motor~~ vehicle had ceased operating within the previous two (2)
9 years;

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

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

16 C. Within thirty (30) days after receipt of the notice, or
17 within thirty (30) days after the end of an appeal procedure
18 provided by the factory, whichever is greater, a new motor vehicle
19 dealer or new powersports vehicle dealer so notified or entitled to
20 notice may file a petition with the Commission protesting the
21 proposed establishment or relocation. The petition shall contain a
22 short statement setting forth the reasons for the objection of the
23 new motor vehicle dealer to the proposed establishment or
24 relocation. Upon filing of a protest, the Commission shall promptly

1 notify the factory that a timely protest has been filed and shall
2 schedule a hearing, which shall be held within one hundred twenty
3 (120) days of the filing of a timely protest. The factory shall not
4 establish or relocate the ~~new motor vehicle~~ dealer until the
5 Commission has held a hearing and has determined that there is good
6 cause for permitting the proposed establishment or relocation. When
7 more than one protest is filed against the establishment or
8 relocation of the same dealer, the Commission shall consolidate the
9 hearings to expedite disposition of the matter.

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

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

19 Section 579. In determining whether good cause has been
20 established for permitting the proposed establishment or relocation
21 of an additional franchise for the same line-make, the Oklahoma New
22 Motor Vehicle Commission shall take into consideration, and must be
23 persuaded, that good cause exists for entering into or relocating an
24

1 additional franchise for the same line-make by the greater weight of
2 facts and the existing circumstances, including but not limited to:

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

4 2. Effect on the retail new motor vehicle or new powersports
5 vehicle business and the consuming public in the relevant market
6 area;

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

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

14 5. Whether the establishment of an additional ~~new motor vehicle~~
15 dealership would increase competition, and therefore be in the
16 public interest.

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

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

20 B. For the purposes of this section, "broker" means a person
21 who, for a fee, commission or other valuable consideration, arranges
22 or offers to arrange a transaction involving the sale of a new motor
23 vehicle or new powersports vehicle, and who is not:
24

- 1 1. A new motor vehicle or new powersports vehicle dealer or
2 employee of such a dealer;
- 3 2. A distributor or employee of such a distributor;
- 4 3. A motor vehicle manufacturer or employee of such a
5 manufacturer; or
- 6 4. An auctioneer or any other person engaged in the auto
7 auction business.

8 However, an individual shall not be deemed to be a broker if the
9 individual is the owner of the new or used motor vehicle or new or
10 used powersports vehicle which is the object of the brokering
11 transaction.

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

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

23 Section 580.2 During the time a person is operating a motor
24 vehicle or powersports vehicle with the express or implied

1 permission of a new motor vehicle or new powersports vehicle dealer,
2 as defined in Section 562 of this title, such person's motor vehicle
3 liability policy shall have primary coverage with the motor vehicle
4 liability policy of the ~~new motor vehicle~~ dealer having secondary
5 coverage until the vehicle is returned. As used herein, "motor
6 vehicle liability policy" means motor vehicle insurance against
7 legal liability for the death, injury, or disability of any human
8 being, or for damage to real or personal property. The motor
9 vehicle liability policy of any person who has been loaned a vehicle
10 or powersports vehicle by a ~~new motor vehicle~~ dealer pursuant to the
11 terms of this section shall provide primary coverage for any death
12 or injury of any human being or for any real or personal property
13 damage, including damage to the loaned vehicle, with the motor
14 vehicle insurance policy of the ~~new motor vehicle~~ dealer having
15 secondary coverage for any death or injury of any human being or for
16 any real or personal property damage, including damage to the loaned
17 vehicle. The change in financial responsibility shall be evidenced
18 by a release signed by the person operating the vehicle with the
19 express or implied permission of the ~~new motor vehicle~~ dealer with
20 the release to be returned to the person upon the return of the
21 motor vehicle or powersports vehicle to the ~~new motor vehicle~~
22 dealer. The motor vehicle liability policy of such person shall
23 meet the minimum financial responsibility requirements found in
24 Section 7-324 of this title.

1 This section shall apply only to the loan of a motor vehicle or
2 powersports vehicle by a new motor vehicle or new powersports
3 vehicle dealer which occurs without financial remuneration in the
4 form of a fee or lease charge.

5 SECTION 19. This act shall become effective November 1, 2024.

6
7 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS AND BUDGET, dated
8 02/29/2024 - DO PASS, As Amended and Coauthored.

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