

1 **SENATE FLOOR VERSION**

2 February 20, 2023

3 SENATE BILL NO. 643

By: Coleman

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

22 There shall not be more than two members of the Commission from any
23 one area.
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1 C. The terms of office of the members first appointed to the
2 Commission shall be as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

21 1. For each factory branch or distributor branch, Four Hundred
22 Dollars (\$400.00) initial fee with annual renewal fee of Three
23 Hundred Dollars (\$300.00);
24

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

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

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

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

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

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

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

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

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

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

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

3 2. No selling activities shall be conducted;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

9 5. Being a new motor vehicle dealer who:

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

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

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

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

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

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

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

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

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

19 7. Being a new motor vehicle dealer who:

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

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

- 1 as may be requisite for the servicing of motor
2 vehicles in such a manner as to make them comply with
3 the safety laws of this state and to properly fulfill
4 the dealer's or manufacturer's warranty obligation,
- 5 c. does not hold a franchise in effect with a
6 manufacturer or distributor of new or unused motor
7 vehicles for the sale of the same and is not
8 authorized by the manufacturer or distributor to
9 render predelivery preparation of such vehicles sold
10 to purchasers and to perform any authorized post-sale
11 work pursuant to the manufacturer's or distributor's
12 warranty,
- 13 d. employs a person without obtaining a certificate of
14 registration for the person, or utilizes the services
15 of used motor vehicle lots or dealers or other
16 unlicensed persons in connection with the sale of new
17 motor vehicles,
- 18 e. does not properly service a new motor vehicle before
19 delivery of same to the original purchaser thereof, or
- 20 f. fails to order and stock a reasonable number of new
21 motor vehicles necessary to meet customer demand for
22 each of the new motor vehicles included in the new
23 motor vehicle dealer's franchise agreement, unless the
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1 new motor vehicles are not readily available from the
2 manufacturer or distributor due to limited production;

3 8. Being a factory that has:

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

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

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

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

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

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

16 9. Being a factory that:

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

1 accordance with the reasonable standards of fair
2 dealing,

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 factory sales of new motor vehicles to its employees, family members
2 of employees, retirees and family members of retirees, not-for-
3 profit organizations or the federal, state or local governments.

4 The provisions of this paragraph shall not preclude a factory from
5 providing information to a consumer for the purpose of marketing or
6 facilitating a sale of a new motor vehicle or from establishing a
7 program to sell or offer to sell new motor vehicles through
8 participating dealers;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

21 a. the addition to a motor vehicle of required or
22 optional equipment pursuant to state or federal law,

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

19 a. any motor vehicle sold by that person is limited to
20 used motor vehicles that have been previously used
21 exclusively and regularly by that person in the
22 conduct of business and used motor vehicles traded in
23 on motor vehicles sold by that person,
24

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

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

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

10 D. As used in this section:

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

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

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

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

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

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

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

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

23

24

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 b. failure of the new motor vehicle dealer to conduct its
2 customary sales and service operations during its
3 customary business hours for seven (7) consecutive
4 business days, provided that such failure to conduct
5 business shall not be due to an act of God or
6 circumstances beyond the direct control of the new
7 motor vehicle dealer, or

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- 5 a. fails to accept a bona fide offer from a prospective
6 purchaser, subleases or assignee,
- 7 b. refuses to execute a settlement agreement with the
8 lessor if such agreement with the lessor would be
9 without cost to the dealer, or
- 10 c. fails to make written request for assistance under
11 this section within ninety (90) days after the
12 effective date of the termination, cancellation or
13 nonrenewal.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

8 Section 596.1. As used in this act:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

18. "Transient customer" means a person who:

- a. owns a recreational vehicle,

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

19 5. The consent of the manufacturer shall be required for the
20 succession to a dealership by a family member of the deceased,
21 incapacitated, or retired designated principal if the succession
22 involves a relocation of the business or an alteration of the terms
23 and conditions of the dealer agreement.
24

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

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

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

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

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

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

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

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

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

3 6. Being a new recreational vehicle dealer who:

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

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

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

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

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

7. Being a factory that has:

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

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

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

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

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

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

16 8. Has employed unlicensed factory representatives.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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