

1 STATE OF OKLAHOMA

2 1st Session of the 60th Legislature (2025)

3 COMMITTEE SUBSTITUTE

4 FOR

5 HOUSE BILL NO. 2160

6 By: Dobrinski

7 COMMITTEE SUBSTITUTE

8 An Act relating to motor vehicles; 47 O.S. 2021,  
9 Section 561, as amended by Section 1, Chapter 240,  
10 O.S.L. 2024 (47 O.S. Supp. 2024, Section 561), which  
11 relates to necessity for regulation; modifying  
12 legislative intent and findings; amending 47 O.S.  
13 2021, Section 562, as last amended by Section 2,  
14 Chapter 240, O.S.L. 2024 (47 O.S. Supp. 2024, Section  
15 562), which relates to definitions; modifying  
16 definitions; amending 47 O.S. 2021, Section 563, as  
17 last amended by Section 3, Chapter 240, O.S.L. 2024  
18 (47 O.S. Supp. 2024, Section 563), which relates to  
19 the Oklahoma New Motor Vehicle Commission; requiring  
20 Commission approve certain form; amending 47 O.S.  
21 2021, Section 564, as last amended by Section 4,  
22 Chapter 240, O.S.L. 2024 (47 O.S. Supp. 2024, Section  
23 564), which relates to licenses; requiring certain  
24 licensure for certain persons and entities; modifying  
requirements for certain applications; modifying  
certain schedule of license fees; requiring certain  
entities specify location of facilities; requiring  
certain posting of license; requiring physical  
possession of certain license; amending 47 O.S. 2021,  
Section 564.2, as last amended by Section 6, Chapter  
240, O.S.L. 2024 (47 O.S. Supp. 2024, Section 564.2),  
which relates to certificates of registration;  
modifying list of salesperson to obtain certificate  
of registration; amending 47 O.S. 2021, Section 565,  
as last amended by Section 7, Chapter 240, O.S.L.  
2024 (47 O.S. Supp. 2024, Section 565), which relates  
to denial, revocation, suspension of license;  
requiring salespersons be employed by licensed  
dealers; modifying requirements for certain right of  
first refusal; requiring certain notice; outlining

1 details and requirements for certain purchase;  
2 amending 47 O.S. 2021, Section 565.2, as last amended  
3 by Section 9, Chapter 240, O.S.L. 2024 (47 O.S. Supp.  
4 2024, Section 565.2), which relates to terminating,  
5 cancelling, or failing to renew franchise; modifying  
6 types of entities subject to certain termination or  
7 cancellation requirements; modifying description of  
8 when good cause shall be required for certain  
9 termination, cancellation, or nonrenewal; modifying  
10 certain notice requirements; authorizing filing of  
11 protest under certain circumstances; modifying  
12 certain hearing provisions; modifying entities  
13 entitled to certain fair and reasonable compensation;  
14 modifying entities entitled to certain reasonable  
15 rent; modifying entities entitled to certain fair  
16 market value payment; amending 47 O.S. 2021, Section  
17 566, as last amended by Section 12, Chapter 240,  
18 O.S.L. 2024 (47 O.S. Supp. 2024, Section 566), which  
19 relates to denial, suspension, or revocation of  
20 license; authorizing the denial, suspension,  
21 revocation, or imposition of fine for certain  
22 registration; detailing certain procedures; amending  
23 47 O.S. 2021, Section 578.1, as last amended by  
24 Section 15, Chapter 240, O.S.L. 2024 (47 O.S. Supp.  
2024, Section 578.1), which relates to procedures for  
establishing or relocating new vehicle dealers;  
requiring certain measurement from nearest property  
boundary; and providing an effective date.

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

19 SECTION 1. AMENDATORY 47 O.S. 2021, Section 561, as  
20 amended by Section 1, Chapter 240, O.S.L. 2024 (47 O.S. Supp. 2024,  
21 Section 561), is amended to read as follows:

22 Section 561. The Legislature finds and declares that the  
23 distribution and sale of new motor vehicles and powersport vehicles  
24 in the State of Oklahoma vitally affects the general economy of the

1 state and the public interest and the public welfare, and that in  
2 order to promote the public interest and the public welfare, and in  
3 the exercise of its police powers, it is necessary to regulate and  
4 to license motor vehicle manufacturers, factories, distributors, and  
5 their respective representatives, new motor vehicle dealers, and  
6 powersport vehicle dealers, and to register salespersons of new  
7 motor vehicles and powersport vehicles doing business in Oklahoma,  
8 in order to prevent frauds, impositions and other abuses upon its  
9 citizens and to protect and preserve the investments and properties  
10 of the citizens of this state, and in order to avoid undue control  
11 of the independent new motor vehicle dealer or powersport vehicle  
12 dealer by the motor vehicle or powersport vehicle manufacturing and  
13 distributing organizations, and in order to foster and keep alive  
14 vigorous and healthy competition by prohibiting unfair practices by  
15 which fair and honest competition is destroyed or prevented, and to  
16 protect the public against the creation or perpetuation of  
17 monopolies and practices detrimental to the public welfare, to  
18 prevent the practice of requiring the buying of special features,  
19 appliances and equipment not desired or requested by the purchaser,  
20 to prevent false and misleading advertising, to prevent unfair  
21 practices by new motor vehicle dealers, ~~or~~ powersports vehicle  
22 dealers, manufacturers, factories, and distributing organizations,  
23 to promote the public safety and prevent disruption of the franchise  
24 or dealership system of distribution of motor vehicles ~~or~~ and

1 powersports vehicles to the public and prevent deterioration of  
2 facilities for servicing new motor vehicles or powersport vehicles  
3 and keeping the same safe and properly functioning, and prevent  
4 bankrupting of new motor vehicle dealers and powersport dealers, who  
5 might otherwise be caused to fail because of such unfair practices.

6 SECTION 2. AMENDATORY 47 O.S. 2021, Section 562, as last  
7 amended by Section 2, Chapter 240, O.S.L. 2024 (47 O.S. Supp. 2024,  
8 Section 562), is amended to read as follows:

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

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

- 17 a. recreational vehicles, as defined in the Recreational  
18 Vehicle Franchise Act, or
- 19 b. powersport vehicles;

20 2. "New motor vehicle dealer" means any person, firm,  
21 association, corporation, or trust not excluded by this paragraph  
22 who sells, offers for sale, advertises to sell, leases, or displays  
23 new motor vehicles and holds a bona fide contract or franchise in  
24 effect with a manufacturer or distributor authorized by the

1 manufacturer to make predelivery preparation of such vehicles sold  
2 to purchasers and to perform post-sale work pursuant to the  
3 manufacturer's or distributor's warranty. As used herein,  
4 "authorized predelivery preparation" means the rendition by the  
5 dealer of services and safety adjustments on each new motor vehicle  
6 in accordance with the procedure and safety standards required by  
7 the manufacturer of the vehicle to be made before its delivery to  
8 the purchaser. "Performance of authorized post-sale work pursuant  
9 to the warranty", as used herein, means the rendition of services  
10 which are required by the terms of the warranty that stands extended  
11 to the vehicle at the time of its sale and are to be made in  
12 accordance with the safety standards prescribed by the manufacturer.  
13 The term includes premises or facilities at which a person engages  
14 only in the repair of motor vehicles if repairs are performed  
15 pursuant to the terms of a franchise and motor vehicle  
16 manufacturer's warranty. For the purpose of Sections 561 through  
17 567, 572, 578.1, 579, and 579.1 of this title, the terms new motor  
18 vehicle dealer and "new motor vehicle dealership" shall be  
19 synonymous. The term new motor vehicle dealer does not include:  
20 a. receivers, trustees, administrators, executors,  
21 guardians, or other persons appointed by or acting  
22 under judgment or order of any court,  
23 b. public officers while performing or in operation of  
24 their duties,

1 c. employees of persons, corporations, or associations  
2 enumerated in subparagraph a of this paragraph when  
3 engaged in the specific performance of their duties as  
4 such employees, or

5 d. a powersports vehicle dealer;

6 3. ~~"Motor vehicle salesperson"~~ "Salesperson" means any person,  
7 resident or nonresident, who, for gain or compensation of any kind,  
8 either directly or indirectly, regularly or occasionally, by any  
9 form of agreement or arrangement, sells or negotiates for the sale,  
10 lease, or conveyance or arranges the financing of any new motor  
11 vehicle or powersports vehicle as an employee for any new motor  
12 vehicle dealer or powersports vehicle dealer to any one or more  
13 third parties;

14 4. "Commission" means the Oklahoma New Motor Vehicle  
15 Commission;

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

21 6. "Distributor" means any person, firm, association,  
22 corporation, or trust, resident or nonresident, that, being  
23 authorized by the original manufacturer, in whole or in part sells  
24 or distributes new and unused motor vehicles to new motor vehicle

1 dealers or new and unused powersport vehicles to powersport vehicle  
2 dealers, or that maintains distributor representatives;

3 7. "Factory branch" means any branch office maintained by a  
4 person, firm, association, corporation, or trust that manufactures  
5 or assembles motor vehicles or powersport vehicles for the sale of  
6 motor vehicles or powersport vehicles to distributors, or for the  
7 sale of motor vehicles to new motor vehicle dealers, or for the sale  
8 of powersport vehicles to new powersport vehicle dealers, or for  
9 directing or supervising, in whole or in part, its representatives;

10 8. "Distributor branch" means any branch office similarly  
11 maintained by a distributor for the same purposes a factory branch  
12 is maintained;

13 9. "Factory representative" means any officer, ~~or~~ agent,  
14 employee, or person engaged as a representative of a manufacturer of  
15 motor vehicles or powersport vehicles or by a factory branch, for  
16 the purpose of making or promoting the sale of its motor vehicles or  
17 powersport vehicles, or for supervising or contacting its dealers or  
18 prospective dealers;

19 10. "Distributor representative" means any person, ~~firm,~~  
20 ~~association, corporation, or trust and each~~ officer, agent and or  
21 employee ~~thereof~~ engaged as a representative of a distributor or  
22 distributor branch of motor vehicles or powersport vehicles, for the  
23 purpose of making or promoting the sale of its motor vehicles or  
24

1 powersport vehicles, or for supervising or contacting its dealers or  
2 prospective dealers;

3 11. "Franchise" means any contract or agreement between a new  
4 motor vehicle dealer or a powersports vehicle dealer and a  
5 manufacturer of a new motor vehicle or powersports vehicle or its  
6 distributor or factory branch by which the new motor vehicle dealer  
7 or new powersports vehicle dealer is authorized to engage in the  
8 activities of a new motor vehicle dealer or new powersports vehicle  
9 dealer as defined by this section;

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

17 13. "Area of responsibility" means the geographical area, as  
18 designated by the manufacturer, factory branch, factory  
19 representative, distributor, distributor branch, or distributor  
20 representative, in which the new motor vehicle dealer or powersports  
21 dealer is held responsible for the promotion and development of  
22 sales and rendering of service for the make of motor vehicle or  
23 powersports vehicle for which the new motor vehicle dealer or new  
24 powersports vehicle dealer holds a franchise or selling agreement;



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

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

8 16. "Product" means new motor vehicles and new motor vehicle  
9 parts or new powersports vehicle and new powersports vehicle parts;

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

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

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

16 20. "Factory" means a manufacturer, distributor, factory  
17 branch, distributor branch, factory representative, or distributor  
18 representative, which manufactures or distributes vehicle products,  
19 motor vehicles or powersports vehicles, or that maintains factory  
20 representatives;

21 21. "Powersports vehicle" means any new or unused motorcycles,  
22 scooters, mopeds, all-terrain vehicles, and utility vehicles  
23 required to be registered under the Oklahoma Vehicle License and  
24 Registration Act, with the exception of all-terrain vehicles,

1 utility vehicles, and motorcycles used exclusively for off-road use  
2 which are sold by a retail implement dealer;

3 22. "Powersports vehicle dealer" means any person, firm, or  
4 corporation, resident or nonresident, that is in the business of  
5 selling any new powersports vehicles except for retail implement  
6 dealers;

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

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

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

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

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

1 SECTION 3. AMENDATORY 47 O.S. 2021, Section 563, as last  
2 amended by Section 3, Chapter 240, O.S.L. 2024 (47 O.S. Supp. 2024,  
3 Section 563), is amended to read as follows:

4 Section 563. Oklahoma New Motor Vehicle Commission.

5 A. There is hereby created the Oklahoma New Motor Vehicle  
6 Commission, to be composed of nine (9) members. Seven of the  
7 members shall have been engaged in the manufacture, distribution, or  
8 sale of new motor vehicles and two members shall be lay members, all  
9 to be appointed by the Governor of the State of Oklahoma, with the  
10 advice and consent of the Senate. Appointments shall be made within  
11 thirty (30) days after November 1, 1985. Each of the Commissioners  
12 thus appointed shall, at the time of the appointment, be a resident  
13 in good faith of this state, shall be of good moral character, and  
14 each of the industry related Commissioners shall have been actually  
15 engaged in the manufacture, distribution, or sale of new motor  
16 vehicles, new powersport vehicles or new recreational vehicles for  
17 not less than ten (10) years preceding the appointment. The members  
18 of the Commission shall serve at the pleasure of the Governor.

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

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

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

7 b. two additional areas shall be Oklahoma County and  
8 Tulsa County.

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

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

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

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

17 3. The members appointed at large shall serve until June 30,  
18 1991.

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

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

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

11 E. The Commission shall appoint a qualified person to serve as  
12 Executive Director thereof, which person shall have had not less  
13 than ten (10) years of experience in the motor vehicle industry.  
14 The Executive Director shall be appointed for a term of six (6)  
15 years, and shall not be subject to dismissal or removal without  
16 cause. The Commission shall fix the salary and prescribe the duties  
17 of the Executive Director. The Executive Director shall devote such  
18 time as necessary to fulfill the duties thereof, and before entering  
19 upon such duties shall take and subscribe to the oath of office.  
20 The Executive Director may employ such clerical, technical, and  
21 other help and legal services and incur such expenses as may be  
22 necessary for the proper discharge of the duties of the Executive  
23 Director under Section 561 et seq. of this title. The Commission  
24 shall maintain its office and transact its business in Oklahoma

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

8 F. The Commission is hereby vested with the powers necessary to  
9 enable it to fully and effectively carry out the provisions and  
10 objects of Section 561 et seq. of this title, and is hereby  
11 authorized and empowered to make and enforce all reasonable rules  
12 and to adopt and prescribe all forms necessary to accomplish such  
13 purpose. All forms used by a new motor vehicle dealer or  
14 powersports vehicle dealer to facilitate the delivery of a vehicle  
15 pending approval of financing shall be approved by the Commission.  
16 Spot delivery agreement forms shall be required for all new motor  
17 vehicle or powersport vehicle deliveries subject to dealers finding  
18 lending institutions to purchase the retail or lease installment  
19 contracts executed by the purchasing and selling parties.

20 G. All fees, charges and fines collected under the provisions  
21 of Section 561 et seq. of this title shall be deposited by the  
22 Executive Director in the State Treasury in accordance with the  
23 depository laws of this state in a special fund to be known as the  
24 "Oklahoma New Motor Vehicle Commission Fund", which is hereby

1 created, and except as hereinafter provided the monies in the fund  
2 shall be used by the Commission for the purpose of carrying out and  
3 enforcing the provisions of Section 561 et seq. of this title.  
4 Expenditures from the fund shall be made upon vouchers approved by  
5 the Commission or its authorized officers.

6 At the close of each fiscal year, the Commission shall file with  
7 the Governor and the State Auditor and Inspector a true and correct  
8 report of all fees, fines and charges collected and received by it  
9 during the preceding fiscal year and shall at the same time pay into  
10 the General Revenue Fund of the state a sum equal to ten percent  
11 (10%) of the fees, fines, and charges collected and received.

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

24

1 SECTION 4. AMENDATORY 47 O.S. 2021, Section 564, as last  
2 amended by Section 4, Chapter 240, O.S.L. 2024 (47 O.S. Supp. 2024,  
3 Section 564), is amended to read as follows:

4 Section 564. A. It shall be unlawful for any person, firm,  
5 association, corporation, or trust to engage in business as, or  
6 serve in the capacity of, or act as a new motor vehicle dealer,  
7 powersports vehicle dealer, or new motor vehicle manufacturer, or  
8 distributor, ~~of new motor vehicles or powersports vehicles,~~ or  
9 factory branch, distributor branch, ~~or~~ factory representative, or  
10 distributor representative, as defined in Section 562 of this title,  
11 in this state without first obtaining a license therefor as provided  
12 for by law. Any person, firm, association, corporation, or trust  
13 engaging in more than one of such capacities or having more than one  
14 place where such business is carried on or conducted in this state,  
15 shall be required to obtain and hold a current license for each  
16 thereof. Provided that, a new motor vehicle dealer's or powersports  
17 vehicle dealer's license shall authorize one person to sell ~~in the~~  
18 ~~event~~ without the necessity of registering as a salesperson, so long  
19 as such person shall be the is an owner of a ~~proprietorship~~ the  
20 dealership, or the person designated as principal in the dealer's  
21 franchise or the managing officer or one partner if no principal  
22 person is named in the franchise. It is further provided that a  
23 factory or an entity affiliated by any ownership or control by the  
24 factory shall not be permitted to be licensed as a new motor vehicle



1 dealer in this state, except as provided by subparagraph b of  
2 paragraph 12 of Section 565 of this title.

3 B. Applications for licenses required to be obtained under the  
4 provisions of Section 561 et seq. of this title shall be verified by  
5 the oath or affirmation of the applicant and shall be on forms  
6 prescribed by the Oklahoma New Motor Vehicle Commission and  
7 furnished to the applicants, and shall contain information as the  
8 Commission deems necessary to enable it to fully determine the  
9 qualifications and eligibility of the several applicants to receive  
10 the license or licenses applied for. The Commission shall require  
11 in such application, or otherwise, information relating to the  
12 applicant's current financial standing, the applicant's business  
13 integrity, the applicant's criminal convictions or criminal or civil  
14 court proceedings history, whether the applicant has an established  
15 place of business and is primarily engaged in the pursuit,  
16 avocation, or business for which a license, or licenses, are applied  
17 for, and whether the applicant is able to properly conduct the  
18 business for which a license, or licenses, are applied for, and such  
19 other pertinent information consistent with the safeguarding of the  
20 public interest and the public welfare. All applications for  
21 license or licenses shall be accompanied by the appropriate fee or  
22 fees therefor in accordance with the schedule thereof hereinafter  
23 set out. In the event any application is denied and the license  
24 applied for is not issued, the entire license fee shall be returned

1 to the applicant. All licenses issued under the provisions of  
2 Section 561 et seq. of this title shall expire on June 30, following  
3 the date of issue and shall be nontransferable. All applications  
4 for renewal of a license for a new motor vehicle dealer, powersports  
5 vehicle dealer, manufacturer, distributor, factory branch,  
6 distributor branch, or manufacturer's or distributor's  
7 representative shall be submitted by June 1 of each year, and such  
8 license or licenses will be issued by July 1. If applications have  
9 not been made for renewal of licenses at the times described in this  
10 subsection, it shall be illegal for any person to represent himself  
11 or herself and act as a dealer, manufacturer, distributor, or  
12 manufacturer's or distributor's representative. Service Oklahoma  
13 and licensed operators will be notified not to accept ~~such dealers'~~  
14 ~~titles~~ manufacturer's statements or certificates of origin for  
15 unlicensed dealers until such time as their licenses have been  
16 issued by the Commission.

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

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

24

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

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

6       ~~4.~~ 3. 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 licensed per year; and

11       ~~5.~~ 4. 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, new  
17 powersports vehicle dealer, manufacturer, distributor, factory  
18 branch, or distributor branch 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 or new powersports vehicle  
23 dealer pursuant to the provisions of Section 578.1 of this title.  
24 The licenses ~~of each new vehicle dealer~~ shall be posted in a

1 conspicuous place in the ~~dealer's~~ licensee's place or places of  
2 business.

3 Every ~~motor vehicle~~ representative of a factory ~~representative~~  
4 or distributor ~~representative~~ shall physically possess the license  
5 when engaged in business and shall display such upon request. The  
6 name of the employer ~~of such factory representative or distributor~~  
7 ~~representative~~ shall be stated on the representative's license.

8 E. The new powersports vehicle dealer license shall only allow  
9 the sale of the specific types of powersports vehicles authorized by  
10 the manufacturer and agreed to by the powersports dealer.

11 SECTION 5. AMENDATORY 47 O.S. 2021, Section 564.2, as  
12 last amended by Section 6, Chapter 240, O.S.L. 2024 (47 O.S. Supp.  
13 2024, Section 564.2), is amended to read as follows:

14 Section 564.2. It shall be punishable by an administrative fine  
15 not to exceed Five Hundred Dollars (\$500.00) for any person,  
16 resident, or nonresident to engage in business as, or serve in the  
17 capacity of, a new motor vehicle salesperson or powersports vehicle  
18 salesperson in this state without first obtaining a certificate of  
19 registration with the Oklahoma New Motor Vehicle Commission. The  
20 cost of registration for each new salesperson shall be set at  
21 Twenty-five Dollars (\$25.00) to be renewed annually. The cost of  
22 registration and any administrative fine is to be borne by the  
23 salesperson's employing entity ~~of the new salesperson~~. The  
24 Commission shall promulgate rules and procedures necessary for the

1 implementation and creation of the registry and the issuance of  
2 certificates of registration.

3 SECTION 6. AMENDATORY 47 O.S. 2021, Section 565, as last  
4 amended by Section 7, Chapter 240, O.S.L. 2024 (47 O.S. Supp. 2024,  
5 Section 565), is amended to read as follows:

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

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

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

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

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

23 5. Being a new motor vehicle dealer or new powersports vehicle  
24 dealer who:

- 1 a. has required a purchaser of a new motor vehicle or new  
2 powersports vehicle, as a condition of sale and  
3 delivery thereof, to also purchase special features,  
4 appliances, accessories, or equipment not desired or  
5 requested by the purchaser and installed by the new  
6 motor vehicle dealer or new powersports vehicle  
7 dealer,
- 8 b. uses any false or misleading advertising in connection  
9 with business as a new motor vehicle dealer or new  
10 powersports vehicle dealer,
- 11 c. has committed any unlawful act which resulted in the  
12 revocation of any similar license in another state,
- 13 d. has failed or refused to perform any written agreement  
14 with any retail buyer involving the sale of a motor  
15 vehicle or powersports vehicle,
- 16 e. has been convicted of a felony crime that  
17 substantially relates to the occupation of a new motor  
18 vehicle dealer or new powersports vehicle dealer and  
19 poses a reasonable threat to public safety,
- 20 f. has committed a fraudulent act in selling, purchasing,  
21 or otherwise dealing in new motor vehicles or new  
22 powersports vehicles or has misrepresented the terms  
23 and conditions of a sale, purchase or contract for  
24 sale or purchase of a new motor vehicle or new

1 powersports vehicle or any interest therein including  
2 an option to purchase such vehicle,

3 g. has failed to meet or maintain the conditions and  
4 requirements necessary to qualify for the issuance of  
5 a license, or

6 h. completes any sale or transaction of an extended  
7 service contract, extended maintenance plan, or  
8 similar product using contract forms that do not  
9 conspicuously disclose the identity of the service  
10 contract provider;

11 6. Being a ~~new motor~~ vehicle salesperson who is not employed as  
12 such by a licensed new motor vehicle dealer or powersports vehicle  
13 dealer;

14 7. Being a new motor vehicle dealer or new powersports vehicle  
15 dealer who:

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

17 b. does not provide for a suitable repair shop separate  
18 from the display room with ample space to repair or  
19 recondition one or more vehicles at the same time, and  
20 which is staffed with properly trained and qualified  
21 repair technicians and is equipped with such parts,  
22 tools, and equipment as may be requisite for the  
23 servicing of motor vehicles in such a manner as to  
24 make them comply with the safety laws of this state

1 and to properly fulfill the dealer's or manufacturer's  
2 warranty obligation,

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

10 d. employs or utilizes the services of used motor vehicle  
11 lots or dealers or other unlicensed persons or  
12 unregistered persons in connection with the sale of  
13 new vehicles,

14 e. does not properly service a new motor vehicle or new  
15 powersports vehicle before delivery of same to the  
16 original purchaser thereof, or

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

23 8. Being a factory that has:  
24



1 a. either induced or attempted to induce by means of  
2 coercion or intimidation, any new motor vehicle dealer  
3 or powersports vehicle dealer:

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

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

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

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

1 business, in order to induce by such coercion any new  
2 motor vehicle dealer or new powersports vehicle dealer  
3 to 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 "giveaways", or other so-called sales promotional  
7 devices, and/or change of quotas in any sales contest;  
8 or has required new motor vehicle dealers, as a  
9 condition to receiving their vehicle allotment, to  
10 order a certain percentage of the vehicles with  
11 optional equipment not specified by the dealer;  
12 however, nothing in this section shall prohibit a  
13 factory from supporting an advertising association  
14 which is open to all new motor vehicle dealers or new  
15 powersports vehicle dealers on the same basis,

- 16 c. used a performance standard, sales objective, or  
17 program for measuring dealer performance that may have  
18 a material effect on a right of the dealer to vehicle  
19 allocation; or payment under any incentive or  
20 reimbursement program that is unfair, unreasonable,  
21 inequitable, and not based on accurate information,
- 22 d. used a performance standard for measuring sales or  
23 service performance of any new motor vehicle dealer or  
24

1 new powersports vehicle dealer under the terms of the  
2 franchise agreement which:

3 (1) is unfair, unreasonable, arbitrary, or  
4 inequitable, and

5 (2) does not consider the relevant and material local  
6 and state or regional criteria, including  
7 prevailing economic conditions affecting the  
8 sales or service performance of a vehicle dealer  
9 or any relevant and material data and facts  
10 presented by the dealer in writing within thirty  
11 (30) days of the written notice of the  
12 manufacturer to the dealer of its intention to  
13 cancel, terminate, or not renew the dealer's  
14 franchise agreement,

15 e. failed or refused to sell, or offer for sale, new  
16 motor vehicles to all of its authorized same line-make  
17 franchised new motor vehicle dealers or new  
18 powersports vehicle dealers at the same price for a  
19 comparably equipped motor vehicle, on the same terms,  
20 with no differential in functionally available  
21 discount, allowance, credit, or bonus, except as  
22 provided in subparagraph e of paragraph 9 of this  
23 subsection,  
24

1 f. failed to provide reasonable compensation to a new  
2 motor vehicle dealer substantially equivalent to the  
3 actual cost of providing a manufacturer required  
4 loaner or rental vehicle to any consumer who is having  
5 a vehicle serviced at the dealership. For purposes of  
6 this paragraph, actual cost is the average cost in the  
7 new motor vehicle dealer's region for the rental of a  
8 substantially similar make and model as the vehicle  
9 being serviced, or

10 g. failed to make available to its new motor vehicle  
11 dealers a fair and proportional share of all new  
12 vehicles distributed to same line-make dealers in this  
13 state, subject to the same reasonable terms, including  
14 any vehicles distributed from a common new vehicle  
15 inventory pool outside of the factory's ordinary  
16 allocation process such as any vehicles the factory  
17 reserves to distribute on a discretionary basis;

18 9. Being a factory that:

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

1 restrained any new motor vehicle dealer; has acted  
2 dishonestly; or has failed to act in accordance with  
3 the reasonable standards of fair dealing,

4 b. has failed to compensate its dealers for the work and  
5 services they are required to perform in connection  
6 with the dealer's delivery and preparation obligations  
7 according to the agreements on file with the  
8 Commission which must be found by the Commission to be  
9 reasonable, or has failed to adequately and fairly  
10 compensate its dealers for labor, parts, and other  
11 expenses incurred by the dealer to perform under and  
12 comply with manufacturer's warranty agreements and  
13 recall repairs which shall include diagnostic work as  
14 applicable and assistance requested by a consumer  
15 whose vehicle was subjected to an over-the-air or  
16 remote change, repair, or update to any part, system,  
17 accessory, or function by the manufacturer and  
18 performed by the dealer in order to satisfy the  
19 consumer. Time allowances for the diagnosis and  
20 performance of repair work shall be reasonable and  
21 adequate for the work to be performed. Adequate and  
22 fair compensation, which under this provision shall be  
23 no less than the rates customarily charged for retail  
24 consumer repairs as calculated herein, for parts and

1 labor for warranty and recall repairs shall, at the  
2 option of the new motor vehicle dealer, be established  
3 by the new motor vehicle dealer submitting to the  
4 manufacturer or distributor one hundred sequential  
5 nonwarranty consumer-paid service repair orders which  
6 contain warranty-like repairs, or ninety (90)  
7 consecutive days of nonwarranty consumer-paid service  
8 repair orders which contain warranty-like repairs,  
9 whichever is less, covering repairs made no more than  
10 one hundred eighty (180) days before the submission  
11 and declaring the average percentage labor rate and/or  
12 markup rate. A motor vehicle dealer may not submit a  
13 request to establish its retail rates more than once  
14 in a twelve-month period. That request may establish  
15 a parts markup rate, labor rate, or both. The new  
16 motor vehicle dealer or new powersports vehicle dealer  
17 shall calculate its retail parts rate by determining  
18 the total charges for parts from the qualified repair  
19 orders submitted, dividing that amount by the new  
20 motor vehicle dealer's total cost of the purchase of  
21 those parts, subtracting one (1), and multiplying by  
22 one hundred (100) to produce a percentage. The new  
23 motor vehicle dealer or new powersports vehicle dealer  
24 shall calculate its retail labor rate by dividing the

1 amount of the new vehicle dealer's total labor sales  
2 from the qualified repair orders by the total labor  
3 hours charged for those sales. When submitting repair  
4 orders to establish a retail parts and labor rate, a  
5 new motor vehicle dealer or new powersports vehicle  
6 dealer need not include repairs for:

- 7 (1) routine maintenance including but not limited to  
8 the replacement of bulbs, fluids, filters,  
9 batteries, and belts that are not provided in the  
10 course of and related to a repair,  
11 (2) factory special events, specials, or promotional  
12 discounts for retail consumer repairs,  
13 (3) parts sold or repairs performed at wholesale,  
14 (4) factory-approved goodwill or policy repairs or  
15 replacements,  
16 (5) repairs with aftermarket parts, when calculating  
17 the retail parts rate but not the retail labor  
18 rate,  
19 (6) repairs on aftermarket parts,  
20 (7) replacement of or work on tires including front-  
21 end alignments and wheel or tire rotations,  
22 (8) repairs of vehicles owned by the new motor  
23 vehicle dealer or new powersports vehicle dealer  
24 or employee thereof at the time of the repair,

- 1 (9) vehicle reconditioning, or  
2 (10) items that do not have individual part numbers  
3 including, but not limited to, nuts, bolts, and  
4 fasteners.

5 A manufacturer or distributor may, not later than  
6 forty-five (45) days after submission, rebut that  
7 declared retail parts and labor rate in writing by  
8 reasonably substantiating that the rate is not  
9 accurate or is incomplete pursuant to the provisions  
10 of this section. If the manufacturer or distributor  
11 determines the set of repair orders submitted by the  
12 new motor vehicle dealer or new powersports vehicle  
13 dealer pursuant to this section for a retail labor  
14 rate or retail parts markup rate is substantially  
15 higher than the new vehicle dealer's current warranty  
16 rates, the manufacturer or distributor may request, in  
17 writing, within forty-five (45) days after the  
18 manufacturer's or distributor's receipt of the new  
19 vehicle dealer's initial submission, all repair orders  
20 closed within the period of thirty (30) days  
21 immediately preceding, or thirty (30) days immediately  
22 following, the set of repair orders initially  
23 submitted by the new motor vehicle dealer. All time  
24 periods under this section shall be suspended until



1 the supplemental repair orders are provided. If the  
2 manufacturer or distributor requests supplemental  
3 repair orders, the manufacturer or distributor may,  
4 within thirty (30) days after receiving the  
5 supplemental repair orders and in accordance with the  
6 formula described in this subsection, calculate a  
7 proposed adjusted retail labor rate or retail parts  
8 markup rate, as applicable, based upon any set of the  
9 qualified repair orders submitted by the franchisee  
10 and following the formula set forth herein to  
11 establish the rate. The retail labor and parts rates  
12 shall go into effect thirty (30) days following the  
13 approval by the manufacturer or distributor. If the  
14 declared rate is rebutted, the manufacturer or  
15 distributor shall provide written notice stating the  
16 reasons for the rebuttal, an explanation of the  
17 reasons for the rebuttal, and a copy of all  
18 calculations used by the franchisor in determining the  
19 manufacturer or distributor's position and propose an  
20 adjustment in writing of the average percentage markup  
21 or labor rate based on that rebuttal not later than  
22 forty-five (45) days after submission. If the new  
23 motor vehicle dealer or new powersports vehicle dealer  
24 does not agree with the proposed average percentage

1 markup or labor rate, the new vehicle dealer may file  
2 a protest with the Commission not later than thirty  
3 (30) days after receipt of that proposal by the  
4 manufacturer or distributor. In the event a protest  
5 is filed, the manufacturer or distributor shall have  
6 the burden of proof to establish the new vehicle  
7 dealer's submitted parts markup rate or labor rate was  
8 inaccurate or not complete pursuant to the provisions  
9 of this section. A manufacturer or distributor may  
10 not retaliate against any new motor vehicle dealer or  
11 new powersports vehicle dealer seeking to exercise its  
12 rights under this section. A manufacturer or  
13 distributor may require a dealer to submit repair  
14 orders in accordance with this section in order to  
15 validate the reasonableness of a dealer's retail rate  
16 for parts or labor not more often than once every  
17 twelve (12) months. A manufacturer or distributor may  
18 not otherwise recover its costs from new vehicle  
19 dealers within this state including a surcharge  
20 imposed on a new motor vehicle dealer solely intended  
21 to recover the cost of reimbursing a dealer for parts  
22 and labor pursuant to this section; provided, a  
23 manufacturer or distributor shall not be prohibited  
24 from increasing prices for vehicles or parts in the

1 normal course of business or from auditing and  
2 charging back claims in accordance with this section.  
3 All claims made by dealers for compensation for  
4 delivery, preparation, warranty, or recall repair work  
5 shall be paid within thirty (30) days after approval  
6 and shall be approved or disapproved within thirty  
7 (30) days after receipt. When any claim is  
8 disapproved, the dealer shall be notified in writing  
9 of the grounds for disapproval. The dealer's  
10 delivery, preparation, and warranty obligations as  
11 filed with the Commission shall constitute the  
12 dealer's sole responsibility for product liability as  
13 between the dealer and manufacturer. A factory may  
14 reasonably and periodically audit a new motor vehicle  
15 dealer or new powersports vehicle dealer to determine  
16 the validity of paid claims for dealer compensation or  
17 any charge-backs for warranty parts or service  
18 compensation. Except in cases of suspected fraud,  
19 audits of warranty payments shall only be for the one-  
20 year period immediately following the date of the  
21 payment. A manufacturer shall reserve the right to  
22 reasonable, periodic audits to determine the validity  
23 of paid claims for dealer compensation or any charge-  
24 backs for consumer or dealer incentives. Except in

1 cases of suspected fraud, audits of incentive payments  
2 shall only be for a one-year period immediately  
3 following the date of the payment. A factory shall  
4 not deny a claim or charge a new motor vehicle dealer  
5 back subsequent to the payment of the claim unless the  
6 factory can show that the claim was false or  
7 fraudulent or that the new motor vehicle dealer or new  
8 powersports vehicle dealer failed to reasonably  
9 substantiate the claim by the written reasonable  
10 procedures of the factory. A factory shall not deny a  
11 claim or implement a charge-back against a new vehicle  
12 dealer after payment of a claim in the event a  
13 purchaser of a new vehicle that is the subject of a  
14 claim fails to comply with titling or registration  
15 laws of this state and is not prevented from  
16 compliance by any action of the dealer; provided, that  
17 the factory may require the dealer to provide, within  
18 thirty (30) days of notice of charge-back, withholding  
19 of payment, or denial of claim, the documentation to  
20 demonstrate the vehicle sale, delivery, and customer  
21 qualification for an incentive as reported, including  
22 consumer name and address and written attestation  
23 signed by the dealer operator or general manager  
24 stating the consumer was not on the export control

1 list and the dealer did not know or have reason to  
2 know the vehicle was being exported or resold.  
3 The factory shall provide written notice to a dealer  
4 of a proposed charge-back that is the result of an  
5 audit along with the specific audit results and  
6 proposed charge-back amount. A dealer that receives  
7 notice of a proposed charge-back pursuant to a  
8 factory's audit has the right to file a protest with  
9 the Commission within thirty (30) days after receipt  
10 of the notice of the charge-back or audit results,  
11 whichever is later. The factory is prohibited from  
12 implementing the charge-back or debiting the dealer's  
13 account until either the time frame for filing a  
14 protest has passed or a final adjudication is rendered  
15 by the Commission, whichever is later, unless the  
16 dealer has agreed to the charge-back or charge-backs,

17 c. fails to compensate the new motor vehicle dealer for a  
18 used motor vehicle:

19 (1) that is of the same make and model manufactured,  
20 imported, or distributed by the factory and is a  
21 line-make that the new motor vehicle dealer is  
22 franchised to sell or on which the new motor  
23 vehicle dealer is authorized to perform recall  
24 repairs,

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

4 (3) that is held by the new motor vehicle dealer in  
5 the dealer's inventory at the time the stop-sale  
6 or do-not-drive order is issued or that is taken  
7 by the new motor vehicle dealer into the dealer's  
8 inventory after the recall notice as a result of  
9 a retail consumer trade-in or a lease return to  
10 the dealer inventory in accordance with an  
11 applicable lease contract,

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

17 (5) that is not at least in the prorated amount of  
18 one percent (1.00%) of the value of the vehicle  
19 per month beginning on the date that is thirty  
20 (30) days after the date on which the stop-sale  
21 order was provided to the new motor vehicle  
22 dealer until the earlier of either of the  
23 following:  
24

- 1 (a) the date the recall remedy or parts are made  
2 available, or  
3 (b) the date the new motor vehicle dealer sells,  
4 trades, or otherwise disposes of the  
5 affected used motor vehicle.

6 For the purposes of division (5) of this subparagraph,  
7 the value of a used vehicle shall be the average Black  
8 Book value for the year, make, and model of the  
9 recalled vehicle. A factory may direct the manner and  
10 method in which a new motor vehicle dealer must  
11 demonstrate the inventory status of an affected used  
12 motor vehicle to determine eligibility under this  
13 subparagraph; provided, that the manner and method may  
14 not be unduly burdensome and may not require  
15 information that is unduly burdensome to provide. All  
16 reimbursement claims made by new motor vehicle dealers  
17 pursuant to this section for recall remedies or  
18 repairs, or for compensation where no part or repair  
19 is reasonably available and the vehicle is subject to  
20 a stop-sale or do-not-drive order, shall be subject to  
21 the same limitations and requirements as a warranty  
22 reimbursement claim made under subparagraph b of this  
23 paragraph. In the alternative, a manufacturer may  
24 compensate its franchised new motor vehicle dealers

1 under a national recall compensation program;  
2 provided, the compensation under the program is equal  
3 to or greater than that provided under division (5) of  
4 this subparagraph, or as the manufacturer and new  
5 motor vehicle dealer otherwise agree. Nothing in this  
6 section shall require a factory to provide total  
7 compensation to a new motor vehicle dealer which would  
8 exceed the total average Black Book value of the  
9 affected used motor vehicle as originally determined  
10 under division (5) of this subparagraph. Any remedy  
11 provided to a new motor vehicle dealer under this  
12 subparagraph is exclusive and may not be combined with  
13 any other state or federal compensation remedy,

14 d. unreasonably fails or refuses to offer to its same  
15 line-make franchised dealers a reasonable supply and  
16 mix of all models manufactured for that line-make, or  
17 unreasonably requires a dealer to pay any extra fee,  
18 purchase unreasonable advertising displays or other  
19 materials, or enter into a separate agreement which  
20 adversely alters the rights or obligations contained  
21 within the dealer's existing franchise agreement or  
22 which waives any right of the new motor vehicle dealer  
23 or new powersports vehicle dealer as protected by  
24 Section 561 et seq. of this title, or remodel,



1 renovate, or recondition the dealer's existing  
2 facilities as a prerequisite to receiving a model or  
3 series of vehicles, except as may be necessary to sell  
4 or service the model or series of vehicles as provided  
5 by subparagraph e of this paragraph. It shall be a  
6 violation of this section for new vehicle allocation  
7 to be withheld subject to any requirement to purchase  
8 or sell any number of used or off-lease vehicles. The  
9 failure to deliver any such new motor vehicle shall  
10 not be considered a violation of the section if the  
11 failure is not arbitrary or is due to lack of  
12 manufacturing capacity or to a strike or labor  
13 difficulty, a shortage of materials, a freight  
14 embargo, or other cause over which the manufacturer  
15 has no control. However, this subparagraph shall not  
16 apply to limited production model vehicles, a vehicle  
17 not advertised by the factory for sale in this state,  
18 vehicles that are subject to allocation affected by  
19 federal environmental laws or environmental laws of  
20 this state, or vehicles allocated in response to an  
21 unforeseen event or circumstance,  
22 e. except as necessary to comply with a health or safety  
23 law, or to comply with a technology requirement which  
24 is necessary to sell or service a vehicle that the

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

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

1 standard, or policy as it existed when the dealer  
2 began to perform under the program, standard, or  
3 policy for the balance of the ten-year period,  
4 regardless of whether the manufacturer's or  
5 distributor's program, standard, or policy has been  
6 changed or canceled, unless the manufacturer and  
7 dealer agree, in writing, to the change in payment or  
8 benefit,

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

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

1 vehicle dealer's right to sell and service motor  
2 vehicles for the franchisor. Notwithstanding the  
3 foregoing or the terms of any site-control agreement,  
4 a site-control agreement automatically extinguishes if  
5 all of the factory's franchises that operated from the  
6 location that are the subject of the site-control  
7 agreement are terminated by the factory as part of the  
8 discontinuance of a product line,

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

23 i. requires a new motor vehicle dealer or new powersports  
24 vehicle dealer to purchase goods or services for the

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

18 10. Being a factory that:

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

1 vehicles are allocated, scheduled, and delivered among  
2 the new motor vehicle dealers of the same line-make  
3 for that factory, or

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

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

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



1 local governments. The provisions of this paragraph shall not  
2 preclude a factory from providing information to a consumer for the  
3 purpose of marketing or facilitating a sale of a new vehicle or from  
4 establishing a program to sell or offer to sell new motor vehicles  
5 or new powersports vehicle through participating dealers subject to  
6 the limitations provided in paragraph 2 of Section 562 of this  
7 title;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

5 2. The exercise of the right of first refusal will result in  
6 the new motor vehicle dealer ~~or new powersports vehicle dealer~~ and  
7 the owner of the dealership receiving the same or greater  
8 consideration as they have contracted to receive in connection with  
9 the proposed change of ownership or transfer. If the proposed new  
10 motor vehicle dealership sale or transfer includes the sale,  
11 transfer, or lease of the real property and improvements thereon,  
12 then the right of first refusal shall include the same terms for the  
13 purchase or lease of the real property and all improvements thereon  
14 for the same or greater consideration as the new motor vehicle  
15 dealer has contracted to receive in connection with the proposed  
16 sale or transfer;

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

10 5. a. If a proposed sale or transfer (the transaction) by a  
11 new motor vehicle dealer (selling dealer) of a new  
12 motor vehicle dealership owned in whole or in part by  
13 a selling dealer, is part of a sale or transfer of  
14 more than one new motor vehicle dealership owned in  
15 whole or in part by a selling dealer, then any right  
16 of first refusal of any manufacturer or distributor  
17 (factory) shall not be exercised or otherwise enforced  
18 unless the purchaser (purchasing dealer) of a selling  
19 dealer's dealerships agrees in writing to proceed with  
20 the purchase of the dealerships that are the subject  
21 of the transaction without the dealerships subject to  
22 the right of first refusal.

23 b. In order for any selling dealer to seek enforcement of  
24 the provisions of this paragraph 5, the selling dealer

1 shall follow the notice provisions of this section.  
2 The selling dealer shall notify the purchasing dealer  
3 within seven (7) days of the selling dealer's receipt  
4 in writing of any factory's intent to exercise any  
5 right of first refusal with regard to any new motor  
6 vehicle dealership or dealerships that is part of the  
7 transaction.

8 c. Within thirty (30) days of the purchasing dealer's  
9 receipt from the selling dealer of notice of the  
10 factory's written notification to the selling dealer  
11 of a factory's intent to exercise its right of first  
12 refusal, the purchasing dealer shall notify the  
13 selling dealer in writing of the purchasing dealer's  
14 intent to continue or not continue with the  
15 transaction without the new motor vehicle dealership  
16 or dealerships which are subject to the factory's  
17 right of first refusal. If purchasing dealer fails to  
18 provide a written response within said thirty-day  
19 timeframe, it shall be presumed that the purchasing  
20 dealer is not willing to proceed with the transaction  
21 subject to the factory's right of first refusal. The  
22 selling dealer shall notify factory of the purchasing  
23 dealer's written response or failure to respond within  
24 three (3) business days of receipt of the purchasing

1 dealer's written response or of the purchasing  
2 dealer's failure to respond in writing within the  
3 thirty-day timeframe.

4 d. If the purchasing dealer agrees to proceed with the  
5 transaction subject to the factory exercising its  
6 right of first refusal on the dealership or  
7 dealerships subject to said right of first refusal,  
8 the factory's right to exercise its right of first  
9 refusal shall not be valid, exercised, or enforced  
10 until such time as the transaction between the selling  
11 dealer and the purchasing dealer has been closed or  
12 finalized. If the transaction is not closed or  
13 finalized for any reason or the purchasing dealer does  
14 not agree to proceed with the transaction subject to  
15 the factory's right of first refusal, then the selling  
16 dealer shall not be bound to the factory's right of  
17 first refusal, the factory shall not have any right to  
18 enforce any right of first refusal, and the selling  
19 dealer shall not proceed with the transaction so long  
20 as it includes the dealership or dealerships subject  
21 to the factory's right of first refusal without the  
22 written consent of the factory.

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

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

- 8 a. any motor vehicle or powersports vehicle sold by that  
9 person is limited to used motor vehicles or  
10 powersports vehicles that have been previously used  
11 exclusively and regularly by that person in the  
12 conduct of business and used motor vehicles or used  
13 powersports vehicles traded in on motor vehicles or  
14 powersports vehicles sold by that person,
- 15 b. warranty repairs performed by that person on motor  
16 vehicles or powersports vehicles are limited to those  
17 vehicles that the person owns, previously owned, or  
18 takes in trade, and
- 19 c. motor vehicle or powersports vehicle financing  
20 provided by that person to retail consumers for motor  
21 vehicles or powersports vehicles is limited to used  
22 vehicles sold by that person in the conduct of  
23 business; or  
24

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

3        D. As used in this section:

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

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

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

20        SECTION 7.        AMENDATORY        47 O.S. 2021, Section 565.2, as  
21 last amended by Section 9, Chapter 240, O.S.L. 2024 (47 O.S. Supp.  
22 2024, Section 565.2), is amended to read as follows:

23        Section 565.2. Termination, cancellation or nonrenewal of new  
24 motor vehicle or new powersports vehicle dealer franchise.

1           A. Irrespective of the terms, provisions, or conditions of any  
2 franchise, or the terms or provisions of any waiver, no manufacturer  
3 or distributor shall terminate, cancel, or fail to renew any  
4 franchise with a licensed new motor vehicle dealer or new  
5 powersports vehicle dealer (hereafter, in this section only,  
6 referred to jointly as "dealer"), unless the manufacturer or  
7 distributor has satisfied the notice and procedural requirements as  
8 provided in this section and has good cause for cancellation,  
9 termination, or nonrenewal. The manufacturer, or distributor, shall  
10 not attempt to cancel or fail to renew the franchise or dealer  
11 agreement of a ~~new motor vehicle~~ dealer in this state unfairly and  
12 without just provocation or without due regard to the equities of  
13 the dealer or without good faith as defined herein. As used herein,  
14 "good faith" means the duty of each party to any franchise or dealer  
15 agreement to act in a fair and equitable manner toward each other,  
16 with freedom from coercion or intimidation or threats thereof from  
17 each other.

18           B. Irrespective of the terms, provisions, or conditions of any  
19 franchise, or the terms or provisions of any waiver, good cause  
20 shall exist for the purpose of a termination, cancellation, or  
21 nonrenewal when:

22           1. The ~~new motor vehicle dealer or new powersports vehicle~~  
23 dealer has failed to comply with a provision of the franchise or  
24 dealer agreement, which provision is both reasonable and of material

1 significance to the franchise or dealer relationship, or the ~~new~~  
2 ~~motor vehicle dealer or new powersports vehicle~~ dealer has failed to  
3 comply with reasonable performance criteria ~~for sales or service~~  
4 established by the manufacturer, ~~and the new motor vehicle dealer or~~  
5 ~~new powersports vehicle dealer~~ has been notified by written notice  
6 from the manufacturer or distributor sales or service performance  
7 standards, capitalization requirements, facility commitments,  
8 business-related equipment acquisitions, or other similar reasonable  
9 performance criteria; and

10 2. The ~~new motor vehicle dealer or new powersports vehicle~~  
11 ~~dealer~~ has received written notification of failure to comply with  
12 ~~the manufacturer's reasonable sales performance standards,~~  
13 ~~capitalization requirements, facility commitments, business-related~~  
14 ~~equipment acquisitions, or other such remediable failings exclusive~~  
15 ~~of those reasons enumerated in paragraph 1 of subsection C of this~~  
16 ~~section, and the new motor vehicle dealer or new powersports vehicle~~  
17 ~~dealer~~ has been afforded a reasonable opportunity of not less than  
18 ~~six (6) months to comply with such a provision or criteria.~~  
19 manufacturer or distributor has provided the dealer written  
20 notification of the potential termination, cancellation, or  
21 nonrenewal of their franchise or dealer agreement (hereafter, in  
22 this section only, referred to as "deficiency notice"). This  
23 deficiency notice shall be sent by certified mail, return receipt  
24 requested, to the dealer at its current business address and to the



1 Commission, and shall contain a statement the manufacturer or  
2 distributor may seek to terminate, cancel, or not renew the dealer's  
3 franchise or dealer agreement, a detailed statement of the specific  
4 reasons for the potential termination, cancellation, or nonrenewal,  
5 and the beginning and ending dates of the compliance period. The  
6 dealer shall be afforded a reasonable opportunity of not less than  
7 one hundred eighty (180) days, starting the day after the dealer's  
8 receipt of the deficiency notice, to cure all specific reasons  
9 stated by the manufacturer or distributor for the potential  
10 termination, cancellation, or nonrenewal in the deficiency notice  
11 (hereafter, in this section only, referred to as "compliance  
12 period"); or

13 3. The reason for the termination, cancellation, or nonrenewal  
14 is for any of the reasons set forth in subparagraphs a, b, and c of  
15 paragraph 3 of subsection C of this section or the circumstances  
16 described in paragraph 4 of subsection C of this section. No  
17 deficiency notice or compliance period is required if the  
18 termination, cancellation, or nonrenewal is premised on the grounds  
19 set forth in subparagraphs a, b, and c of paragraph 3 of subsection  
20 C of this section or the circumstances described in paragraph 4 of  
21 subsection C of this section.

22 C. Irrespective of the terms, provisions, or conditions of any  
23 franchise or dealer agreement and prior to the termination,  
24 cancellation, or nonrenewal of any franchise or dealer agreement,

1 the manufacturer or distributor shall furnish notification of ~~such~~  
2 ~~termination, cancellation, or nonrenewal~~ their intent to terminate,  
3 cancel, or not renew the franchise or dealer agreement (hereafter,  
4 in this section only, referred to as "notification") to the ~~new~~  
5 ~~motor vehicle dealer or new powersports vehicle dealer~~ and the  
6 Oklahoma New Motor Vehicle Commission as follows:

7 1. ~~Not less than ninety (90) days prior to the effective date~~  
8 ~~of the termination, cancellation, or nonrenewal unless for a cause~~  
9 ~~described in paragraph 2 of this subsection~~ The notification  
10 required by this subsection shall be in writing via certified mail,  
11 return receipt requested, to the dealer at the dealer's current  
12 business address, and to the Commission, and shall contain a  
13 statement of the manufacturer's or distributor's intent to  
14 terminate, to cancel, or to not renew the franchise or dealer  
15 agreement, a detailed statement of the specific reasons for the  
16 termination, cancellation, or nonrenewal, and the date the  
17 termination, cancellation, or nonrenewal shall take effect  
18 (hereafter, in this section only, referred to as the "effective  
19 date");

20 2. ~~Not less than fifteen (15) days prior to the effective date~~  
21 ~~of the termination, cancellation, or nonrenewal with respect to any~~  
22 ~~of the following:~~ If the termination, cancellation, or nonrenewal is  
23 based upon any reason stated under paragraph 1 of subsection B of  
24 this section, the manufacturer or distributor shall provide the

1 notification to the dealer and the Commission within twenty (20)  
2 days following the last day of the compliance period and the  
3 effective date shall not be less than thirty-one (31) days following  
4 the dealer's receipt of the notification;

5 3. If the termination, cancellation, or nonrenewal is based  
6 upon any of the reasons described in subparagraphs a, b, and c of  
7 this paragraph (hereafter, in this section only, referred to as  
8 "triggering events"), the manufacturer or distributor shall provide  
9 the notification to the dealer and the Commission within fifteen  
10 (15) days of the manufacturer's or distributor's receipt of written  
11 notice from the dealer, any government agency, any state or federal  
12 courts, including bankruptcy courts, or the Commission, of the  
13 occurrence of any of the triggering events and the effective date  
14 shall not be less than fifteen (15) days following the dealer's  
15 receipt of said notification. As used herein, triggering events  
16 are:

- 17 a. ~~insolvency of the new motor vehicle dealer or new~~  
18 ~~powersports vehicle dealer, or the filing of any~~  
19 ~~petition by or against the new motor vehicle dealer or~~  
20 ~~new powersports vehicle dealer under any bankruptcy or~~  
21 ~~receivership law, or~~
- 22 b. failure of the ~~new motor vehicle dealer or new~~  
23 ~~powersports vehicle dealer to conduct its customary~~  
24 ~~sales and service operations during its customary~~

1 business hours for seven (7) consecutive business  
2 days, provided that such failure to conduct business  
3 shall not be due to an act of God or circumstances  
4 beyond the direct control of the ~~new vehicle~~ dealer,  
5 or

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

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

14 4. If the reason for the termination, cancellation, or  
15 nonrenewal is because the manufacturer or distributor, is  
16 discontinuing the sale of the product line sold by the dealer,  
17 notification shall be provided at least one hundred eighty (180)  
18 days before the effective date.

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

1       D. ~~Upon the affected new motor vehicle or new powersports~~  
2 ~~vehicle dealer's receipt of the aforementioned notice of~~  
3 ~~termination, cancellation, or nonrenewal, the new motor vehicle~~  
4 ~~dealer shall have the right to file a protest of such threatened~~  
5 ~~termination, cancellation, or nonrenewal with the Commission within~~  
6 ~~thirty (30) days and request a hearing. Upon the affected dealer's~~  
7 ~~receipt of the aforementioned notification, the dealer shall have~~  
8 ~~the right to file a protest of such threatened termination,~~  
9 ~~cancellation or nonrenewal with the Commission and request a hearing~~  
10 ~~under the following circumstances:~~

11       1. If the dealer has received a deficiency notice, has been  
12 provided a compliance period, and has received a notification that  
13 is based on any reason stated under paragraph 1 of subsection B of  
14 this section or the dealer has received a notification based upon  
15 the circumstances stated in paragraph 4 of subsection C of this  
16 section, the dealer shall file a protest within thirty (30) days of  
17 receipt of the notification; or

18       2. If the dealer has received notification that is based on any  
19 of the triggering events set forth in subparagraphs a, b, and c, of  
20 paragraph 3 of subsection C of this section, the dealer shall file a  
21 protest within fourteen (14) days of their receipt of said  
22 notification.

23       E. The hearing on any protest held pursuant to this section  
24 shall be held within one hundred eighty (180) days of the date of

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

1 pendency of the action, including the final decision or appeal, the  
2 franchise or dealer agreement shall remain in full force and effect,  
3 including the right to transfer the franchise or dealer agreement.  
4 If the dealer prevails in the threatened termination action, the  
5 Commission shall award to the dealer the attorney fees and costs  
6 incurred to defend the action.

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

12 1. New, current, and previous model year vehicle inventory  
13 which has been acquired from the manufacturer or distributor and  
14 which is unused and has not been damaged or altered while in the  
15 dealer's possession;

16 2. Supplies and parts which have been acquired from the  
17 manufacturer, or distributor for the purpose of this section,  
18 limited to any and all supplies and parts that are listed on the  
19 current parts price sheet available to the dealer;

20 3. Equipment and furnishings, provided the dealer purchased  
21 them from the manufacturer or distributor or its approved sources;  
22 and

23 4. Special tools, with such fair and reasonable compensation to  
24 be paid by the manufacturer or distributor within ninety (90) days

1 of the effective date of the termination, cancellation, or  
2 nonrenewal, provided the dealer has clear title to the inventory and  
3 other items and is in a position to convey that title to the  
4 manufacturer or distributor.

5 a. For the purposes of paragraph 1 of this subsection,  
6 fair and reasonable compensation shall be no less than  
7 the net acquisition price of the vehicle paid by the  
8 dealer.

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

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



1        ~~G.~~ H. 1. Such reasonable rental value shall be paid only to  
2 the extent the dealership premises are recognized in the franchise  
3 or dealer agreement and only if they are:

- 4            a. used solely for performance in accordance with the  
5 franchise or dealer agreement. If the facility is  
6 used for the operation of more than one franchise, the  
7 reasonable rent shall be paid based upon the portion  
8 of the facility utilized by the franchise being  
9 terminated, canceled, or nonrenewed, and
- 10           b. not substantially in excess of facilities recommended  
11 by the manufacturer or distributor.

12        2. If the facilities are owned by the ~~new motor vehicle or new~~  
13 ~~powersports vehicle~~ dealer, within ninety (90) days following the  
14 effective date of the termination, cancellation, or nonrenewal, the  
15 manufacturer or distributor will either:

- 16           a. locate a qualified purchaser who will offer to  
17 purchase the dealership facilities at a reasonable  
18 price,
- 19           b. locate a qualified lessee who will offer to lease the  
20 premises for the remaining lease term at the rent set  
21 forth in the lease, or
- 22           c. failing the foregoing, lease the dealership facilities  
23 at a reasonable rental value for the portion of the  
24

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

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

- 7 a. locate a tenant or tenants satisfactory to the lessor,  
8 who will sublet or assume the balance of the lease,
- 9 b. arrange with the lessor for the cancellation of the  
10 lease without penalty to the dealer, or
- 11 c. failing the foregoing, lease the dealership facilities  
12 at a reasonable rent for the portion of the facility  
13 that is recognized in the franchise or dealer  
14 agreement for one (1) year.

15 4. The manufacturer or distributor shall not be obligated to  
16 provide assistance under this section if the ~~new motor vehicle or~~  
17 ~~new powersports vehicle~~ dealer:

- 18 a. fails to accept a bona fide offer from a prospective  
19 purchaser, sublessee, or assignee,
- 20 b. refuses to execute a settlement agreement with the  
21 lessor if such agreement with the lessor would be  
22 without cost to the dealer, or
- 23 c. fails to make written request for assistance under  
24 this section within ninety (90) days after the

1           effective date of the termination, cancellation, or  
2           nonrenewal.

3           5. The manufacturer or distributor shall be entitled to occupy  
4 and use any space for which it pays rent required by this section.

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

1 dealer agreement or agree to a process to determine the fair market  
2 value, then the ~~factory~~ manufacturer or distributor and dealer shall  
3 utilize a neutral third-party mediator to resolve the disagreement.

4 SECTION 8. AMENDATORY 47 O.S. 2021, Section 566, as last  
5 amended by Section 12, Chapter 240, O.S.L. 2024 (47 O.S. Supp. 2024,  
6 Section 566), is amended to read as follows:

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

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

11 SECTION 9. AMENDATORY 47 O.S. 2021, Section 578.1, as  
12 last amended by Section 15, Chapter 240, O.S.L. 2024 (47 O.S. Supp.  
13 2024, Section 578.1), is amended to read as follows:

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

1 within or into the relevant market area. For purposes of this  
2 section, any mileage distance shall be measured on a straight line  
3 from the nearest property boundary points for the dealership  
4 properties at issue. Further, for purposes of this section, the  
5 "relevant market area" means the area within a radius of fifteen  
6 (15) miles around the site of the proposed new motor vehicle or  
7 powersports vehicle dealership measured from the property boundary  
8 of primary dealership property. The notice shall be sent by  
9 certified mail to each party and shall include the following  
10 information:

11 1. The specific location at which the additional or relocated  
12 dealer will be established;

13 2. The date on or after which the additional or relocated  
14 dealer intends to commence business at the proposed location;

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

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

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

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

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

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

14          3. The relocation of an existing dealer is within two (2) miles  
15 of the existing site of the dealership; or

16          4. The proposed site for the relocation of an existing dealer  
17 is farther away from all other dealers of the same line-make in that  
18 relevant market area.

19          C. Within thirty (30) days after receipt of the notice, or  
20 within thirty (30) days after the end of an appeal procedure  
21 provided by the factory, whichever is greater, a new motor vehicle  
22 dealer or new powersports vehicle dealer so notified or entitled to  
23 notice may file a petition with the Commission protesting the  
24 proposed establishment or relocation. The petition shall contain a

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

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

18 SECTION 10. This act shall become effective November 1, 2025.

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