SENATE CHAMBER STATE OF OKLAHOMA

DISPOSITION

FLOOR AMENDMENT

No.

(Date)

COMMITTEE AMENDMENT

I move to amend Senate Bill No. 604 by substituting the attached floor substitute (Request #1879) for the title, enacting clause, and entire body of the measure.

Submitted by: ollihare

I hereby grant permission for the floor substitute to be adopted.

Chair (required) Senator Jech Senator Boren

Senator Bullard

Senator Paxton, President Pro Tempore

Senator Daniels, Majority Floor

Note: Technology and Telecommunications committee majority requires five (5) members' signatures.

Gollihare-CN-FS-SB604 3/24/2025 8:32 AM

(Floor Amendments Only) Date and Time Filed: 3/24/25 2:14pr

Untimely

Amendment Cycle Extended Secondary Amendment

lihare nator

Senator Hicks

Senator Rosino

Leader

1	STATE OF OKLAHOMA
2	1st Session of the 60th Legislature (2025)
3	FLOOR SUBSTITUTE FOR
4	SENATE BILL NO. 604 By: Gollihare of the Senate
5	and
6	Dobrinski of the House
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8	
9	FLOOR SUBSTITUTE
10	An Act relating to motor vehicles; amending 47 O.S. 2021, Sections 562 and 564, as last amended by
11	Sections 2 and 4, Chapter 240, O.S.L. 2024 (47 O.S. Supp. 2024, Sections 562 and 564), which relate to
12	definitions and licenses; modifying definitions; defining terms; modifying list of entities requiring
13	licensure; removing certain exception; amending Section 1, Chapter 29, O.S.L. 2023 (47 O.S. Supp.
14	2024, Section 564.3), which relates to dealer management system providers; modifying definitions;
15	requiring certain commercially reasonable data security standards; modifying entities not liable for
16	certain actions; modifying entities required to provide certain indemnification; prohibiting certain
17	actions by certain entities; defining certain term; amending 47 O.S. 2021, Section 565, as last amended
18	by Section 7, Chapter 240, O.S.L. 2024 (47 O.S. Supp. 2024, Section 565), which relates to the denial,
19	revocation, or suspension of license; modifying reasons for which a license may be denied, revoked,
20	or suspended; defining term; removing language requiring certain dealer compliance; and providing an
21	effective date.
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1 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

2 SECTION 1. AMENDATORY 47 O.S. 2021, Section 562, as last 3 amended by Section 2, Chapter 240, O.S.L. 2024 (47 O.S. Supp. 2024, 4 Section 562), is amended to read as follows:

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

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

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

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

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1 rendition by the dealer of services and safety adjustments on each new motor vehicle in accordance with the procedure and safety 2 standards required by the manufacturer of the vehicle to be made 3 before its delivery to the purchaser. "Performance of authorized 4 5 post-sale work pursuant to the warranty", as used herein, means the rendition of services which are required by the terms of the 6 warranty that stands extended to the vehicle at the time of its sale 7 and are to be made in accordance with the safety standards 8 9 prescribed by the manufacturer. The term includes premises or 10 facilities at which a person engages only in the repair of motor vehicles if repairs are performed pursuant to the terms of a 11 franchise and motor vehicle manufacturer's warranty. For the 12 purpose of Sections 561 through 567, 572, 578.1, 579, and 579.1 of 13 this title, the terms new motor vehicle dealer and "new motor 14 vehicle dealership" shall be synonymous. The term new motor vehicle 15 dealer does not include: 16

a. receivers, trustees, administrators, executors,
guardians, or other persons appointed by or acting
under judgment or order of any court,

20 b. public officers while performing or in operation of21 their duties,

c. employees of persons, corporations, or associations
 enumerated in subparagraph a of this paragraph when

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1 engaged in the specific performance of their duties as 2 such employees, or

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d. a powersports vehicle dealer;

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

11 4. "Commission" means the Oklahoma New Motor Vehicle 12 Commission;

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

19 6. "Distributor" means any person, firm, association,
 20 corporation, or partnership, trust, joint venture, or common entity
 21 <u>thereof</u>, resident or nonresident, that, being authorized by the
 22 original manufacturer, in whole or in part sells or distributes new
 23 and unused motor vehicles to new motor vehicle dealers or powersport
 24 dealers, or that maintains distributor representatives;

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1 7. "Factory branch" means any branch office maintained by a 2 person, firm, association, corporation, or partnership, trust, joint venture, or common entity thereof that manufactures or assembles 3 motor vehicles or powersport vehicles for the sale of motor vehicles 4 5 or powersport vehicles to distributors, or for the sale of motor vehicles to new motor vehicle dealers, or for the sale of powersport 6 vehicles to new powersport vehicle dealers, or for directing or 7 supervising, in whole or in part, its representatives; 8

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

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

18 10. "Distributor representative" means any person, firm,
19 association, corporation, or <u>partnership</u>, trust, joint venture, or
20 <u>common entity thereof</u>, and each officer and employee thereof engaged
21 as a representative of a distributor or distributor branch of motor
22 vehicles or powersport vehicles, for the purpose of making or
23 promoting the sale of its motor vehicles or powersport vehicles, or
24 for supervising or contacting its dealers or prospective dealers;

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1 11. "Franchise" means any contract or agreement between a new 2 motor vehicle dealer or a powersports vehicle dealer and a 3 manufacturer of a new motor vehicle or powersports vehicle or its 4 distributor or factory branch by which the new motor vehicle dealer 5 or new powersports vehicle dealer is authorized to engage in the 6 activities of a new motor vehicle dealer or new powersports vehicle 7 dealer as defined by this section;

8 12. "New or unused motor vehicle" means a vehicle which is in 9 the possession of the manufacturer or distributor or has been sold 10 only to the holder of a valid franchise granted by the manufacturer 11 or distributor for the sale of that make of new vehicle so long as 12 the manufacturer's statement of origin has not been assigned to 13 anyone other than a licensed franchised new motor vehicle dealer of 14 the same line-make;

"Area of responsibility" means the geographical area, as 15 13. designated by the manufacturer, factory branch, factory 16 17 representative, distributor, distributor branch, or distributor representative, in which the new motor vehicle dealer or powersports 18 dealer is held responsible for the promotion and development of 19 sales and rendering of service for the make of motor vehicle or 20 powersports vehicle for which the new motor vehicle dealer or new 21 powersports vehicle dealer holds a franchise or selling agreement; 22 23

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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;

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

8 16. "Product" means new motor vehicles and new motor vehicle9 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; any common entity of a manufacturer,
18 distributor, factory branch, or distributor branch; or factory
19 representative, or distributor representative, which manufactures or
20 distributes vehicle products;

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,

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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;

23. "Retail implement dealer" means a business engaged 7 primarily in the sale of farm tractors as defined in Section 1-118 8 9 of this title or implements of husbandry as defined in Section 1-125 of this title or a combination thereof and is exempt from licensing 10 by the Commission for the sale of all-terrain vehicles, utility 11 12 vehicles, and motorcycles used exclusively for off-road use; 24. "Consumer data" means nonpublic personal information as 13 defined in 15 U.S.C., Section 6809(4) as it existed on January 1, 14 2023, that is: 15

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

The term shall not include the same or similar data obtained by a manufacturer from any source other than the new motor vehicle dealer or new motor vehicle dealer's data management system; and 25. "Fleet vehicle" means a new motor vehicle sold and titled or registered to a business and used for business purposes only; and

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2 <u>corporation, partnership, trust, or joint ve</u> 3 <u>acting as a new motor vehicle dealer which:</u> 4 <u>(1) is directly or indirectly controlled by</u>	y or has
4 <u>(1)</u> is directly or indirectly controlled by	
	equity
5 <u>more than thirty percent (30%) of its e</u>	
6 <u>interest directly or indirectly owned</u> ,	
7 beneficially or of record, through any	form of
8 ownership structure, by a factory, manu	ıfacturer,
9 <u>manufacturer branch</u> , distributor, or di	istributor
10 branch, or	
11 (2) has more than thirty percent (30%) of i	its equity
12 <u>interest directly or indirectly control</u>	lled or
13 <u>owned</u> , beneficially or of record, throu	ıgh any
14 <u>form of ownership structure</u> , by one or	more
15 persons who also directly or indirectly	y control
16 <u>or own, beneficially or of record, more</u>	e than
17 thirty percent (30%) of the equity inte	erests of
18 the factory, manufacturer, manufacturer	c branch,
19 <u>distributor, or distributor branch.</u>	
20 <u>b.</u> An entity that would otherwise be considered	d a common
21 <u>entity of a distributor as provided in divis</u>	sion 1 or 2
22 of subparagraph a of this paragraph because	of its
23 relation to a distributor is not considered	a common
24 <u>entity of that distributor if:</u>	

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1 the distributor to which the entity is related (1) 2 was a licensed distributor on March 1, 2025, 3 the entity is not a common entity of a (2) 4 manufacturer or an importer, and 5 (3) the distributor to which the entity is related is 6 not, and has never been, a common entity of a manufacturer or an importer. 7

8 SECTION 2. AMENDATORY 47 O.S. 2021, Section 564, as last 9 amended by Section 4, Chapter 240, O.S.L. 2024 (47 O.S. Supp. 2024, 10 Section 564), is amended to read as follows:

Section 564. A. It shall be unlawful for any person, firm, 11 12 association, corporation, or partnership, trust, joint venture, or common entity thereof, to engage in business as, or serve in the 13 capacity of, or act as a new motor vehicle dealer, powersports 14 dealer, or manufacturer or distributor of new motor vehicles or 15 powersports vehicles, or factory branch, distributor branch or 16 factory representative or distributor representative, as defined in 17 Section 562 of this title, in this state without first obtaining a 18 license therefor as provided for by law. Any person, firm, 19 association, corporation, or partnership, trust, joint venture, or 20 common entity thereof, engaging in more than one of such capacities 21 or having more than one place where such business is carried on or 22 conducted in this state shall be required to obtain and hold a 23 current license for each thereof. Provided that, a new motor 24

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1 vehicle dealer's license shall authorize one person to sell in the 2 event such person shall be the owner of a proprietorship, or the person designated as principal in the dealer's franchise or the 3 managing officer or one partner if no principal person is named in 4 5 the franchise. It is further provided that a factory or an entity 6 affiliated by any ownership or control by the factory shall not be permitted to engage in the activities of a new motor vehicle dealer 7 as defined in Section 562 of this title or be licensed as a new 8 9 motor vehicle dealer in this state, except as provided by subparagraph b of paragraph 12 of Section 565 of this title. 10

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

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

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

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

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

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

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

14 5. For each powersports vehicle dealer, initial fee of Three 15 Hundred Dollars (\$300.00) per manufacturer represented by the dealer 16 at each location licensed, with an annual renewal fee of One Hundred 17 Dollars (\$100.00) per manufacturer represented by the dealer at each 18 location licensed per year.

D. The licenses issued to each new motor vehicle dealer, new powersports vehicle dealer, manufacturer, distributor, factory branch, or distributor branch shall specify the location of the factory, office, or branch thereof. In case such location is changed, the Commission may endorse the change of location on the license without charge unless the change of address triggers a

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relocation of a new motor vehicle dealer or new powersports vehicle
 dealer pursuant to the provisions of Section 578.1 of this title.
 The licenses of each new vehicle dealer shall be posted in a
 conspicuous place in the dealer's place or places of business.

Every motor vehicle factory representative or distributor
representative shall physically possess the license when engaged in
business and shall display such upon request. The name of the
employer of such factory representative or distributor
representative shall be stated on the license.

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

SECTION 3. AMENDATORY Section 1, Chapter 29, O.S.L. 2023
(47 O.S. Supp. 2024, Section 564.3), is amended to read as follows:
Section 564.3. A. As used in this section:

16 1. "Access fee" means a requirement to pay money for access to 17 protected dealer data <u>that is in addition to an amount specified in</u> 18 a written and executed contract for goods and services;

19 2. "Authorized integrator" means a person who a dealer has a 20 contractual relationship with or the dealer otherwise gives express 21 written authorization to have access to protected dealer data stored 22 on a dealer data system or to write protected dealer data to the 23 dealer data system for the purpose of performing a specific function 24 for the dealer;

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3. "Dealer data system" means software, hardware, or firmware
 that a dealer leases or rents from a dealer management system
 provider for the purpose of storing protected dealer data;

4 4. "Dealer management system provider" means a person who, for
5 compensation, maintains and provides access to a dealer data system
6 in which a dealer stores protected dealer data;

- 7 5. "Protected dealer data" means:
- a. consumer data that a dealer generated or that the
 consumer provided to the dealer that is not otherwise
 publicly available and the consumer has not otherwise
 provided consent or acknowledgment to share the
 information, and
- b. any other dealer data in connection with the dealer's
 daily business operations in which a dealer has rights
 in a dealer data system; and

16 6. Authorized integrator and dealer management system provider17 do not include:

18	a.	a manufacturer, distributor, importer, <u>factory</u> or any
19		entity that is a subsidiary or affiliate of, or acts
20		on behalf of, a manufacturer, distributor, or importer
21		factory, including any subsidiary or affiliate of a
22		<u>factory</u> , or
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b. a governmental body or other person that is acting in
 accordance with federal, state, or local law, or a
 valid court order.

B. A dealer management system provider may:

Condition access and ability of a dealer or authorized
 integrator to receive, share, copy, use, write, or transmit
 protected dealer data from or to a dealer data system on the
 dealer's or authorized integrator's compliance with <u>commercially</u>
 reasonable data security standards;

Require an authorized integrator to have express written
 authorization from a dealer before allowing the authorized
 integrator to gain access to, receive, share, copy, use, or transmit
 protected dealer data; and

14 3. Deny access to a dealer data system to a dealer if the 15 dealer fails to pay an amount due to the dealer management system 16 provider under a lease, contract, or other agreement concerning the 17 dealer's access to or use of the dealer data system.

C. Except as provided in subsection B of this section, a dealer management system provider shall not take any action that would limit or prohibit the ability of a dealer or an authorized integrator to receive, protect, store, copy, share, or use protected dealer data using means that include, but are not limited to: 1. Imposing an access fee on a dealer or authorized integrator;

24 and

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2. Restricting a dealer or an authorized integrator from
 sharing protected dealer data or writing data or having access to a
 dealer data system. Prohibited restrictions pursuant to this
 paragraph include, but are not limited to:

5 a. limits on the scope or nature of protected dealer data to which a dealer or authorized integrator has access 6 or may share or write to a dealer data system, and 7 b. a requirement for a dealer or authorized integrator to 8 9 provide sensitive or confidential business information or information that a dealer or authorized integrator 10 uses for competitive purposes in return for access to 11 protected dealer data or an authorization to share or 12 write protected dealer data to a dealer data system. 13

D. Except as otherwise provided in this section, any term or condition of a contract with a dealer management system provider that conflicts with the requirements set forth in subsection C of this section is void and unenforceable to the extent of the conflict.

19 E. An authorized integrator shall:

Obtain express written authorization from a dealer before
 gaining access to, receiving, sharing, copying, using, writing, or
 transmitting protected dealer data;

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Comply with security standards in gaining access to,
 receiving, sharing, copying, using, writing, or transmitting
 protected dealer data; and

3. Allow a dealer to withdraw, revoke, or amend any express
written authorization the dealer provides under paragraph 1 of this
subsection:

a. at the sole discretion of the dealer, if the dealer
gives a thirty-day prior notice to an authorized
integrator, or

b. immediately, for good cause.

This section does not prevent a dealer, a dealer 11 F. 1. 12 management system provider, or an authorized integrator from discharging the obligations of a dealer, dealer management system 13 provider, or of an authorized integrator under federal, state, or 14 local law to secure and prevent unauthorized access to protected 15 dealer data, or from limiting the scope of the obligations, in 16 accordance with federal, state, or local law. 17

18 2. A dealer management system provider is not liable for any 19 action that a dealer takes directly with respect to securing or 20 preventing unauthorized access to protected dealer data, or for 21 actions that an authorized integrator takes in appropriately 22 following the written instructions of the dealer for securing or 23 preventing unauthorized access to protected dealer data, to the 24 extent that the actions prevent the dealer management system

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provider from meeting a legal obligation to secure or prevent
 unauthorized access to protected dealer data.

3. A dealer is not liable for any action that an authorized 3 integrator takes directly with respect to securing or preventing 4 5 unauthorized access to protected dealer data, or for actions that the authorized integrator takes in appropriately following the 6 written instructions of the dealer for securing or preventing 7 unauthorized access to protected dealer data, to the extent that the 8 9 actions prevent the dealer from meeting a legal obligation to secure or prevent unauthorized access to protected dealer data. 10

An authorized integrator is not liable for any action that a 11 4. 12 dealer takes directly with respect to securing or preventing unauthorized access to protected dealer data, or for actions that 13 the dealer takes in appropriately following the written instructions 14 of the authorized integrator for securing or preventing unauthorized 15 access to protected dealer data, to the extent that the actions 16 prevent the authorized integrator from meeting a legal obligation to 17 secure or prevent unauthorized access to protected dealer data. 18

19 5. A manufacturer, distributor, importer, <u>factory</u> or any entity 20 that is a subsidiary or affiliate of, or acts on behalf of, a 21 manufacturer, distributor, or importer <u>factory</u>, including any 22 <u>subsidiary or affiliate of a factory</u>, is not liable for any action 23 that a dealer, dealer management system provider, authorized 24 integrator, or other third party, except for a third party who the

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1 manufacturer has provided the data to as provided for in paragraph 7
2 of this subsection, takes directly with respect to securing or
3 preventing unauthorized access to protected dealer data or for
4 actions that an authorized integrator, dealer management system
5 provider, or other third party takes in appropriately following the
6 written instructions of the dealer for securing or preventing
7 unauthorized access to protected dealer data.

8 6. Notwithstanding any other agreement, an authorized 9 integrator shall indemnify and hold the new motor vehicle dealer 10 harmless from any third-party claims asserted against or damages 11 incurred by the new motor vehicle dealer to the extent caused by 12 access to, use of, or disclosure of consumer data in violation of 13 this section.

7. Notwithstanding any other agreement, a manufacturer, 14 distributor, importer, factory or any entity that is a subsidiary or 15 affiliate of, or acts on behalf of, a manufacturer, distributor, or 16 importer factory, including any subsidiary or affiliate of a 17 factory, shall indemnify the dealer for any third-party claims 18 asserted against or damages incurred by the dealer to the extent the 19 claims or damages are caused by the access to and unlawful 20 disclosure of protected dealer data resulting from a breach caused 21 by the manufacturer or distributor or a third party to which the 22 manufacturer or distributor has provided the protected dealer data 23

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1	in violation of this section, the written consent granted by the		
2	dealer, or other applicable state or federal law.		
3	G. A factory or any entity that acts on behalf of a factory		
4	shall not prohibit an authorized integrator that has satisfied, or		
5	is compliant with, commercially reasonable data security standards		
6	and that the dealer has identified as one of its authorized		
7	integrators from integrating into the dealer's dealer data system or		
8	place an unreasonable restriction on integration by an authorized		
9	integrator or other third party that the dealer wishes to be an		
10	authorized integrator. For the purposes of this subsection,		
11	<u>"unreasonable restriction" includes:</u>		
12	1. Imposing an access fee on a dealer or authorized integrator;		
13	however, a franchisor or third party may charge a franchise or		
14	authorized integrator for actual costs associated with modifications		
15	to a franchisor's electronic systems to enable a secure interface		
16	with the authorized integrator's system and software;		
17	2. An unreasonable limitation or condition on the scope or		
18	nature of the data that is shared with an authorized integrator;		
19	3. An unreasonable limitation on the ability of the authorized		
20	integrator to write data to a dealer data system;		
20	4. An unreasonable limitation or condition on an authorized		
22	integrator that accesses or shares protected dealer data or that		
23	writes data to a dealer data system; and		
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1 5. Requiring unreasonable access to an authorized integrator's sensitive, competitive, or other confidential business information 2 as a condition for accessing protected dealer data or sharing 3 4 protected dealer data with an authorized integrator. 5 Notwithstanding paragraph 1 of this subsection, a factory or entity that acts on behalf of a factory, including any subsidiary or 6 affiliate of a factory, may charge a motor vehicle dealer or 7 authorized integrator for costs associated with modifications to a 8 9 franchisor's electronic systems to enable a functional and secure interface with the authorized integrator's system and software. 10 SECTION 4. 47 O.S. 2021, Section 565, as last 11 AMENDATORY 12 amended by Section 7, Chapter 240, O.S.L. 2024 (47 O.S. Supp. 2024, 13 Section 565), is amended to read as follows: Section 565. A. The Oklahoma New Motor Vehicle Commission may 14 deny an application for a license, revoke or suspend a license, or 15 impose a fine against any person or entity, not to exceed Ten 16 17 Thousand Dollars (\$10,000.00) per occurrence, that violates any provision of Sections 561 through 567, 572, 578.1, 579, and 579.1 of 18 this title or for any of the following reasons: 19 1. On satisfactory proof of unfitness of the applicant in any 20 application for any license under the provisions of Section 561 et 21 seq. of this title; 22 23 24

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

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

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

9 5. Being a new motor vehicle dealer or new powersports vehicle10 dealer who:

- 11a.has required a purchaser of a new motor vehicle or new12powersports vehicle, as a condition of sale and13delivery thereof, to also purchase special features,14appliances, accessories, or equipment not desired or15requested by the purchaser and installed by the new16motor vehicle dealer or new powersports vehicle17dealer,
- b. uses any false or misleading advertising in connection
 with business as a new motor vehicle dealer or new
 powersports vehicle dealer,
- c. has committed any unlawful act which resulted in the
 revocation of any similar license in another state,
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- d. has failed or refused to perform any written agreement
 with any retail buyer involving the sale of a motor
 vehicle or powersports vehicle,
- e. has been convicted of a felony crime that
 substantially relates to the occupation of a new motor
 vehicle dealer or new powersports vehicle dealer and
 poses a reasonable threat to public safety,
- f. has committed a fraudulent act in selling, purchasing,
 or otherwise dealing in new motor vehicles or new
 powersports vehicles or has misrepresented the terms
 and conditions of a sale, purchase or contract for
 sale or purchase of a new motor vehicle or new
 powersports vehicle or any interest therein including
 an option to purchase such vehicle,
- 15 g. has failed to meet or maintain the conditions and 16 requirements necessary to qualify for the issuance of 17 a license, or
- h. completes any sale or transaction of an extended
 service contract, extended maintenance plan, or
 similar product using contract forms that do not
 conspicuously disclose the identity of the service
 contract provider;

6. Being a new motor vehicle salesperson who is not employed assuch by a licensed new motor vehicle dealer;

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

does not have an established place of business, 3 a. b. does not provide for a suitable repair shop separate 4 5 from the display room with ample space to repair or recondition one or more vehicles at the same time, and 6 which is staffed with properly trained and qualified 7 repair technicians and is equipped with such parts, 8 9 tools, and equipment as may be requisite for the servicing of motor vehicles in such a manner as to 10 make them comply with the safety laws of this state 11 and to properly fulfill the dealer's or manufacturer's 12 warranty obligation, 13

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

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

- e. does not properly service a new motor vehicle or new
 powersports vehicle before delivery of same to the
 original purchaser thereof, or
- f. fails to order and stock a reasonable number of new
 motor vehicles necessary to meet consumer demand for
 each of the new motor vehicles included in the new
 motor vehicle dealer's franchise agreement, unless the
 new motor vehicles are not readily available from the
 manufacturer or distributor due to limited production;
- 10 8. Being a factory that has:
- a. either induced or attempted to induce by means of
 coercion or intimidation, any new motor vehicle dealer
 or powersports vehicle dealer:
- 14 (1) to accept delivery of any vehicle or vehicles,
 15 parts, or accessories therefor, or any other
 16 commodities including advertising material which
 17 shall not have been ordered by the new motor
 18 vehicle dealer,
- 19 (2) to order or accept delivery of any motor vehicle
 20 or powersports vehicle with special features,
 21 appliances, accessories, or equipment not
 22 included in the list price of the vehicles as
 23 publicly advertised by the manufacturer thereof,
 24 or

1 (3) to order or accept delivery of any parts, accessories, equipment, machinery, tools, 2 appliances, or any commodity whatsoever, 3 induced under threat or discrimination by the b. 4 5 withholding from delivery to a new motor vehicle dealer or new powersports vehicle dealer certain 6 models of motor vehicles, changing or amending 7 unilaterally the new motor vehicle dealer's allotment 8 9 of motor vehicles, and/or withholding and delaying delivery of the vehicles out of the ordinary course of 10 business, in order to induce by such coercion any new 11 12 motor vehicle dealer or new powersports vehicle dealer 13 to participate or contribute to any local or national advertising fund controlled directly or indirectly by 14 the factory or for any other purposes such as contest, 15 "giveaways", or other so-called sales promotional 16 devices, and/or change of quotas in any sales contest; 17 or has required new motor vehicle dealers, as a 18 condition to receiving their vehicle allotment, to 19 order a certain percentage of the vehicles with 20 optional equipment not specified by the dealer; 21 however, nothing in this section shall prohibit a 22 factory from supporting an advertising association 23

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1 which is open to all new motor vehicle dealers or new 2 powersports vehicle dealers on the same basis, used a performance standard, sales objective, or 3 с. program for measuring dealer performance that may have 4 5 a material effect on a right of the dealer to vehicle allocation; or payment under any incentive or 6 reimbursement program that is unfair, unreasonable, 7 inequitable, and not based on accurate information, 8 9 d. used a performance standard for measuring sales or 10 service performance of that results in penalizing any new motor vehicle dealer or new powersports vehicle 11 12 dealer under the terms of the franchise agreement 13 which: is unfair, unreasonable, arbitrary, or (1)14 inequitable, and 15 does not consider the relevant and material local (2)16 17 and state or regional criteria, including prevailing economic conditions affecting the 18 sales or service performance of a vehicle dealer 19 or and any relevant and material data and facts 20 presented by the dealer in writing within thirty 21 (30) days of the written notice of the 22 manufacturer to the dealer of its intention to 23

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1		cancel, terminate, or not renew the dealer's
2		franchise agreement, <u>and</u>
3	(3)	does not consider the actual vehicle allocation
4		offered or otherwise made available to the dealer
5		by the manufacturer or distributor, as well as
6		the dealer's inventory levels relevant to achieve
7		any minimum performance standards to which the
8		manufacturer or distributor holds the dealer
9		accountable,

- failed or refused to sell, or offer for sale, new 10 e. motor vehicles to all of its authorized same line-make 11 franchised new motor vehicle dealers or new 12 13 powersports vehicle dealers at the same price for a comparably equipped motor vehicle, on the same terms, 14 with no differential in functionally available 15 discount, allowance, credit, or bonus, except as 16 17 provided in subparagraph e of paragraph 9 of this subsection, 18
- 19 f. failed to provide reasonable compensation to a new 20 motor vehicle dealer substantially equivalent to the 21 actual cost of providing a manufacturer required 22 loaner or rental vehicle to any consumer who is having 23 a vehicle serviced at the dealership. For purposes of 24 this paragraph, actual cost is the average cost in the

new motor vehicle dealer's region for the rental of a
 substantially similar make and model as the vehicle
 being serviced, or

- failed to make available to its new motor vehicle 4 q. 5 dealers a fair and proportional share of all new vehicles distributed to same line-make dealers in this 6 state, subject to the same reasonable terms, including 7 any vehicles distributed from a common new vehicle 8 9 inventory pool outside of the factory's ordinary 10 allocation process such as any vehicles the factory reserves to distribute on a discretionary basis; 11
 - 9. Being a factory that:

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has attempted to coerce or has coerced any new motor 13 a. vehicle dealer or new powersports vehicle dealer to 14 enter into any agreement or to cancel any agreement; 15 has failed to act in good faith and in a fair, 16 equitable, and nondiscriminatory manner; has directly 17 or indirectly coerced, intimidated, threatened, or 18 restrained any new motor vehicle dealer; has acted 19 dishonestly; or has failed to act in accordance with 20 the reasonable standards of fair dealing, 21 b. has failed to compensate its dealers for the work and 22 services they are required to perform in connection 23

with the dealer's delivery and preparation obligations

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

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

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1 (1)routine maintenance including but not limited to the replacement of bulbs, fluids, filters, 2 batteries, and belts that are not provided in the 3 course of and related to a repair, 4 (2) 5 factory special events, specials, or promotional discounts for retail consumer repairs, 6 (3) parts sold or repairs performed at wholesale, 7 factory-approved goodwill or policy repairs or 8 (4) 9 replacements, repairs with aftermarket parts, when calculating 10 (5) the retail parts rate but not the retail labor 11 12 rate, 13 (6) repairs on aftermarket parts, (7) replacement of or work on tires including front-14 end alignments and wheel or tire rotations, 15 repairs of vehicles owned by the new motor 16 (8) 17 vehicle dealer or new powersports vehicle dealer or employee thereof at the time of the repair, 18 (9) vehicle reconditioning, or 19 (10) items that do not have individual part numbers 20 including, but not limited to, nuts, bolts, and 21 fasteners. 22 A manufacturer or distributor may, not later than 23 forty-five (45) days after submission, rebut that 24

1 declared retail parts and labor rate in writing by 2 reasonably substantiating that the rate is not accurate or is incomplete pursuant to the provisions 3 of this section. If the manufacturer or distributor 4 5 determines the set of repair orders submitted by the new motor vehicle dealer or new powersports vehicle 6 dealer pursuant to this section for a retail labor 7 rate or retail parts markup rate is substantially 8 9 higher than the new vehicle dealer's current warranty 10 rates, the manufacturer or distributor may request, in writing, within forty-five (45) days after the 11 manufacturer's or distributor's receipt of the new 12 vehicle dealer's initial submission, all repair orders 13 closed within the period of thirty (30) days 14 immediately preceding, or thirty (30) days immediately 15 following, the set of repair orders initially 16 submitted by the new motor vehicle dealer. All time 17 periods under this section shall be suspended until 18 the supplemental repair orders are provided. If the 19 manufacturer or distributor requests supplemental 20 repair orders, the manufacturer or distributor may, 21 within thirty (30) days after receiving the 22 supplemental repair orders and in accordance with the 23 formula described in this subsection, calculate a 24

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

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

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

1 fraudulent or that the new motor vehicle dealer or new 2 powersports vehicle dealer failed to reasonably substantiate the claim by the written reasonable 3 procedures of the factory. A factory shall not deny a 4 5 claim or implement a charge-back against a new vehicle dealer after payment of a claim in the event a 6 purchaser of a new vehicle that is the subject of a 7 claim fails to comply with titling or registration 8 9 laws of this state and is not prevented from compliance by any action of the dealer; provided, that 10 the factory may require the dealer to provide, within 11 12 thirty (30) days of notice of charge-back, withholding 13 of payment, or denial of claim, the documentation to demonstrate the vehicle sale, delivery, and customer 14 qualification for an incentive as reported, including 15 consumer name and address and written attestation 16 signed by the dealer operator or general manager 17 stating the consumer was not on the export control 18 list and the dealer did not know or have reason to 19 know the vehicle was being exported or resold. 20 The factory shall provide written notice to a dealer 21 of a proposed charge-back that is the result of an 22 audit along with the specific audit results and 23 proposed charge-back amount. A dealer that receives 24

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

- (1) that is of the same make and model manufactured,
 imported, or distributed by the factory and is a
 line-make that the new motor vehicle dealer is
 franchised to sell or on which the new motor
 vehicle dealer is authorized to perform recall
 repairs,
- 19 (2) that is subject to a stop-sale or do-not-drive
 20 order issued by the factory or an authorized
 21 governmental agency,

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

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1 by the new motor vehicle dealer into the dealer's inventory after the recall notice as a result of 2 3 a retail consumer trade-in or a lease return to the dealer inventory in accordance with an 4 5 applicable lease contract, (4) that cannot be repaired due to the 6 unavailability, within thirty (30) days after 7 issuance of the stop-sale or do-not-drive order, 8 9 of a remedy or parts necessary for the new motor vehicle dealer to make the recall repair, and 10 (5) that is not at least in the prorated amount of 11 12 one percent (1.00%) of the value of the vehicle 13 per month beginning on the date that is thirty (30) days after the date on which the stop-sale 14 order was provided to the new motor vehicle 15 dealer until the earlier of either of the 16 17 following: the date the recall remedy or parts are made 18 (a) available, or 19 the date the new motor vehicle dealer sells, 20 (b) trades, or otherwise disposes of the 21 affected used motor vehicle. 22 For the purposes of division (5) of this subparagraph, 23 the value of a used vehicle shall be the average Black 24

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

1 exceed the total average Black Book value of the affected used motor vehicle as originally determined 2 under division (5) of this subparagraph. Any remedy 3 provided to a new motor vehicle dealer under this 4 5 subparagraph is exclusive and may not be combined with any other state or federal compensation remedy, 6 d. unreasonably fails or refuses to offer to its same 7 line-make franchised dealers a reasonable supply and 8 9 mix of all models manufactured for that line-make, or 10 unreasonably requires a dealer to pay any extra fee, purchase unreasonable advertising displays or other 11 12 materials, or enter into a separate agreement which 13 adversely alters the rights or obligations contained within the dealer's existing franchise agreement or 14 which waives any right of the new motor vehicle dealer 15 or new powersports vehicle dealer as protected by 16 Section 561 et seq. of this title, or remodel, 17 renovate, or recondition the dealer's existing 18 facilities as a prerequisite to receiving a model or 19 series of vehicles, except as may be necessary to sell 20 or service the model or series of vehicles as provided 21 by subparagraph e of this paragraph. It shall be a 22 violation of this section for new vehicle allocation 23 to be withheld subject to any requirement to purchase 24

or sell any number of used or off-lease vehicles. The failure to deliver any such new motor vehicle shall not be considered a violation of the section if the failure is not arbitrary or is due to lack of manufacturing capacity or to a strike or labor difficulty, a shortage of materials, a freight embargo, or other cause over which the manufacturer has no control. However, this subparagraph shall not apply to limited production model vehicles, a vehicle not advertised by the factory for sale in this state, vehicles that are subject to allocation affected by federal environmental laws or environmental laws of this state, or vehicles allocated in response to an unforeseen event or circumstance,

except as necessary to comply with a health or safety 15 e. law, or to comply with a technology requirement which 16 is necessary to sell or service a vehicle that the 17 franchised new motor vehicle dealer or new powersports 18 vehicle dealer is authorized or licensed by the 19 franchisor to sell or service, requires a dealer to 20 construct a new facility or substantially renovate the 21 dealer's existing facility unless the facility 22 construction or renovation is justified by the 23 economic conditions existing at the time, as well as 24

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1 the reasonably foreseeable projections, in the new motor vehicle dealer's market and in the automotive 2 industry. However, this subparagraph shall not apply 3 if the new motor vehicle dealer or new powersports 4 5 vehicle dealer voluntarily agrees to facility construction or renovation in exchange for money, 6 credit, allowance, reimbursement, or additional 7 vehicle allocation to a dealer from the factory to 8 9 compensate the dealer for the cost of, or a portion of the cost of, the facility construction or renovation. 10 Except as necessary to comply with a health or safety 11 12 law, or to comply with a technology or safety requirement which is necessary to sell or service a 13 motor vehicle or powersports vehicle that the 14 franchised dealer is authorized or licensed by the 15 franchisor to sell or service, a new vehicle dealer 16 which completes a facility construction or renovation 17 pursuant to factory requirements shall not be required 18 to construct a new facility or renovate the existing 19 facility if the same area of the facility or premises 20 has been constructed or substantially altered within 21 the last ten (10) years and the construction or 22 alteration was approved by the manufacturer as a part 23 of a facility upgrade program, standard, or policy. 24

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

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dealer agree, in writing, to the change in payment or benefit,

- f. requires a new motor vehicle dealer or new powersports 3 vehicle dealer to establish an exclusive facility, 4 5 unless supported by reasonable business, market, and economic considerations; provided, that this section 6 shall not restrict the terms of any agreement for such 7 exclusive facility voluntarily entered into and 8 9 supported by valuable consideration separate from the new motor vehicle dealer's right to sell and service 10 motor vehicles for the franchisor, 11
- 12 g. requires a new motor vehicle dealer or new powersports vehicle dealer to enter into a site-control agreement 13 covering any or all of the new motor vehicle dealer's 14 facilities or premises; provided, that this section 15 shall not restrict the terms of any site-control 16 agreement voluntarily entered into and supported by 17 valuable consideration separate from the new motor 18 vehicle dealer's right to sell and service motor 19 vehicles for the franchisor. Notwithstanding the 20 foregoing or the terms of any site-control agreement, 21 a site-control agreement automatically extinguishes if 22 all of the factory's franchises that operated from the 23 location that are the subject of the site-control 24

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agreement are terminated by the factory as part of the discontinuance of a product line,

refuses to pay, or claims reimbursement from, a new 3 h. motor vehicle dealer or new powersports vehicle dealer 4 5 for sales, incentives, or other payments related to a vehicle sold by the dealer because the purchaser of 6 the new vehicle exported or resold the vehicle in 7 violation of the policy of the factory unless the 8 9 factory can show that, at the time of the sale, the 10 new vehicle dealer knew or reasonably should have known of the purchaser's intention to export or resell 11 12 the vehicle. There is a rebuttable presumption that 13 the new vehicle dealer did not know or could not have known that the vehicle would be exported if the 14 vehicle is titled and registered in any state of the 15 United States, or 16

i. (1) notwithstanding the terms of a franchise agreement or other agreement except as provided in this subsection, requires a new motor vehicle dealer or new powersports vehicle dealer to purchase <u>or utilize</u> goods or services, <u>or</u> <u>contract with any vendor, identified, selected,</u>

or designated by the factory for the:

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1	(a) operation of the dealership, including
2	electronic services such as websites, data
3	management or storage systems, digital
4	retail platforms, software, or other digital
5	services or platforms, or
6	(b) construction, renovation, or improvement of
7	the new dealer's facility from a vendor
8	chosen by the factory if.
9	If goods or services available from other sources
10	a vendor that the new motor vehicle dealer
11	chooses are of substantially similar quality,
12	function, and design and comply with all
13	applicable laws; provided, however, that such
14	goods are not subject to the factory's
15	intellectual property or trademark rights and the
16	new vehicle dealer has received the factory's
17	approval, which approval may not be unreasonably
18	withheld. Nothing in this subparagraph may be
19	construed to allow a new motor vehicle dealer or
20	new powersports vehicle dealer to impair or
21	eliminate a factory's intellectual property,
22	trademark rights, or trade dress usage
23	guidelines. Nothing in this section subparagraph
24	prohibits the enforcement of a voluntary

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1	agreement between the factory and the new vehicle					
2	dealer where separate and valuable consideration					
3	has been offered and accepted.					
4	It is a violation of this subparagraph for a					
5	factory, or any entity that operates on behalf of					
6	a factory, to coerce a new motor vehicle dealer					
7	to purchase or utilize certain goods or services					
8	by withholding vehicle allocation that the new					
9	motor vehicle dealer is otherwise eligible to					
10	receive, and					
11	(2) for the purposes of this subparagraph, "goods and					
12	services" do not include:					
13	(a) moveable displays, brochures, promotional					
14	materials, or electronic or digital media					
15	containing material subject to the					
16	intellectual property rights of a factory or					
17	parts to be used in repairs under warranty					
18	obligations of a factory, or					
19	(b) special tools or training required by the					
20	factory to perform warranty or recall					
21	related repairs;					
22	10. Being a factory that:					
23	a. establishes a system of motor vehicle allocation or					
24	distribution which is unfair, inequitable, or					

unreasonably discriminatory. Upon the request of any new motor vehicle dealer or new powersports vehicle dealer franchised by it, a factory shall disclose in writing to the dealer the basis upon which new vehicles are allocated, scheduled, and delivered among the new motor vehicle dealers of the same line-make for that factory, or

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

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1 change of an established plan or system of motor vehicle distribution as long as the new line-make is 2 not selling the same, or substantially the same 3 vehicle or vehicles previously sold through another 4 5 line-make by new motor vehicle dealers or new powersports vehicle dealers with an active franchise 6 agreement for the other line-make in the state if such 7 dealers are no longer authorized to sell the 8 9 comparable vehicle previously sold through their line-10 make. Changing a vehicle's powertrain is not sufficient to show it is substantially different. 11 12 Upon the occurrence of such change, the manufacturer 13 or distributor shall be prohibited from obtaining a license to distribute vehicles under the new plan or 14 system of distribution unless the manufacturer or 15 distributor offers to each vehicle dealer who is a 16 party to the franchise agreement a new franchise 17 agreement containing substantially the same provisions 18 which were contained in the previous franchise 19

agreement;

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21 11. Being a factory that sells directly or indirectly new motor 22 vehicles or new powersports vehicles to any retail consumer in the 23 state except through a new motor vehicle dealer or new powersports 24 vehicle dealer holding a franchise for the line-make that includes

1 the new motor vehicle or new powersports vehicle. This paragraph 2 does not apply to factory sales of new vehicles to its employees, 3 family members of employees, retirees and family members of retirees, not-for-profit organizations, or the federal, state, or 4 5 local governments. The provisions of this paragraph shall not 6 preclude a factory from providing information to a consumer for the 7 purpose of marketing or facilitating a sale of a new vehicle or from establishing a program to sell or offer to sell new motor vehicles 8 9 or new powersports vehicle through participating dealers subject to the limitations provided in paragraph 2 of Section 562 of this 10 title; 11

12		12.	a.	Bei	Being a factory which directly or indirectly:			
13	(1)			(1)	owns any ownership interest or has any financial			
14					interest in a new motor vehicle dealer or new			
15 powersports vehicle dealer or a			powersports vehicle dealer or any person who					
16	16 sells produc				sells products or services pursuant to the terms			
17					of the franchise agreement,			
18	(2)		(2)	operates or controls a new motor vehicle dealer				
19	or new powersports vehicle dealer, or		or new powersports vehicle dealer, or					
20	(3)		(3)	acts in the capacity of a new motor vehicle				
21					dealer or new powersports vehicle dealer.			
22			b.	(1)	This paragraph does not prohibit a factory from			
23					owning or controlling a new motor vehicle dealer			
24					or new powersports vehicle dealer while in a bona			

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fide relationship with a dealer development candidate who has made a substantial initial investment in the franchise and whose initial investment is subject to potential loss. The dealer development candidate can reasonably expect to acquire full ownership of a new vehicle dealer within a reasonable period of time not to exceed ten (10) years and on reasonable terms and conditions. The ten-year acquisition period may be expanded for good cause shown.

- This paragraph does not prohibit a factory from 11 (2) 12 owning, operating, controlling, or acting in the 13 capacity of a new motor vehicle dealer or new powersports vehicle dealer for a period not to 14 exceed twelve (12) months during the transition 15 from one independent dealer to another 16 17 independent dealer if the dealership is for sale at a reasonable price and on reasonable terms and 18 conditions to an independent qualified buyer. On 19 20 showing by a factory of good cause, the Oklahoma 21 New Motor Vehicle Commission may extend the time limit set forth above; extensions may be granted 22 for periods not to exceed twelve (12) months. 23
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- (3) This paragraph does not prohibit a factory from
 owning, operating, or controlling or acting in
 the capacity of a new motor vehicle dealer or new
 powersports vehicle dealer which was in operation
 prior to January 1, 2000.
- 6 (4) This paragraph does not prohibit a factory from 7 owning, directly or indirectly, a minority 8 interest in an entity that owns, operates, or 9 controls motor vehicle dealerships or powersports 10 vehicle dealerships of the same line-make 11 franchised by the manufacturer, provided that 12 each of the following conditions are met:
- 13 (a) all of the new motor vehicle or new
 14 powersports vehicle dealerships selling the
 15 vehicles of that manufacturer in this state
 16 trade exclusively in the line-make of that
 17 manufacturer,
- (b) all of the franchise agreements of the manufacturer confer rights on the dealer of the line-make to develop and operate, within a defined geographic territory or area, as many dealership facilities as the dealer and manufacturer shall agree are appropriate,
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1	(c)	at the time the manufacturer first acquires
2		an ownership interest or assumes operation,
3		the distance between any dealership thus
4		owned or operated and the nearest
5		unaffiliated new motor vehicle or new
6		powersports vehicle dealership trading in
7		the same line-make is not less than seventy
8		(70) miles,
9	(d)	during any period in which the manufacturer
10		has such an ownership interest, the
11		manufacturer has no more than three
12		franchise agreements with new motor vehicle
13		dealers or new powersports vehicle dealers
14		licensed by the Oklahoma New Motor Vehicle
15		Commission to do business within the state,
16		and
17	(e)	prior to January 1, 2000, the factory shall
18		have furnished or made available to
19		prospective new vehicle dealers an offering
20		circular in accordance with the Trade
21		Regulation Rule on Franchising of the
22		Federal Trade Commission, and any guidelines
23		and exemptions issued thereunder, which

disclose the possibility that the factory

24

1	may from time to time seek to own or					
2	acquire, directly or indirectly, ownership					
3	interests in retail dealerships;					
4	13. Being a factory which directly or indirectly makes					
5	available for public disclosure any proprietary information provided					
6	to the factory by a new motor vehicle dealer or new powersports					
7	vehicle dealer, other than in composite form to new vehicle dealers					
8	in the same line-make or in response to a subpoena or order of the					
9	Commission or a court. Proprietary information includes, but is not					
10	limited to, information:					
11	a. derived from monthly financial statements provided to					
12	the factory, and					
13	b. regarding any aspect of the profitability of a					
14	particular new motor vehicle dealer or new powersports					
15	vehicle dealer;					
16	14. Being a factory which does not provide or direct leads in a					
17	fair, equitable, and timely manner. Nothing in this paragraph shall					
18	be construed to require a factory to disregard the preference of a					
19	consumer in providing or directing a lead;					
20	15. Being a factory which used the consumer list of a new motor					
21	vehicle dealer or new powersports vehicle dealer for the purpose of					
22	unfairly competing with dealers;					
23						
24						

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

- a. the facility and the proposed new location satisfies
 or meets the written reasonable guidelines of the
 factory. Reasonable guidelines do not include
 exclusivity or site control unless agreed to as set
 forth in subparagraphs f and g of paragraph 9 of this
 subsection,
- b. the proposed new location is within the area of
 responsibility of the new motor vehicle dealer or new
 powersports vehicle dealer pursuant to Section 578.1
 of this title, and
- 14 c. the factory has sixty (60) days from receipt of the 15 new motor vehicle dealer's relocation request to 16 approve or deny the request. The failure to approve 17 or deny the request within the sixty-day time frame 18 shall constitute approval of the request;

19 17. Being a factory which prohibits a new motor vehicle dealer 20 or new powersports vehicle dealer from adding additional line-makes 21 to its existing facility, if, after adding the additional line-22 makes, the facility satisfies the written reasonable capitalization 23 standards and facility guidelines of each factory. Reasonable 24 facility guidelines do not include a requirement to maintain

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exclusivity or site control unless agreed to by the dealer as set
 forth in subparagraphs f and g of paragraph 9 of this subsection;

Being a factory that increases prices of new motor vehicles 3 18. or new powersports vehicles which the dealer had ordered for retail 4 5 consumers and notified the factory prior to the dealer's receipt of the written official price increase notification. A sales contract 6 signed by a retail consumer accompanied with proof of order 7 submission to the factory shall constitute evidence of each such 8 9 order, provided that the vehicle is in fact delivered to the consumer. Price differences applicable to new models or series 10 motor vehicles at the time of the introduction of new models or 11 12 series shall not be considered a price increase for purposes of this paragraph. Price changes caused by any of the following shall not 13 be subject to the provisions of this paragraph: 14

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

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

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

19. Being a factory that requires a new motor vehicle dealer or new powersports vehicle dealer to participate monetarily in an advertising campaign or contest, or purchase any promotional 1 materials, showroom, or other display decoration or materials at the 2 expense of the new motor vehicle or powersports vehicle dealer 3 without consent of the dealer, which consent shall not be 4 unreasonably withheld;

5 20. Being a factory that denies any new motor vehicle dealer or 6 new powersports vehicle dealer the right of free association with 7 any other dealer for any lawful purpose, unless otherwise permitted 8 by this chapter; or

9 21. Being a factory that requires a new motor vehicle dealer or 10 new powersports vehicle dealer to sell, offer to sell, or sell 11 exclusively an extended service contract, extended maintenance plan, 12 or similar product, such as gap products offered, endorsed, or 13 sponsored by the factory by the following means:

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

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

22 <u>22. Being a factory that requires or coerces a new motor</u>
23 <u>vehicle dealer in this state to purchase or lease any electric</u>
24 vehicle charging stations at the new motor vehicle dealer's expense

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1	unless the franchise agreement, including any related addendums,				
2	with the new motor vehicle dealer identifies electric vehicle models				
3	among the vehicles available for sale under the dealer's franchised				
4	line-make, or the new motor vehicle dealer has notified the				
5	manufacturer or distributor of the new motor vehicle dealer's				
6	intention to begin selling and servicing electric vehicles				
7	manufactured or distributed by that factory. If the new motor				
8	vehicle dealer's franchise identifies electric vehicle models or the				
9	dealer is actually offering for sale to the public or providing				
10	warranty service on electric vehicles manufactured or distributed by				
11	that factory, the new motor vehicle dealer may not be required to				
12	purchase or lease, at the new motor vehicle dealer's expense:				
13	a. more than the number and type of electric vehicle				
14		charging stations based upon the reasonable estimate			
15		of the sales and service volume for the vehicles in			
16		the dealer's market, or			
17	<u>b.</u>	to make electric vehicle charging stations located at			
18		the new motor vehicle dealership available for use by			
19		the general public. Nothing in this paragraph shall			
20		prohibit a factory from offering financial assistance			
21		through a lump-sum payment to new motor vehicle			
22		dealers that purchase or install electric charging			
23	stations; and				
24					

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1	<u>23. Bein</u>	g a factory that withdraws all or a material part of				
2	its stated electric vehicle distribution plan and fails or refuses,					
3	at the written request of the new motor vehicle dealer, to accept					
4	the return or otherwise fully reimburse a new motor vehicle dealer					
5	for the cost of parts, tools, equipment, chargers, and other					
6	returnable it	ems required as a part of that distribution plan,				
7	program, policy, or other initiative related to the sale or service					
8	of electric motor vehicles; provided, that:					
9	<u>a.</u>	the dealer demonstrates that the volume of electric				
10		motor vehicles sales or service is no longer adequate				
11		to allow the dealer to realize a positive return on				
12	the investment over the useful life of the parts,					
13	tools, equipment, chargers, or other returnable items,					
14	and					
15	b. the dealer submits its request to the manufacturer or					
16		distributor in writing and within twenty-four (24)				
17		months of the dealer's receipt of the parts, tools,				
18	equipment, chargers, or other returnable items.					
19	B. Notwithstanding the terms of any franchise agreement, in the					
20	event of a proposed sale or transfer of a dealership, the					
21	manufacturer or distributor shall be permitted to exercise a right					
22	of first refusal to acquire the assets or ownership interest of the					
23	dealer of the new motor vehicle or new powersports vehicle					
24	dealership, if such sale or transfer is conditioned upon the					

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1 manufacturer or dealer entering into a dealer agreement with the 2 proposed new owner or transferee, only if all the following 3 requirements are met:

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

8 2. The exercise of the right of first refusal will result in 9 the new motor vehicle dealer or new powersports vehicle dealer and 10 the owner of the dealership receiving the same or greater 11 consideration as they have contracted to receive in connection with 12 the proposed change of ownership or transfer;

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

4. The factory agrees to pay the reasonable expenses, including 17 attorney fees which do not exceed the usual, customary, and 18 reasonable fees charged for similar work done for other clients 19 incurred by the proposed new owner and transferee prior to the 20 exercise by the factory of its right of first refusal in negotiating 21 and implementing the contract for the proposed sale or transfer of 22 the dealership or dealership assets. Notwithstanding the foregoing, 23 no payment of expenses and attorney fees shall be required if the 24

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proposed new dealer or transferee has not submitted or caused to be submitted an accounting of those expenses within thirty (30) days of receipt of the written request of the factory for such an accounting. The accounting may be requested by a factory before exercising its right of first refusal.

6 C. Nothing in this section shall prohibit, limit, restrict, or7 impose conditions on:

8 1. Business activities, including without limitation the 9 dealings with motor vehicle manufacturers and the representatives 10 and affiliates of motor vehicle manufacturers, of any person that is 11 primarily engaged in the business of short-term, not to exceed 12 twelve (12) months, rental of motor vehicles and industrial and 13 construction equipment and activities incidental to that business, 14 provided that:

any motor vehicle or powersports vehicle sold by that 15 a. person is limited to used motor vehicles or 16 powersports vehicles that have been previously used 17 exclusively and regularly by that person in the 18 conduct of business and used motor vehicles or used 19 powersports vehicles traded in on motor vehicles or 20 powersports vehicles sold by that person, 21 b. warranty repairs performed by that person on motor 22 vehicles or powersports vehicles are limited to those 23

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- vehicles that the person owns, previously owned, or
 takes in trade, and
- 3 c. motor vehicle or powersports vehicle financing
 4 provided by that person to retail consumers for motor
 5 vehicles or powersports vehicles is limited to used
 6 vehicles sold by that person in the conduct of
 7 business; or

8 2. The direct or indirect ownership, affiliation, or control of9 a person described in paragraph 1 of this subsection.

10

D. As used in this section:

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

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

E. Nothing in this section shall prohibit a manufacturer or distributor from requiring a dealer to be in compliance with the franchise agreement and authorized to sell a make and model based on applicable reasonable standards and requirements that include but are not limited to any facility, technology, or training requirements necessary to sell or service a vehicle, in order to be

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1	eligible for deli	very or a	allotment of	a make or model o	f a new motor
2	vehicle or new po	wersports	s vehicle or	an incentive.	
3	SECTION 5. T	his act s	shall become	effective Novembe	r 1, 2025.
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