

1 **SENATE FLOOR VERSION**

2 March 6, 2025

3 COMMITTEE SUBSTITUTE  
4 FOR

5 SENATE BILL NO. 604

By: Gollihare of the Senate

and

Dobrinski of the House

6  
7  
8  
9 An Act relating to motor vehicles; amending 47 O.S.  
10 2021, Sections 562 and 564, as last amended by  
11 Sections 2 and 4, Chapter 240, O.S.L. 2024 (47 O.S.  
12 Supp. 2024, Sections 562 and 564), which relate to  
13 definitions and licenses; modifying definitions;  
14 defining terms; modifying list of entities requiring  
15 licensure; removing certain exception; amending  
16 Section 1, Chapter 29, O.S.L. 2023 (47 O.S. Supp.  
17 2024, Section 564.3), which relates to dealer  
18 management system providers; modifying definitions;  
19 requiring certain commercially reasonable data  
20 security standards; modifying entities not liable for  
21 certain actions; modifying entities required to  
22 provide certain indemnification; prohibiting certain  
23 actions by certain entities; defining certain term;  
24 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 the denial,  
revocation, or suspension of license; modifying  
reasons for which a license may be denied, revoked,  
or suspended; removing language requiring certain  
dealer compliance; and providing an effective date.

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

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

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

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

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

15 2. "New motor vehicle dealer" means any person, firm,  
16 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 rendition by the dealer of services and safety adjustments on each

1 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 post-sale work pursuant to the warranty", as used herein, means the  
5 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 prescribed by the manufacturer. The term includes premises or  
9 facilities at which a person engages only in the repair of motor  
10 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,  
17 guardians, or other persons appointed by or acting  
18 under judgment or order of any court,
- 19 b. public officers while performing or in operation of  
20 their duties,
- 21 c. employees of persons, corporations, or associations  
22 enumerated in subparagraph a of this paragraph when  
23 engaged in the specific performance of their duties as  
24 such employees, or

1           d.    a powersports vehicle dealer;

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

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

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

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

23          7.   "Factory branch" means any branch office maintained by a  
24 person, firm, association, corporation, ~~or~~ partnership, trust, joint

1 venture, or common entity thereof that manufactures or assembles  
2 motor vehicles or powersport vehicles for the sale of motor vehicles  
3 or powersport vehicles to distributors, or for the sale of motor  
4 vehicles to new motor vehicle dealers, or for the sale of powersport  
5 vehicles to new powersport vehicle dealers, or for directing or  
6 supervising, in whole or in part, its representatives;

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

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

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

23 11. "Franchise" means any contract or agreement between a new  
24 motor vehicle dealer or a powersports vehicle dealer and a

1 manufacturer of a new motor vehicle or powersports vehicle or its  
2 distributor or factory branch by which the new motor vehicle dealer  
3 or new powersports vehicle dealer is authorized to engage in the  
4 activities of a new motor vehicle dealer or new powersports vehicle  
5 dealer as defined by this section;

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

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

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

24

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

5 16. "Product" means new motor vehicles and new motor vehicle  
6 parts or new powersports vehicle and new powersports vehicle parts;

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

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

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

13 20. "Factory" means a manufacturer, distributor, factory  
14 branch, distributor branch, any common entity of a manufacturer,  
15 distributor, factory branch, or distributor branch; or factory  
16 representative, or distributor representative, which manufactures or  
17 distributes vehicle products;

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

24

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

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

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

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

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

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



1        26. a. "Common entity" means any person, firm, association,  
2        corporation, partnership, trust, or joint venture  
3        which:

4        (1) is directly or indirectly controlled by or has  
5        more than thirty percent (30%) of its equity  
6        interest directly or indirectly owned,  
7        beneficially or of record, through any form of  
8        ownership structure, by a factory, manufacturer,  
9        manufacturer branch, distributor, or distributor  
10       branch, or

11       (2) has more than thirty percent (30%) of its equity  
12       interest directly or indirectly controlled or  
13       owned, beneficially or of record, through any  
14       form of ownership structure, by one or more  
15       persons who also directly or indirectly control  
16       or own, beneficially or of record, more than  
17       thirty percent (30%) of the equity interests of  
18       the factory, manufacturer, manufacturer branch,  
19       distributor, or distributor branch.

20       b. An entity that would otherwise be considered a common  
21       entity of a distributor as provided in division 1 or 2  
22       of subparagraph a of this paragraph because of its  
23       relation to a distributor is not considered a common  
24       entity of that distributor if:

1           (1) the distributor to which the entity is related  
2           was a licensed distributor on March 1, 2025,

3           (2) the entity is not a common entity of a  
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  
7           manufacturer or an importer.

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:

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

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  
3 person designated as principal in the dealer's franchise or the  
4 managing officer or one partner if no principal person is named in  
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  
7 permitted to engage in the activities of a new motor vehicle dealer  
8 as defined in Section 562 of this title or be licensed as a new  
9 motor vehicle dealer in this state, except as provided by  
10 subparagraph b of paragraph 12 of Section 565 of this title.

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

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

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

1           1. For each factory branch or distributor branch, Four Hundred  
2 Dollars (\$400.00) initial fee with annual renewal fee of Three  
3 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.

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

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

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

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

13 SECTION 3. AMENDATORY Section 1, Chapter 29, O.S.L. 2023  
14 (47 O.S. Supp. 2024, Section 564.3), is amended to read as follows:

15 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 that is in addition to an amount specified in  
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;

1 3. "Dealer data system" means software, hardware, or firmware  
2 that a dealer leases or rents from a dealer management system  
3 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:

8 a. consumer data that a dealer generated or that the  
9 consumer provided to the dealer that is not otherwise  
10 publicly available and the consumer has not otherwise  
11 provided consent or acknowledgment to share the  
12 information, and

13 b. any other dealer data in connection with the dealer's  
14 daily business operations in which a dealer has rights  
15 in a dealer data system; and

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

18 a. a ~~manufacturer, distributor, importer,~~ factory or any  
19 entity that ~~is a subsidiary or affiliate of,~~ or acts  
20 on behalf of, a ~~manufacturer, distributor, or importer~~  
21 factory, or

22 b. a governmental body or other person that is acting in  
23 accordance with federal, state, or local law, or a  
24 valid court order.

1 B. A dealer management system provider may:

2 1. Condition access and ability of a dealer or authorized  
3 integrator to receive, share, copy, use, write, or transmit  
4 protected dealer data from or to a dealer data system on the  
5 dealer's or authorized integrator's compliance with commercially  
6 reasonable data security standards;

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

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

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

20 1. Imposing an access fee on a dealer or authorized integrator;  
21 and

22 2. Restricting a dealer or an authorized integrator from  
23 sharing protected dealer data or writing data or having access to a  
24



1 dealer data system. Prohibited restrictions pursuant to this  
2 paragraph include, but are not limited to:

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

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

17 E. An authorized integrator shall:

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

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

24

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

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

7           b. immediately, for good cause.

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

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

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

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

17           5. A ~~manufacturer, distributor, importer,~~ factory or any entity  
18 that ~~is a subsidiary or affiliate of, or acts on behalf of,~~ a  
19 ~~manufacturer, distributor, or importer~~ factory is not liable for any  
20 action that a dealer, dealer management system provider, authorized  
21 integrator, or other third party, except for a third party who the  
22 manufacturer has provided the data to as provided for in paragraph 7  
23 of this subsection, takes directly with respect to securing or  
24 preventing unauthorized access to protected dealer data or for

1 actions that an authorized integrator, dealer management system  
2 provider, or other third party takes in appropriately following the  
3 written instructions of the dealer for securing or preventing  
4 unauthorized access to protected dealer data.

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

11 7. Notwithstanding any other agreement, a ~~manufacturer,~~  
12 ~~distributor, importer, factory~~ or any entity that ~~is a subsidiary or~~  
13 ~~affiliate of, or acts on behalf of, a manufacturer, distributor, or~~  
14 ~~importer~~ factory shall indemnify the dealer for any third-party  
15 claims asserted against or damages incurred by the dealer to the  
16 extent the claims or damages are caused by the access to and  
17 unlawful disclosure of protected dealer data resulting from a breach  
18 caused by the manufacturer or distributor or a third party to which  
19 the manufacturer or distributor has provided the protected dealer  
20 data in violation of this section, the written consent granted by  
21 the dealer, or other applicable state or federal law.

22 G. A factory or any entity that acts on behalf of a factory  
23 shall not prohibit an authorized integrator that has satisfied, or  
24 is compliant with, commercially reasonable data security standards

1 and that the dealer has identified as one of its authorized  
2 integrators from integrating into the dealer's dealer data system or  
3 place an unreasonable restriction on integration by an authorized  
4 integrator or other third party that the dealer wishes to be an  
5 authorized integrator. For the purposes of this subsection,  
6 "unreasonable restriction" includes:

7 1. Imposing an access fee on a dealer or authorized integrator;  
8 however, a franchisor or third party may charge a franchise or  
9 authorized integrator for actual costs associated with modifications  
10 to a franchisor's electronic systems to enable a secure interface  
11 with the authorized integrator's system and software;

12 2. An unreasonable limitation or condition on the scope or  
13 nature of the data that is shared with an authorized integrator;

14 3. An unreasonable limitation on the ability of the authorized  
15 integrator to write data to a dealer data system;

16 4. An unreasonable limitation or condition on an authorized  
17 integrator that accesses or shares protected dealer data or that  
18 writes data to a dealer data system; and

19 5. Requiring unreasonable access to an authorized integrator's  
20 sensitive, competitive, or other confidential business information  
21 as a condition for accessing protected dealer data or sharing  
22 protected dealer data with an authorized integrator.

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

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

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

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

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

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

21 5. Being a new motor vehicle dealer or new powersports vehicle  
22 dealer who:

23 a. has required a purchaser of a new motor vehicle or new  
24 powersports vehicle, as a condition of sale and

1 delivery thereof, to also purchase special features,  
2 appliances, accessories, or equipment not desired or  
3 requested by the purchaser and installed by the new  
4 motor vehicle dealer or new powersports vehicle  
5 dealer,

6 b. uses any false or misleading advertising in connection  
7 with business as a new motor vehicle dealer or new  
8 powersports vehicle dealer,

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

11 d. has failed or refused to perform any written agreement  
12 with any retail buyer involving the sale of a motor  
13 vehicle or powersports vehicle,

14 e. has been convicted of a felony crime that  
15 substantially relates to the occupation of a new motor  
16 vehicle dealer or new powersports vehicle dealer and  
17 poses a reasonable threat to public safety,

18 f. has committed a fraudulent act in selling, purchasing,  
19 or otherwise dealing in new motor vehicles or new  
20 powersports vehicles or has misrepresented the terms  
21 and conditions of a sale, purchase or contract for  
22 sale or purchase of a new motor vehicle or new  
23 powersports vehicle or any interest therein including  
24 an option to purchase such vehicle,

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

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

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

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

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

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



- 1 c. does not hold a franchise in effect with a  
2 manufacturer or distributor of new or unused vehicles  
3 for the sale of the same and is not authorized by the  
4 manufacturer or distributor to render predelivery  
5 preparation of such vehicles sold to purchasers and to  
6 perform any authorized post-sale work pursuant to the  
7 manufacturer's or distributor's warranty,
- 8 d. employs or utilizes the services of used motor vehicle  
9 lots or dealers or other unlicensed persons or  
10 unregistered persons in connection with the sale of  
11 new vehicles,
- 12 e. does not properly service a new motor vehicle or new  
13 powersports vehicle before delivery of same to the  
14 original purchaser thereof, or
- 15 f. fails to order and stock a reasonable number of new  
16 motor vehicles necessary to meet consumer demand for  
17 each of the new motor vehicles included in the new  
18 motor vehicle dealer's franchise agreement, unless the  
19 new motor vehicles are not readily available from the  
20 manufacturer or distributor due to limited production;

21 8. Being a factory that has:

- 22 a. either induced or attempted to induce by means of  
23 coercion or intimidation, any new motor vehicle dealer  
24 or powersports vehicle dealer:

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

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

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

15 b. induced under threat or discrimination by the  
16 withholding from delivery to a new motor vehicle  
17 dealer or new powersports vehicle dealer certain  
18 models of motor vehicles, changing or amending  
19 unilaterally the new motor vehicle dealer's allotment  
20 of motor vehicles, and/or withholding and delaying  
21 delivery of the vehicles out of the ordinary course of  
22 business, in order to induce by such coercion any new  
23 motor vehicle dealer or new powersports vehicle dealer  
24 to participate or contribute to any local or national

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

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

19 d. used a performance standard for measuring sales or  
20 service performance of, or which results in penalizing  
21 or withholding a benefit from, any new motor vehicle  
22 dealer or new powersports vehicle dealer under the  
23 terms of the franchise agreement which:  
24

- 1 (1) is unfair, unreasonable, arbitrary, or  
2 inequitable, ~~and~~
- 3 (2) does not consider the relevant and material local  
4 and state or regional criteria, including  
5 prevailing economic conditions affecting the  
6 sales or service performance of a vehicle dealer  
7 ~~or~~ and any relevant and material data and facts  
8 presented by the dealer in writing within thirty  
9 (30) days of the written notice of the  
10 manufacturer to the dealer of its intention to  
11 cancel, terminate, or not renew the dealer's  
12 franchise agreement, and
- 13 (3) does not consider the actual vehicle allocation  
14 offered or otherwise made available to the dealer  
15 by the manufacturer or distributor, as well as  
16 the dealer's inventory levels relevant to achieve  
17 any minimum performance standards to which the  
18 manufacturer or distributor holds the dealer  
19 accountable,
- 20 e. failed or refused to sell, or offer for sale, new  
21 motor vehicles to all of its authorized same line-make  
22 franchised new motor vehicle dealers or new  
23 powersports vehicle dealers at the same price for a  
24 comparably equipped motor vehicle, on the same terms,

1 with no differential in functionally available  
2 discount, allowance, credit, or bonus, except as  
3 provided in subparagraph e of paragraph 9 of this  
4 subsection,

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

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

22 9. Being a factory that:

23 a. has attempted to coerce or has coerced any new motor  
24 vehicle dealer or new powersports vehicle dealer to

1 enter into any agreement or to cancel any agreement;  
2 has failed to act in good faith and in a fair,  
3 equitable, and nondiscriminatory manner; has directly  
4 or indirectly coerced, intimidated, threatened, or  
5 restrained any new motor vehicle dealer; has acted  
6 dishonestly; or has failed to act in accordance with  
7 the reasonable standards of fair dealing,

8 b. has failed to compensate its dealers for the work and  
9 services they are required to perform in connection  
10 with the dealer's delivery and preparation obligations  
11 according to the agreements on file with the  
12 Commission which must be found by the Commission to be  
13 reasonable, or has failed to adequately and fairly  
14 compensate its dealers for labor, parts, and other  
15 expenses incurred by the dealer to perform under and  
16 comply with manufacturer's warranty agreements and  
17 recall repairs which shall include diagnostic work as  
18 applicable and assistance requested by a consumer  
19 whose vehicle was subjected to an over-the-air or  
20 remote change, repair, or update to any part, system,  
21 accessory, or function by the manufacturer and  
22 performed by the dealer in order to satisfy the  
23 consumer. Time allowances for the diagnosis and  
24 performance of repair work shall be reasonable and

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

1 those parts, subtracting one (1), and multiplying by  
2 one hundred (100) to produce a percentage. The new  
3 motor vehicle dealer or new powersports vehicle dealer  
4 shall calculate its retail labor rate by dividing the  
5 amount of the new vehicle dealer's total labor sales  
6 from the qualified repair orders by the total labor  
7 hours charged for those sales. When submitting repair  
8 orders to establish a retail parts and labor rate, a  
9 new motor vehicle dealer or new powersports vehicle  
10 dealer need not include repairs for:

- 11 (1) routine maintenance including but not limited to  
12 the replacement of bulbs, fluids, filters,  
13 batteries, and belts that are not provided in the  
14 course of and related to a repair,
  - 15 (2) factory special events, specials, or promotional  
16 discounts for retail consumer repairs,
  - 17 (3) parts sold or repairs performed at wholesale,
  - 18 (4) factory-approved goodwill or policy repairs or  
19 replacements,
  - 20 (5) repairs with aftermarket parts, when calculating  
21 the retail parts rate but not the retail labor  
22 rate,
  - 23 (6) repairs on aftermarket parts,
- 24



- 1 (7) replacement of or work on tires including front-  
2 end alignments and wheel or tire rotations,  
3 (8) repairs of vehicles owned by the new motor  
4 vehicle dealer or new powersports vehicle dealer  
5 or employee thereof at the time of the repair,  
6 (9) vehicle reconditioning, or  
7 (10) items that do not have individual part numbers  
8 including, but not limited to, nuts, bolts, and  
9 fasteners.

10 A manufacturer or distributor may, not later than  
11 forty-five (45) days after submission, rebut that  
12 declared retail parts and labor rate in writing by  
13 reasonably substantiating that the rate is not  
14 accurate or is incomplete pursuant to the provisions  
15 of this section. If the manufacturer or distributor  
16 determines the set of repair orders submitted by the  
17 new motor vehicle dealer or new powersports vehicle  
18 dealer pursuant to this section for a retail labor  
19 rate or retail parts markup rate is substantially  
20 higher than the new vehicle dealer's current warranty  
21 rates, the manufacturer or distributor may request, in  
22 writing, within forty-five (45) days after the  
23 manufacturer's or distributor's receipt of the new  
24 vehicle dealer's initial submission, all repair orders

1 closed within the period of thirty (30) days  
2 immediately preceding, or thirty (30) days immediately  
3 following, the set of repair orders initially  
4 submitted by the new motor vehicle dealer. All time  
5 periods under this section shall be suspended until  
6 the supplemental repair orders are provided. If the  
7 manufacturer or distributor requests supplemental  
8 repair orders, the manufacturer or distributor may,  
9 within thirty (30) days after receiving the  
10 supplemental repair orders and in accordance with the  
11 formula described in this subsection, calculate a  
12 proposed adjusted retail labor rate or retail parts  
13 markup rate, as applicable, based upon any set of the  
14 qualified repair orders submitted by the franchisee  
15 and following the formula set forth herein to  
16 establish the rate. The retail labor and parts rates  
17 shall go into effect thirty (30) days following the  
18 approval by the manufacturer or distributor. If the  
19 declared rate is rebutted, the manufacturer or  
20 distributor shall provide written notice stating the  
21 reasons for the rebuttal, an explanation of the  
22 reasons for the rebuttal, and a copy of all  
23 calculations used by the franchisor in determining the  
24 manufacturer or distributor's position and propose an

1 adjustment in writing of the average percentage markup  
2 or labor rate based on that rebuttal not later than  
3 forty-five (45) days after submission. If the new  
4 motor vehicle dealer or new powersports vehicle dealer  
5 does not agree with the proposed average percentage  
6 markup or labor rate, the new vehicle dealer may file  
7 a protest with the Commission not later than thirty  
8 (30) days after receipt of that proposal by the  
9 manufacturer or distributor. In the event a protest  
10 is filed, the manufacturer or distributor shall have  
11 the burden of proof to establish the new vehicle  
12 dealer's submitted parts markup rate or labor rate was  
13 inaccurate or not complete pursuant to the provisions  
14 of this section. A manufacturer or distributor may  
15 not retaliate against any new motor vehicle dealer or  
16 new powersports vehicle dealer seeking to exercise its  
17 rights under this section. A manufacturer or  
18 distributor may require a dealer to submit repair  
19 orders in accordance with this section in order to  
20 validate the reasonableness of a dealer's retail rate  
21 for parts or labor not more often than once every  
22 twelve (12) months. A manufacturer or distributor may  
23 not otherwise recover its costs from new vehicle  
24 dealers within this state including a surcharge

1 imposed on a new motor vehicle dealer solely intended  
2 to recover the cost of reimbursing a dealer for parts  
3 and labor pursuant to this section; provided, a  
4 manufacturer or distributor shall not be prohibited  
5 from increasing prices for vehicles or parts in the  
6 normal course of business or from auditing and  
7 charging back claims in accordance with this section.  
8 All claims made by dealers for compensation for  
9 delivery, preparation, warranty, or recall repair work  
10 shall be paid within thirty (30) days after approval  
11 and shall be approved or disapproved within thirty  
12 (30) days after receipt. When any claim is  
13 disapproved, the dealer shall be notified in writing  
14 of the grounds for disapproval. The dealer's  
15 delivery, preparation, and warranty obligations as  
16 filed with the Commission shall constitute the  
17 dealer's sole responsibility for product liability as  
18 between the dealer and manufacturer. A factory may  
19 reasonably and periodically audit a new motor vehicle  
20 dealer or new powersports vehicle dealer to determine  
21 the validity of paid claims for dealer compensation or  
22 any charge-backs for warranty parts or service  
23 compensation. Except in cases of suspected fraud,  
24 audits of warranty payments shall only be for the one-

1 year period immediately following the date of the  
2 payment. A manufacturer shall reserve the right to  
3 reasonable, periodic audits to determine the validity  
4 of paid claims for dealer compensation or any charge-  
5 backs for consumer or dealer incentives. Except in  
6 cases of suspected fraud, audits of incentive payments  
7 shall only be for a one-year period immediately  
8 following the date of the payment. A factory shall  
9 not deny a claim or charge a new motor vehicle dealer  
10 back subsequent to the payment of the claim unless the  
11 factory can show that the claim was false or  
12 fraudulent or that the new motor vehicle dealer or new  
13 powersports vehicle dealer failed to reasonably  
14 substantiate the claim by the written reasonable  
15 procedures of the factory. A factory shall not deny a  
16 claim or implement a charge-back against a new vehicle  
17 dealer after payment of a claim in the event a  
18 purchaser of a new vehicle that is the subject of a  
19 claim fails to comply with titling or registration  
20 laws of this state and is not prevented from  
21 compliance by any action of the dealer; provided, that  
22 the factory may require the dealer to provide, within  
23 thirty (30) days of notice of charge-back, withholding  
24 of payment, or denial of claim, the documentation to

1 demonstrate the vehicle sale, delivery, and customer  
2 qualification for an incentive as reported, including  
3 consumer name and address and written attestation  
4 signed by the dealer operator or general manager  
5 stating the consumer was not on the export control  
6 list and the dealer did not know or have reason to  
7 know the vehicle was being exported or resold.

8 The factory shall provide written notice to a dealer  
9 of a proposed charge-back that is the result of an  
10 audit along with the specific audit results and  
11 proposed charge-back amount. A dealer that receives  
12 notice of a proposed charge-back pursuant to a  
13 factory's audit has the right to file a protest with  
14 the Commission within thirty (30) days after receipt  
15 of the notice of the charge-back or audit results,  
16 whichever is later. The factory is prohibited from  
17 implementing the charge-back or debiting the dealer's  
18 account until either the time frame for filing a  
19 protest has passed or a final adjudication is rendered  
20 by the Commission, whichever is later, unless the  
21 dealer has agreed to the charge-back or charge-backs,  
22 c. fails to compensate the new motor vehicle dealer for a  
23 used motor vehicle:  
24

1 (1) that is of the same make and model manufactured,  
2 imported, or distributed by the factory and is a  
3 line-make that the new motor vehicle dealer is  
4 franchised to sell or on which the new motor  
5 vehicle dealer is authorized to perform recall  
6 repairs,

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

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

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

23 (5) that is not at least in the prorated amount of  
24 one percent (1.00%) of the value of the vehicle

1 per month beginning on the date that is thirty  
2 (30) days after the date on which the stop-sale  
3 order was provided to the new motor vehicle  
4 dealer until the earlier of either of the  
5 following:

- 6 (a) the date the recall remedy or parts are made  
7 available, or
- 8 (b) the date the new motor vehicle dealer sells,  
9 trades, or otherwise disposes of the  
10 affected used motor vehicle.

11 For the purposes of division (5) of this subparagraph,  
12 the value of a used vehicle shall be the average Black  
13 Book value for the year, make, and model of the  
14 recalled vehicle. A factory may direct the manner and  
15 method in which a new motor vehicle dealer must  
16 demonstrate the inventory status of an affected used  
17 motor vehicle to determine eligibility under this  
18 subparagraph; provided, that the manner and method may  
19 not be unduly burdensome and may not require  
20 information that is unduly burdensome to provide. All  
21 reimbursement claims made by new motor vehicle dealers  
22 pursuant to this section for recall remedies or  
23 repairs, or for compensation where no part or repair  
24 is reasonably available and the vehicle is subject to



1 a stop-sale or do-not-drive order, shall be subject to  
2 the same limitations and requirements as a warranty  
3 reimbursement claim made under subparagraph b of this  
4 paragraph. In the alternative, a manufacturer may  
5 compensate its franchised new motor vehicle dealers  
6 under a national recall compensation program;  
7 provided, the compensation under the program is equal  
8 to or greater than that provided under division (5) of  
9 this subparagraph, or as the manufacturer and new  
10 motor vehicle dealer otherwise agree. Nothing in this  
11 section shall require a factory to provide total  
12 compensation to a new motor vehicle dealer which would  
13 exceed the total average Black Book value of the  
14 affected used motor vehicle as originally determined  
15 under division (5) of this subparagraph. Any remedy  
16 provided to a new motor vehicle dealer under this  
17 subparagraph is exclusive and may not be combined with  
18 any other state or federal compensation remedy,

19 d. unreasonably fails or refuses to offer to its same  
20 line-make franchised dealers a reasonable supply and  
21 mix of all models manufactured for that line-make, or  
22 unreasonably requires a dealer to pay any extra fee,  
23 purchase unreasonable advertising displays or other  
24 materials, or enter into a separate agreement which

1 adversely alters the rights or obligations contained  
2 within the dealer's existing franchise agreement or  
3 which waives any right of the new motor vehicle dealer  
4 or new powersports vehicle dealer as protected by  
5 Section 561 et seq. of this title, or remodel,  
6 renovate, or recondition the dealer's existing  
7 facilities as a prerequisite to receiving a model or  
8 series of vehicles, except as may be necessary to sell  
9 or service the model or series of vehicles as provided  
10 by subparagraph e of this paragraph. It shall be a  
11 violation of this section for new vehicle allocation  
12 to be withheld subject to any requirement to purchase  
13 or sell any number of used or off-lease vehicles. The  
14 failure to deliver any such new motor vehicle shall  
15 not be considered a violation of the section if the  
16 failure is not arbitrary or is due to lack of  
17 manufacturing capacity or to a strike or labor  
18 difficulty, a shortage of materials, a freight  
19 embargo, or other cause over which the manufacturer  
20 has no control. However, this subparagraph shall not  
21 apply to limited production model vehicles, a vehicle  
22 not advertised by the factory for sale in this state,  
23 vehicles that are subject to allocation affected by  
24 federal environmental laws or environmental laws of

1 this state, or vehicles allocated in response to an  
2 unforeseen event or circumstance,

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

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

1 specified under the program is reduced or canceled  
2 prematurely in the unilateral discretion of the  
3 manufacturer or distributor, the manufacturer or  
4 distributor shall not deny the participating dealer  
5 any payment or benefit under the terms of the program,  
6 standard, or policy as it existed when the dealer  
7 began to perform under the program, standard, or  
8 policy for the balance of the ten-year period,  
9 regardless of whether the manufacturer's or  
10 distributor's program, standard, or policy has been  
11 changed or canceled, unless the manufacturer and  
12 dealer agree, in writing, to the change in payment or  
13 benefit,

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

23 g. requires a new motor vehicle dealer or new powersports  
24 vehicle dealer to enter into a site-control agreement

1 covering any or all of the new motor vehicle dealer's  
2 facilities or premises; provided, that this section  
3 shall not restrict the terms of any site-control  
4 agreement voluntarily entered into and supported by  
5 valuable consideration separate from the new motor  
6 vehicle dealer's right to sell and service motor  
7 vehicles for the franchisor. Notwithstanding the  
8 foregoing or the terms of any site-control agreement,  
9 a site-control agreement automatically extinguishes if  
10 all of the factory's franchises that operated from the  
11 location that are the subject of the site-control  
12 agreement are terminated by the factory as part of the  
13 discontinuance of a product line,

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

1 known that the vehicle would be exported if the  
2 vehicle is titled and registered in any state of the  
3 United States, or

4 i. (1) notwithstanding the terms of a franchise  
5 agreement or other agreement providing otherwise,  
6 requires a new motor vehicle dealer or new  
7 powersports vehicle dealer to purchase or utilize  
8 goods or services, or contract with any vendor,  
9 identified, selected, or designated by the  
10 factory for the:

11 (a) operation of the dealership, including  
12 electronic services such as websites, data  
13 management or storage systems, digital  
14 retail platforms, software, or other digital  
15 services or platforms, or

16 (b) construction, renovation, or improvement of  
17 the new dealer's facility ~~from a vendor~~  
18 ~~chosen by the factory~~ if goods or services  
19 available from ~~other sources~~ a vendor that  
20 the new motor vehicle dealer chooses are of  
21 substantially similar quality and design and  
22 comply with all applicable laws; provided,  
23 however, that such goods are not subject to  
24 the factory's intellectual property or

1 trademark rights and the new vehicle dealer  
2 has received the factory's approval, which  
3 approval may not be unreasonably withheld.  
4 Nothing in this subparagraph may be  
5 construed to allow a new motor vehicle  
6 dealer or new powersports vehicle dealer to  
7 impair or eliminate a factory's intellectual  
8 property, trademark rights, or trade dress  
9 usage guidelines. ~~Nothing in this section~~  
10 ~~prohibits the enforcement of a voluntary~~  
11 ~~agreement between the factory and the new~~  
12 ~~vehicle dealer where separate and valuable~~  
13 ~~consideration has been offered and accepted~~

14 It is a violation of this division for a factory, or  
15 any entity that operates on behalf of a factory, to  
16 coerce a new motor vehicle dealer to purchase or  
17 utilize certain goods or services by the withholding  
18 of monetary incentives paid on a per vehicle basis and  
19 vehicle allocation that the new motor vehicle dealer  
20 is otherwise eligible to receive, and

21 (2) for the purposes of this subparagraph, "goods and  
22 services" do not include:

23 (a) moveable displays, brochures, or promotional  
24 materials containing material subject to the



1 intellectual property rights of a factory or  
2 parts to be used in repairs under warranty  
3 obligations of a factory, or  
4 (b) special tools or training required by the  
5 factory to perform warranty or recall  
6 related repairs;

7 10. Being a factory that:

- 8 a. establishes a system of motor vehicle allocation or  
9 distribution which is unfair, inequitable, or  
10 unreasonably discriminatory. Upon the request of any  
11 new motor vehicle dealer or new powersports vehicle  
12 dealer franchised by it, a factory shall disclose in  
13 writing to the dealer the basis upon which new  
14 vehicles are allocated, scheduled, and delivered among  
15 the new motor vehicle dealers of the same line-make  
16 for that factory, or
- 17 b. changes an established plan or system of new motor  
18 vehicle or new powersports vehicle distribution. A  
19 new motor vehicle dealer or new powersports vehicle  
20 dealer franchise agreement shall continue in full  
21 force and operation notwithstanding a change, in whole  
22 or in part, of an established plan or system of  
23 distribution of the motor vehicles or new powersports  
24 vehicles offered or previously offered for sale under

1 the franchise agreement. The appointment of a new  
2 importer or distributor for motor vehicles or new  
3 powersports vehicle offered for sale under the  
4 franchise agreement shall be deemed to be a change of  
5 an established plan or system of distribution. The  
6 discontinuation of a line-make shall not be deemed to  
7 be a change of an established plan or system of motor  
8 vehicle or new powersports vehicle distribution. The  
9 creation of a line-make shall not be deemed to be a  
10 change of an established plan or system of motor  
11 vehicle distribution as long as the new line-make is  
12 not selling the same, or substantially the same  
13 vehicle or vehicles previously sold through another  
14 line-make by new motor vehicle dealers or new  
15 powersports vehicle dealers with an active franchise  
16 agreement for the other line-make in the state if such  
17 dealers are no longer authorized to sell the  
18 comparable vehicle previously sold through their line-  
19 make. Changing a vehicle's powertrain is not  
20 sufficient to show it is substantially different.  
21 Upon the occurrence of such change, the manufacturer  
22 or distributor shall be prohibited from obtaining a  
23 license to distribute vehicles under the new plan or  
24 system of distribution unless the manufacturer or

1 distributor offers to each vehicle dealer who is a  
2 party to the franchise agreement a new franchise  
3 agreement containing substantially the same provisions  
4 which were contained in the previous franchise  
5 agreement;

6 11. Being a factory that sells directly or indirectly new motor  
7 vehicles or new powersports vehicles to any retail consumer in the  
8 state except through a new motor vehicle dealer or new powersports  
9 vehicle dealer holding a franchise for the line-make that includes  
10 the new motor vehicle or new powersports vehicle. This paragraph  
11 does not apply to factory sales of new vehicles to its employees,  
12 family members of employees, retirees and family members of  
13 retirees, not-for-profit organizations, or the federal, state, or  
14 local governments. The provisions of this paragraph shall not  
15 preclude a factory from providing information to a consumer for the  
16 purpose of marketing or facilitating a sale of a new vehicle or from  
17 establishing a program to sell or offer to sell new motor vehicles  
18 or new powersports vehicle through participating dealers subject to  
19 the limitations provided in paragraph 2 of Section 562 of this  
20 title;

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

22 (1) owns any ownership interest or has any financial  
23 interest in a new motor vehicle dealer or new  
24 powersports vehicle dealer or any person who

1 sells products or services pursuant to the terms  
2 of the franchise agreement,

3 (2) operates or controls a new motor vehicle dealer  
4 or new powersports vehicle dealer, or

5 (3) acts in the capacity of a new motor vehicle  
6 dealer or new powersports vehicle dealer.

7 b. (1) This paragraph does not prohibit a factory from  
8 owning or controlling a new motor vehicle dealer  
9 or new powersports vehicle dealer while in a bona  
10 fide relationship with a dealer development  
11 candidate who has made a substantial initial  
12 investment in the franchise and whose initial  
13 investment is subject to potential loss. The  
14 dealer development candidate can reasonably  
15 expect to acquire full ownership of a new vehicle  
16 dealer within a reasonable period of time not to  
17 exceed ten (10) years and on reasonable terms and  
18 conditions. The ten-year acquisition period may  
19 be expanded for good cause shown.

20 (2) This paragraph does not prohibit a factory from  
21 owning, operating, controlling, or acting in the  
22 capacity of a new motor vehicle dealer or new  
23 powersports vehicle dealer for a period not to  
24 exceed twelve (12) months during the transition

1 from one independent dealer to another  
2 independent dealer if the dealership is for sale  
3 at a reasonable price and on reasonable terms and  
4 conditions to an independent qualified buyer. On  
5 showing by a factory of good cause, the Oklahoma  
6 New Motor Vehicle Commission may extend the time  
7 limit set forth above; extensions may be granted  
8 for periods not to exceed twelve (12) months.

9 (3) This paragraph does not prohibit a factory from  
10 owning, operating, or controlling or acting in  
11 the capacity of a new motor vehicle dealer or new  
12 powersports vehicle dealer which was in operation  
13 prior to January 1, 2000.

14 (4) This paragraph does not prohibit a factory from  
15 owning, directly or indirectly, a minority  
16 interest in an entity that owns, operates, or  
17 controls motor vehicle dealerships or powersports  
18 vehicle dealerships of the same line-make  
19 franchised by the manufacturer, provided that  
20 each of the following conditions are met:

21 (a) all of the new motor vehicle or new  
22 powersports vehicle dealerships selling the  
23 vehicles of that manufacturer in this state  
24

1 trade exclusively in the line-make of that  
2 manufacturer,

3 (b) all of the franchise agreements of the  
4 manufacturer confer rights on the dealer of  
5 the line-make to develop and operate, within  
6 a defined geographic territory or area, as  
7 many dealership facilities as the dealer and  
8 manufacturer shall agree are appropriate,

9 (c) at the time the manufacturer first acquires  
10 an ownership interest or assumes operation,  
11 the distance between any dealership thus  
12 owned or operated and the nearest  
13 unaffiliated new motor vehicle or new  
14 powersports vehicle dealership trading in  
15 the same line-make is not less than seventy  
16 (70) miles,

17 (d) during any period in which the manufacturer  
18 has such an ownership interest, the  
19 manufacturer has no more than three  
20 franchise agreements with new motor vehicle  
21 dealers or new powersports vehicle dealers  
22 licensed by the Oklahoma New Motor Vehicle  
23 Commission to do business within the state,  
24 and

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

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

- 19 a. derived from monthly financial statements provided to  
20 the factory, and  
21 b. regarding any aspect of the profitability of a  
22 particular new motor vehicle dealer or new powersports  
23 vehicle dealer;

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

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

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

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

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

21 c. the factory has sixty (60) days from receipt of the  
22 new motor vehicle dealer's relocation request to  
23 approve or deny the request. The failure to approve  
24



1 or deny the request within the sixty-day time frame  
2 shall constitute approval of the request;

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

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

- 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
- c. an increase in transportation charges due to increased 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 materials, showroom, or other display decoration or materials at the expense of the new motor vehicle or powersports vehicle dealer without consent of the dealer, which consent shall not be unreasonably withheld;

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

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

- 1           a.    by an act or statement from the factory that will in  
2                    any manner adversely impact the new motor vehicle  
3                    dealer, or
- 4           b.    by measuring dealer's performance under the franchise  
5                    based on the sale of extended service contracts,  
6                    extended maintenance plans, or similar products  
7                    offered, endorsed, or sponsored by the manufacturer or  
8                    distributor;

9           22. Being a factory that requires or coerces a new motor  
10 vehicle dealer in this state to purchase or lease any electric  
11 vehicle charging stations at the new motor vehicle dealer's expense  
12 unless the franchise agreement, including any related addendums,  
13 with the new motor vehicle dealer identifies electric vehicle models  
14 among the vehicles available for sale under the dealer's franchised  
15 line-make, or the new motor vehicle dealer has notified the  
16 manufacturer or distributor of the new motor vehicle dealer's  
17 intention to begin selling and servicing electric vehicles  
18 manufactured or distributed by that factory. If the new motor  
19 vehicle dealer's franchise identifies electric vehicle models or the  
20 dealer is actually offering for sale to the public or providing  
21 warranty service on electric vehicles manufactured or distributed by  
22 that factory, the new motor vehicle dealer may not be required to  
23 purchase or lease, at the new motor vehicle dealer's expense:  
24

1           a. more than the number and type of electric vehicle  
2           charging stations based upon the reasonable estimate  
3           by the new motor vehicle dealer of the sales and  
4           service volume, or

5           b. to make electric vehicle charging stations located at  
6           the new motor vehicle dealership available for use by  
7           the general public. Nothing in this paragraph shall  
8           prohibit a factory from offering financial assistance  
9           through a lump-sum payment to new motor vehicle  
10           dealers that purchase or install electric charging  
11           stations; and

12           23. Being a factory that withdraws all or a material part of  
13           its stated electric vehicle distribution plan and fails or refuses,  
14           at the written request of the new motor vehicle dealer, to accept  
15           the return or otherwise fully reimburse a new motor vehicle dealer  
16           for the cost of parts, tools, equipment, chargers, and other  
17           returnable items required as a part of that distribution plan,  
18           program, policy, or other initiative related to the sale or service  
19           of electric motor vehicles; provided, that:

20           a. the dealer demonstrates that the volume of electric  
21           motor vehicles sales or service is no longer adequate  
22           to allow the dealer to realize a positive return on  
23           the investment over the useful life of the parts,

1 tools, equipment, chargers, or other returnable items,  
2 and

3 b. the dealer submits its request to the manufacturer or  
4 distributor in writing and within twenty-four (24)  
5 months of the dealer's receipt of the parts, tools,  
6 equipment, chargers, or other returnable items.

7 B. Notwithstanding the terms of any franchise agreement, in the  
8 event of a proposed sale or transfer of a dealership, the  
9 manufacturer or distributor shall be permitted to exercise a right  
10 of first refusal to acquire the assets or ownership interest of the  
11 dealer of the new motor vehicle or new powersports vehicle  
12 dealership, if such sale or transfer is conditioned upon the  
13 manufacturer or dealer entering into a dealer agreement with the  
14 proposed new owner or transferee, only if all the following  
15 requirements are met:

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

20 2. The exercise of the right of first refusal will result in  
21 the new motor vehicle dealer or new powersports vehicle dealer and  
22 the owner of the dealership receiving the same or greater  
23 consideration as they have contracted to receive in connection with  
24 the proposed change of ownership or transfer;

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

5           4. The factory agrees to pay the reasonable expenses, including  
6 attorney fees which do not exceed the usual, customary, and  
7 reasonable fees charged for similar work done for other clients  
8 incurred by the proposed new owner and transferee prior to the  
9 exercise by the factory of its right of first refusal in negotiating  
10 and implementing the contract for the proposed sale or transfer of  
11 the dealership or dealership assets. Notwithstanding the foregoing,  
12 no payment of expenses and attorney fees shall be required if the  
13 proposed new dealer or transferee has not submitted or caused to be  
14 submitted an accounting of those expenses within thirty (30) days of  
15 receipt of the written request of the factory for such an  
16 accounting. The accounting may be requested by a factory before  
17 exercising its right of first refusal.

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

20           1. Business activities, including without limitation the  
21 dealings with motor vehicle manufacturers and the representatives  
22 and affiliates of motor vehicle manufacturers, of any person that is  
23 primarily engaged in the business of short-term, not to exceed  
24 twelve (12) months, rental of motor vehicles and industrial and

1 construction equipment and activities incidental to that business,  
2 provided that:

3 a. any motor vehicle or powersports vehicle sold by that  
4 person is limited to used motor vehicles or  
5 powersports vehicles that have been previously used  
6 exclusively and regularly by that person in the  
7 conduct of business and used motor vehicles or used  
8 powersports vehicles traded in on motor vehicles or  
9 powersports vehicles sold by that person,

10 b. warranty repairs performed by that person on motor  
11 vehicles or powersports vehicles are limited to those  
12 vehicles that the person owns, previously owned, or  
13 takes in trade, and

14 c. motor vehicle or powersports vehicle financing  
15 provided by that person to retail consumers for motor  
16 vehicles or powersports vehicles is limited to used  
17 vehicles sold by that person in the conduct of  
18 business; or

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

21 D. As used in this section:

22 1. "Substantially relates" means the nature of criminal conduct  
23 for which the person was convicted has a direct bearing on the  
24

1 fitness or ability to perform one or more of the duties or  
2 responsibilities necessarily related to the occupation; and

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

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

15 SECTION 5. This act shall become effective November 1, 2025.

16 COMMITTEE REPORT BY: COMMITTEE ON TECHNOLOGY AND TELECOMMUNICATIONS  
17 March 6, 2025 - DO PASS AS AMENDED BY CS

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