

STATE OF OKLAHOMA

1st Session of the 46th Legislature (1997)

HOUSE BILL NO. 1691

By: Coleman

AS INTRODUCED

An Act relating to contracts; authorizing individual purchasers of new or used motor vehicles to cancel contract for sale; imposing time limit for cancellation of contract; requiring delivery of notice to motor vehicle purchasers; prescribing form of notice; imposing duties upon purchasers exercising right of cancellation; providing for liability of purchaser under certain circumstances; imposing duties upon dealers upon exercise of right to cancel by purchaser; prohibiting certain actions by motor license agents; providing exception; authorizing waiver of right to cancel contract for sale of new or used motor vehicles; prescribing form for waiver; providing for codification; and providing an effective date.

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

SECTION 1. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 902 of Title 15, unless there is created a duplication in numbering, reads as follows:

A. The individual purchaser of any new or used passenger motor vehicle, exclusive of manufactured homes or mobile homes, from a dealer authorized by the provisions of Section 561 et seq. or Section 581 et seq. of Title 47 of the Oklahoma Statutes to engage in the sale of motor vehicles shall have the right to cancel the contract for the sale of the motor vehicle within three (3) business days from the date the contract is signed by the purchaser. The first day of the three-day period shall be the first day following the date upon which the contract for sale is executed by the purchaser that the dealer is authorized to conduct sales of vehicles and the last day of the three-day period shall be the third day that the dealer is authorized to conduct sales of vehicles.

B. At the time a contract for the sale of a motor vehicle subject to the provisions of this section is signed, each dealer authorized to engage in the sale of new or used motor vehicles pursuant to Section 561 et seq. or Section 581 et seq. of Title 47 of the Oklahoma Statutes shall deliver a notice to each purchaser signing a contract for the sale of a new or used motor vehicle which shall be in substantially the following form:

RIGHT TO CANCEL CONTRACT

You have the right to cancel this contract not later than five o'clock p.m. (5 p.m.) on the end of the third business day following the day you signed the contract. If you cancel the contract, you are entitled to receive a refund of any money you have paid and to have any vehicles which you have traded to the dealer for the vehicle you have decided not to purchase returned to you. If you cancel the contract, you must return the vehicle you originally decided to purchase, if you have taken delivery or possession of the vehicle, and you are liable for any damage that may have occurred to the vehicle while it was in your possession.

C. If a purchaser exercises the right to cancel a contract for the sale of a new or used motor vehicle as provided by this section,

the purchaser shall return the vehicle, if the purchaser has taken delivery or possession of the vehicle, to the dealer from which the vehicle was purchased. The purchaser shall be liable for any damage to the vehicle which occurred while the vehicle was in the purchaser's possession. The dealer shall return any and all value or consideration paid by the purchaser who exercises the right to cancel and shall take such actions as may be required to return any vehicle transferred by the purchaser to the dealer as part of the contract for the sale of the vehicle returned by the purchaser.

D. Unless the purchaser has executed a waiver of the right to cancel the contract as otherwise provided by this section, no motor license agent shall allow any person to make payment of any motor vehicle excise tax, motor vehicle registration fee, title transfer fee or other applicable fee or charge in connection with the transfer of title to a new or used motor vehicle subject to a right of the purchaser to cancel as provided by this section until after the expiration of three (3) business days from the date the contract to purchase the vehicle is executed by the purchaser.

E. Any person may affirmatively waive the right to cancel a contract for the purchase of a new or used motor vehicle by signing a form, which shall be made available by the dealer of new or used vehicles, in substantially the following form:

WAIVER OF RIGHT TO CANCEL CONTRACT

You may waive the right to cancel this contract by signing this form. If you sign this form, you are giving up the right to cancel the contract which would otherwise allow you to make the cancellation within three (3) business days from the date you sign a contract for purchase of the motor vehicle. If you sign this form, you will NOT have any right to cancel the contract under the Oklahoma Statute which allows you to do so. You may or may not be able to cancel the contract for other legal reasons.

SECTION 2. This act shall become effective November 1, 1997.

46-1-5283

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