

1 STATE OF OKLAHOMA

2 1st Session of the 47th Legislature (1999)

3 COMMITTEE SUBSTITUTE  
4 FOR ENGROSSED  
5 SENATE BILL NO. 340

By: Helton of the Senate

6 and

7 Braddock of the House

8 COMMITTEE SUBSTITUTE

9 An Act relating to motor vehicles; requiring certain  
10 notice of proposed sale, transfer, or assignment of  
11 certain franchise agreement or business; allowing  
12 certain written request to the transferee;  
13 prohibiting certain approval from being unreasonably  
14 withheld; establishing burden of proof; requiring  
15 certain determination to be sent by certified mail  
16 and contain certain statement; requiring certain  
17 determination to be made within certain time period;  
18 providing for approval of certain application upon  
19 certain failure; providing for codification; and  
20 declaring an emergency.

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

22 SECTION 1. NEW LAW A new section of law to be codified in  
23 the Oklahoma Statutes as Section 565.3 of Title 47, unless there is  
24 created a duplication in numbering, reads as follows:

25 A. A franchised vehicle dealer proposing a sale, transfer, or  
26 assignment of a franchise agreement or the business and assets of a  
27 dealership or an interest in a dealership to another person,  
28 hereinafter transferee, shall notify the manufacturer or distributor  
29 whose vehicles the dealer is franchised to sell of the proposed  
30 action of the dealer. The manufacturer or distributor may make  
31 written request to the transferee to submit completed application  
32 forms and related information generally utilized by a manufacturer  
33 to evaluate such a proposal and a copy of all agreements related to  
34 the proposed sale, transfer, or assignment.

35 B. The approval by the manufacturer or distributor of the sale,  
36 transfer, or assignment shall not be unreasonably withheld. The

1 burden of proof shall be upon the manufacturer or distributor to  
2 show good cause existed to withhold approval. The manufacturer or  
3 distributor that has made such a determination shall send a letter  
4 by certified mail to the dealer and the applicant of its refusal to  
5 approve the proposal, which shall include a statement of the  
6 specific grounds for refusal, within sixty (60) days after the later  
7 of:

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

10 2. Receipt by the manufacturer or distributor of the  
11 information requested from the transferee pursuant to subsection A  
12 of this section if the manufacturer or distributor has requested  
13 such information within fifteen (15) days of receipt of written  
14 notice of the proposed sale, transfer, or assignment.

15 C. Failure of the manufacturer or distributor to send its  
16 notice of refusal pursuant to subsection B of this section shall  
17 mean that the application for the proposed sale, transfer, or  
18 assignment is approved.

19 SECTION 2. It being immediately necessary for the preservation  
20 of the public peace, health, and safety, an emergency is hereby  
21 declared to exist, by reason whereof this act shall take effect and  
22 be in full force from and after its passage and approval.

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