

1 STATE OF OKLAHOMA

2 1st Session of the 51st Legislature (2007)

3 COMMITTEE SUBSTITUTE

4 FOR ENGROSSED

5 SENATE BILL NO. 86

By: Coates of the Senate

and

Peterson (Ron) of the House

6  
7  
8  
9 COMMITTEE SUBSTITUTE

10 ( motor vehicles - legislative findings - Oklahoma  
11 Vehicle License and Registration Act - codification  
12 - effective date -  
13 emergency )

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16  
17 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

18 SECTION 1. NEW LAW A new section of law to be codified  
19 in the Oklahoma Statutes as Section 561.1 of Title 47, unless there  
20 is created a duplication in numbering, reads as follows:

21 The Legislature finds and declares that the distribution and  
22 sale of new, motorcycles, off-road motorcycles and all-terrain  
23 vehicles in the State of Oklahoma vitally affects the general  
24 economy of the state and the public interest and the public welfare,

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

1 road motorcycles and all-terrain vehicles to the public and prevent  
2 deterioration of facilities for servicing new, motorcycles, off-road  
3 motorcycles and all-terrain vehicles and keeping same safe and  
4 properly functioning, and prevent bankrupting of motorcycle, off-  
5 highway motorcycles and all-terrain vehicle dealers, who might  
6 otherwise be caused to fail because of such unfair practices.

7 SECTION 2. AMENDATORY 47 O.S. 2001, Section 562, as last  
8 amended by Section 2, Chapter 213, O.S.L. 2006 (47 O.S. Supp. 2006,  
9 Section 562), is amended to read as follows:

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

15 1. "Motor vehicle" means any motor-driven vehicle required to  
16 be registered under the Oklahoma Vehicle License and Registration  
17 Act ~~except~~ including all-terrain vehicles and motorcycles used  
18 exclusively for off-road use;

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

1 make predelivery preparation of such vehicles sold to purchasers and  
2 to perform post-sale work pursuant to the manufacturer's,  
3 remanufacturer's or distributor's warranty. As used herein,  
4 "authorized predelivery preparation" means the rendition by the  
5 dealer of services and safety adjustments on each new, unused or  
6 remanufactured motor vehicle in accordance with the procedure and  
7 safety standards required by the manufacturer or remanufacturer of  
8 the vehicle to be made before its delivery to the purchaser.  
9 "Performance of authorized post-sale work pursuant to the warranty",  
10 as used herein, means the rendition of services which are required  
11 by the terms of the warranty that stands extended to the vehicle at  
12 the time of its sale and are to be made in accordance with the  
13 safety standards prescribed by the manufacturer or remanufacturer.  
14 The term includes premises or facilities at which a person engages  
15 only in the repair of motor vehicles if repairs are performed  
16 pursuant to the terms of a franchise and motor vehicle  
17 manufacturer's or remanufacturer's warranty. However, the term  
18 shall not include premises or facilities at which a new motor  
19 vehicle dealer or dealers within the area of responsibility of such  
20 dealer or dealers as defined in the manufacturer's or  
21 remanufacturer's franchise agreement of such dealer or dealers  
22 performs motor vehicle repairs pursuant to the terms of a franchise  
23 and motor vehicle manufacturer's or remanufacturer's warranty. For  
24 the purpose of Sections 561 through 567, 572, 578.1, 579 and 579.1

1 of this title, the terms "new motor vehicle dealer" and "new motor  
2 vehicle dealership" shall be synonymous. The term "new motor  
3 vehicle dealer" does not include:

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

7 b. public officers while performing or in operation of  
8 their duties, ~~or~~

9 c. employees of persons, corporations or associations  
10 enumerated in subparagraph a of this paragraph when  
11 engaged in the specific performance of their duties as  
12 such employees, or

13 d. sellers of implements of husbandry as described in  
14 Section 1-125 of this title;

15 3. "Motor vehicle salesperson" means any person who, for gain  
16 or compensation of any kind, either directly or indirectly,  
17 regularly or occasionally, by any form of agreement or arrangement,  
18 sells or negotiates for the sale of any new or unused motor vehicle  
19 for any new, unused or remanufactured motor vehicle dealer to any  
20 one or more third parties;

21 4. "Commission" means the Oklahoma Motor Vehicle Commission;

22 5. "Manufacturer" means any person, firm, association,  
23 corporation or trust, resident or nonresident, who manufactures or  
24 assembles new and unused motor vehicles or who engages in the

1 fabrication or assembly of motorized vehicles of a type required to  
2 be registered in the State of Oklahoma;

3 6. "Distributor" means any person, firm, association,  
4 corporation or trust, resident or nonresident, who, being authorized  
5 by the original manufacturer, in whole or in part sells or  
6 distributes new and unused motor vehicles to motor vehicle dealers,  
7 or who maintains distributor representatives;

8 7. "Factory branch" means any branch office maintained by a  
9 person, firm, association, corporation or trust who manufactures or  
10 assembles motor vehicles for the sale of motor vehicles to  
11 distributors, or for the sale of motor vehicles to motor vehicle  
12 dealers, or for directing or supervising, in whole or in part, its  
13 representatives;

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

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

22 10. "Distributor representative" means any person, firm,  
23 association, corporation or trust and each officer and employee  
24 thereof engaged as a representative of a distributor or distributor

1 branch of motor vehicles, for the purpose of making or promoting the  
2 sale of its motor vehicles, or for supervising or contacting its  
3 dealers or prospective dealers;

4 11. "Franchise" means any contract or agreement between a motor  
5 vehicle dealer and a manufacturer of a new motor vehicle or its  
6 distributor or factory branch by which the dealer is authorized to  
7 engage in the business of selling any specified make or makes of new  
8 motor vehicles;

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

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

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

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-premise sale  
4 or display is conducted;

5 16. "Remanufactured vehicle" means a motor vehicle which has  
6 been assembled by a vehicle remanufacturer using a new body and  
7 which may include original, reconditioned or remanufactured parts,  
8 and which is not a salvage, rebuilt or junked vehicle as defined by  
9 paragraphs 1, 2 and 5, respectively, of subsection A of Section 1105  
10 of this title;

11 17. "Vehicle remanufacturer" means a commercial entity which  
12 assembles remanufactured vehicles;

13 18. "Product" means new motor vehicles and new motor vehicle  
14 parts;

15 19. "Service" means motor vehicle warranty repairs including  
16 both parts and labor;

17 20. "Lead" means a consumer contact in response to a factory  
18 program designed to generate interest in purchasing or leasing a new  
19 motor vehicle;

20 21. "Sell or sale" means to sell or lease; and

21 22. "Factory" means a manufacturer, distributor, factory  
22 branch, distributor branch, factory representative or distributor  
23 representative, which manufactures or distributes vehicle products.  
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1 SECTION 3. AMENDATORY 47 O.S. 2001, Section 1102, as  
2 last amended by Section 2, Chapter 295, O.S.L. 2006 (47 O.S. Supp.  
3 2006, Section 1102), is amended to read as follows:

4 Section 1102. As used in the Oklahoma Vehicle License and  
5 Registration Act:

6 1. "All-terrain vehicle" means a ~~motorized~~ motor vehicle  
7 powered by an internal combustion engine manufactured and used  
8 exclusively for off-highway use which is ~~sixty (60)~~ fifty (50)  
9 inches or less in width, with an unladen dry weight of ~~one thousand~~  
10 ~~five hundred (1,500)~~ one thousand (1,000) pounds or less, traveling  
11 on ~~two~~ three or more low-pressure tires, having a seat designed to  
12 be straddled by the operator, and which is steered by the use of  
13 handlebars;

14 2. "Carrying capacity" means the carrying capacity of a vehicle  
15 as determined or declared in tons of cargo or payload by the owner;  
16 provided, that such declared capacity shall not be less than the  
17 minimum tonnage capacity fixed, listed or advertised by the  
18 manufacturer of any vehicle;

19 3. "Certificate of title" means a document which is proof of  
20 legal ownership of a motor vehicle as described and provided for in  
21 Section 1105 of this title;

22 4. "Chips and oil" or the term "road oil and crushed rock"  
23 means, with respect to materials authorized for use in the surfacing  
24 of roads or highways in this title or in any equivalent statute

1 pertaining to road or highway surfacing in the State of Oklahoma,  
2 any asphaltic materials. Wherever chips and oil or road oil and  
3 crushed rock are authorized for use in the surfacing of roads or  
4 highways in this state, whether by the Department of Transportation,  
5 or by the county commissioners, or other road building authority  
6 subject to the Oklahoma Vehicle License and Registration Act,  
7 asphaltic materials are also authorized for use in such surfacing  
8 and construction;

9 5. "Combined laden weight" means the weight of a truck or  
10 station wagon and its cargo or payload transported thereon, or the  
11 weight of a truck or truck-tractor plus the weight of any trailers  
12 or semitrailers together with the cargo or payload transported  
13 thereon;

14 6. "Commercial trailer" means any trailer, as defined in  
15 Section 1-180 of this title, or semitrailer, as defined in Section  
16 1-162 of this title, when such trailer or semitrailer is used  
17 primarily for business or commercial purposes;

18 7. "Commercial trailer dealer" means any person, firm or  
19 corporation engaged in the business of selling any new and unused,  
20 or used, or both new and used commercial trailers;

21 8. "Commercial vehicle" means any vehicle over eight thousand  
22 (8,000) pounds combined laden weight used primarily for business or  
23 commercial purposes. Each motor vehicle being registered pursuant  
24 to the provisions of this section shall have the name of the

1 commercial establishment or the words "Commercial Vehicle"  
2 permanently and prominently displayed upon the outside of the  
3 vehicle in letters not less than two (2) inches high. Such letters  
4 shall be in sharp contrast to the background and shall be of  
5 sufficient shape and color as to be readily legible during daylight  
6 hours, from a distance of fifty (50) feet while the vehicle is not  
7 in motion;

8 9. "Commission" or "Tax Commission" means the Oklahoma Tax  
9 Commission;

10 10. "Dealer" means any person, firm, association, corporation  
11 or trust who sells, solicits or advertises the sale of new and  
12 unused motor vehicles and holds a bona fide contract or franchise in  
13 effect with a manufacturer or distributor of a particular make of  
14 new or unused motor vehicle or vehicles for the sale of same;

15 11. "Interstate commerce" means any commerce moving between any  
16 place in a state and any place in another state or between places in  
17 the same state through another state;

18 12. "Laden weight" means the combined weight of a vehicle when  
19 fully equipped for use and the cargo or payload transported thereon;  
20 provided that in no event shall the laden weight be less than the  
21 unladen weight of the vehicle fully equipped for use, plus the  
22 manufacturer's rated carrying capacity;

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1       13. "Local authorities" means every county, municipality or  
2 local board or body having authority to adopt police regulations  
3 under the Constitution and laws of this state;

4       14. "Low-speed electrical vehicle" means any four-wheeled  
5 electrical vehicle that is powered by an electric motor that draws  
6 current from rechargeable storage batteries or other sources of  
7 electrical current and whose top speed is greater than twenty (20)  
8 miles per hour but not greater than twenty-five (25) miles per hour  
9 and is manufactured in compliance with the National Highway Traffic  
10 Safety Administration standards for low-speed vehicles in 49 C.F.R.  
11 571.500;

12       15. "Manufactured home" means a residential dwelling built in  
13 accordance with the National Manufactured Housing Construction and  
14 Safety Standards Act of 1974, 42 U.S.C., Section 5401 et seq., and  
15 rules promulgated pursuant thereto and the rules promulgated by the  
16 Oklahoma Used Motor Vehicle and Parts Commission pursuant to Section  
17 582 of this title;

18       16. "Manufactured home dealer" means any person, firm or  
19 corporation engaged in the business of selling any new and unused,  
20 or used, or both new and used manufactured homes. Such information  
21 and a valid franchise letter as proof of authorization to sell any  
22 such new manufactured home product line or lines shall be attached  
23 to said application for a dealer license to sell manufactured homes.  
24 "Manufactured home dealer" shall not include any person, firm or

1 corporation who sells or contracts for the sale of the dealer's own  
2 personally titled manufactured home or homes. No person, firm or  
3 corporation shall be considered a manufactured home dealer as to any  
4 manufactured home purchased or acquired by such person, firm or  
5 corporation for purposes other than resale; provided, that the  
6 restriction set forth in this sentence shall not prevent an  
7 otherwise qualified person, firm or corporation from utilizing a  
8 single manufactured home as a sales office;

9 17. "Motor license agent" means any person appointed,  
10 designated or authorized by the Oklahoma Tax Commission to collect  
11 the fees and to enforce the provisions provided for in the Oklahoma  
12 Vehicle License and Registration Act;

13 18. "New vehicle" or "unused vehicle" means a vehicle which has  
14 been in the possession of the manufacturer, distributor or  
15 wholesaler or has been sold only by the manufacturer, distributor or  
16 wholesaler to a dealer;

17 19. "Nonresident" means any person who is not a resident of  
18 this state;

19 20. "Off-road motorcycle" means any motorcycle, as defined in  
20 Section 1-135 of this title, when such motorcycle has been  
21 manufactured for and used exclusively off-road, highways and any  
22 other paved surfaces;

23 21. "Owner" means any person owning, operating or possessing  
24 any vehicle herein defined;

1        22. "Person" means any individual, copartner, joint venture,  
2 association, corporation, limited liability company, estate, trust,  
3 business trust, syndicate, the State of Oklahoma, or any county,  
4 city, municipality, school district or other political subdivision  
5 thereof, or any group or combination acting as a unit, or any  
6 receiver appointed by the state or federal court;

7        23. "Recreational vehicle" means every vehicle which is built  
8 on or permanently attached to a self-propelled motor chassis or  
9 chassis cab which becomes an integral part of the completed vehicle  
10 and is capable of being operated on the highways. In order to  
11 qualify as a recreational vehicle pursuant to this paragraph such  
12 vehicle shall be permanently constructed and equipped for human  
13 habitation, having its own sleeping and kitchen facilities,  
14 including permanently affixed cooking facilities, water tanks and  
15 holding tank with permanent toilet facilities. Recreational vehicle  
16 shall not include manufactured homes or any vehicle with portable  
17 sleeping, toilet and kitchen facilities which are designed to be  
18 removed from such vehicle;

19        24. "Remanufactured vehicle" means a vehicle which has been  
20 assembled by a vehicle remanufacturer using a new body and which may  
21 include original, reconditioned, or remanufactured parts, and which  
22 is not a salvage, rebuilt, or junked vehicle as defined by  
23 paragraphs 1, 2, and 5, respectively, of subsection A of Section  
24 1105 of this title;

1        25. "Rental trailer" means all small or utility trailers or  
2 semitrailers constructed and suitable for towing by a passenger  
3 automobile and designed only for carrying property, when said  
4 trailers or semitrailers are owned by, or are in the possession of,  
5 any person engaged in renting or leasing such trailers or  
6 semitrailers for intrastate or interstate use or combined intrastate  
7 and interstate use;

8        26. "Special mobilized machinery" means special purpose  
9 machines or devices, either self-propelled or drawn as trailers or  
10 semitrailers, which derive no revenue from the transportation of  
11 persons or property, whose use of the highway is only incidental,  
12 and whose useful revenue producing service is performed at  
13 destinations in an area away from the traveled surface of an  
14 established open highway;

15        27. "State" means the State of Oklahoma;

16        28. "Station wagon" means any passenger vehicle which does not  
17 have a separate luggage compartment or trunk and which does not have  
18 open beds, and has one or more rear seats readily lifted out or  
19 folded, whether same is called a station wagon or ranch wagon;

20        29. "Travel trailer" means any vehicular portable structure  
21 built on a chassis, used as a temporary dwelling for travel,  
22 recreational or vacation use, and, when factory-equipped for the  
23 road, it shall have a body width not exceeding eight (8) feet and an  
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1 overall length not exceeding forty (40) feet, including the hitch or  
2 coupling;

3 30. "Travel trailer dealer" means any person, firm or  
4 corporation engaged in the business of selling any new and unused,  
5 or used, or both new and used travel trailers. Such information and  
6 a valid franchise letter as proof of authorization to sell any such  
7 new travel trailer product line or lines shall be attached to said  
8 application for a dealer license to sell travel trailers. "Travel  
9 trailer dealer" shall not include any person, firm or corporation  
10 who sells or contracts for the sale of his or her own personally  
11 titled travel trailer or trailers. No person, firm or corporation  
12 shall be considered as a travel trailer dealer as to any travel  
13 trailer purchased or acquired by such person, firm or corporation  
14 for purposes other than resale;

15 31. "Used motor vehicle dealer" means "used motor vehicle  
16 dealer" as defined in Section 581 of this title;

17 32. "Used vehicle" means any vehicle which has been sold,  
18 bargained, exchanged or given away, or used to the extent that it  
19 has become what is commonly known, and generally recognized, as a  
20 "secondhand" vehicle. This shall also include any vehicle other  
21 than a remanufactured vehicle, regardless of age, owned by any  
22 person who is not a dealer;

23 33. "Vehicle" means any type of conveyance or device in, upon  
24 or by which a person or property is or may be transported from one



1 location to another upon the avenues of public access within the  
2 state. "Vehicle" does not include bicycles, trailers except travel  
3 trailers and rental trailers, or implements of husbandry as defined  
4 in Section 1-125 of this title. All implements of husbandry used as  
5 conveyances shall be required to display the owner's driver's  
6 license number or license plate number of any vehicle owned by the  
7 owner of the implement of husbandry on the rear of the implement in  
8 numbers not less than two (2) inches in height. The use of the  
9 owner's social security number on the rear of the implement of  
10 husbandry shall not be required; and

11 34. "Vehicle remanufacturer" means a commercial entity which  
12 assembles remanufactured vehicles.

13 SECTION 4. This act shall become effective July 1, 2007.

14 SECTION 5. It being immediately necessary for the preservation  
15 of the public peace, health and safety, an emergency is hereby  
16 declared to exist, by reason whereof this act shall take effect and  
17 be in full force from and after its passage and approval.

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19 51-1-7848 GRS 04/12/07

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