

THE HOUSE OF REPRESENTATIVES  
Wednesday, April 9, 2008

Committee Substitute for  
ENGROSSED  
Senate Bill No. 1654

COMMITTEE SUBSTITUTE FOR ENGROSSED SENATE BILL NO. 1654 - By:  
JOHNSON (MIKE) of the Senate and THOMPSON of the House.

( motor vehicles - Oklahoma Motor Vehicle Commission - effective date )

1 SECTION 1. AMENDATORY 47 O.S. 2001, Section 562, as last amended by  
2 Section 2, Chapter 213, O.S.L. 2006 (47 O.S. Supp. 2007, Section 562), is amended to  
3 read as follows:

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

8 1. "Motor vehicle" means any motor-driven vehicle required to be registered under  
9 the Oklahoma Vehicle License and Registration Act except all-terrain vehicles and  
10 motorcycles used exclusively for off-road use;

11 2. "New motor vehicle dealer" means any person, firm, association, corporation or  
12 trust not excluded by this paragraph who sells, offers for sale, advertises to sell, leases or  
13 displays new, ~~unused or remanufactured~~ motor vehicles and holds a bona fide contract or

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

- 1 a. receivers, trustees, administrators, executors, guardians or other  
2 persons appointed by or acting under judgment or order of any court,  
3 b. public officers while performing or in operation of their duties, or  
4 c. employees of persons, corporations or associations enumerated in  
5 subparagraph a of this paragraph when engaged in the specific  
6 performance of their duties as such employees;

7 3. "Motor vehicle salesperson" means any person who, for gain or compensation of  
8 any kind, either directly or indirectly, regularly or occasionally, by any form of agreement  
9 or arrangement, sells or negotiates for the sale of any new ~~or unused~~ motor vehicle for  
10 any new, ~~unused or remanufactured~~ motor vehicle dealer to any one or more third  
11 parties;

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

13 5. "Manufacturer" means any person, firm, association, corporation or trust,  
14 resident or nonresident, who manufactures or assembles new and unused motor vehicles  
15 or who engages in the fabrication or assembly of motorized vehicles of a type required to  
16 be registered in the State of Oklahoma;

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

21 7. "Factory branch" means any branch office maintained by a person, firm,  
22 association, corporation or trust who manufactures or assembles motor vehicles for the

1 sale of motor vehicles to distributors, or for the sale of motor vehicles to motor vehicle  
2 dealers, or for directing or supervising, in whole or in part, its representatives;

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

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

9 10. "Distributor representative" means any person, firm, association, corporation or  
10 trust and each officer and employee thereof engaged as a representative of a distributor  
11 or distributor branch of motor vehicles, for the purpose of making or promoting the sale  
12 of its motor vehicles, or for supervising or contacting its dealers or prospective dealers;

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

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

1           13. "Area of responsibility" means the geographical area, as designated by the  
2 manufacturer, factory branch, factory representative, distributor, distributor branch or  
3 distributor representative, in which the new motor vehicle dealer is held responsible for  
4 the promotion and development of sales and rendering of service for the make of motor  
5 vehicle for which the motor vehicle dealer holds a franchise or selling agreement;

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

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

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

16           ~~17. "Vehicle remanufacturer" means a commercial entity which assembles~~  
17 ~~remanufactured vehicles;~~

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

19           ~~19.~~ 17. "Service" means motor vehicle warranty repairs including both parts and  
20 labor;

21           ~~20.~~ 18. "Lead" means a consumer contact in response to a factory program designed  
22 to generate interest in purchasing or leasing a new motor vehicle;

1       ~~21. 19.~~ "Sell or sale" means to sell or lease; and

2       ~~22. 20.~~ "Factory" means a manufacturer, distributor, factory branch, distributor  
3 branch, factory representative or distributor representative, which manufactures or  
4 distributes vehicle products.

5       SECTION 2. AMENDATORY 47 O.S. 2001, Section 564.1, as amended by  
6 Section 2, Chapter 228, O.S.L. 2005 (47 O.S. Supp. 2007, Section 564.1), is amended to  
7 read as follows:

8       Section 564.1 Licensing of off-premises displays of new motor vehicles and off-  
9 premise sales of new motorized recreational vehicles.

10       A. The Oklahoma Motor Vehicle Commission shall provide for ~~licensing of off-~~  
11 premise displays of new motor vehicles and off-premise sales of new motorized  
12 recreational vehicles, by currently licensed new motor vehicle dealers as follows:

13       1. An off-premise event may be held for display purposes only under the following  
14 conditions:

- 15       a. ~~the dealer must obtain permits from the Commission stating that the~~  
16       motor vehicles are for display purposes only and not for sale, ~~and the~~  
17       ~~permits shall be placed on the motor vehicles in a manner to be~~  
18       ~~prescribed by the Commission~~ at the off-premise display event,  
19       b. no selling activities shall be conducted,  
20       c. the display is in dealer's factory-approved area of sales and service  
21       responsibility;



1 B. The Oklahoma Motor Vehicle Commission is authorized to provide a variance to  
2 the distance requirements specified in this section, for any off-premise display event if:

3 1. The off-premise display is conducted within municipal, county, or state-owned or  
4 controlled facilities or within the grounds of any county, district, or state fair; and

5 2. The request for the variance must be in writing to the Commission no less than  
6 thirty (30) days prior to the off-premise display event.

7 SECTION 3. AMENDATORY 47 O.S. 2001, Section 565, as amended by  
8 Section 1, Chapter 141, O.S.L. 2005 (47 O.S. Supp. 2007, Section 565), is amended to  
9 read as follows:

10 Section 565. A. The Oklahoma Motor Vehicle Commission may deny an application  
11 for a license, or revoke or suspend a license or impose a fine not to exceed Ten Thousand  
12 Dollars (\$10,000.00) against a manufacturer or distributor or a fine not to exceed One  
13 Thousand Dollars (\$1,000.00) against a dealer per occurrence that any provision of  
14 Sections 561 through 567, 572, 578.1, 579 and 579.1 of this title is violated or for any of  
15 the following reasons:

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

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

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

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

3           5. Being a new motor vehicle dealer or new motor vehicle salesperson who:

- 4           a.     has required a purchaser of a new motor vehicle, as a condition of sale  
5                     and delivery thereof, to also purchase special features, appliances,  
6                     accessories or equipment not desired or requested by the purchaser  
7                     and installed by the dealer,  
8           b.     uses any false or misleading advertising in connection with business as  
9                     a new motor vehicle dealer or vehicle salesperson,  
10          c.     has committed any unlawful act which resulted in the revocation of  
11                     any similar license in another state,  
12          d.     has failed or refused to perform any written agreement with any retail  
13                     buyer involving the sale of a motor vehicle,  
14          e.     has been convicted of a crime involving moral turpitude,  
15          f.     has committed a fraudulent act in selling, purchasing or otherwise  
16                     dealing in new motor vehicles or has misrepresented the terms and  
17                     conditions of a sale, purchase or contract for sale or purchase of a new  
18                     motor vehicle or any interest therein including an option to purchase  
19                     such vehicle, or  
20          g.     has failed to meet or maintain the conditions and requirements  
21                     necessary to qualify for the issuance of a license;

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

3           7. Being a new motor vehicle dealer who:

- 4           a.     does not have an established place of business,
- 5           b.     does not provide for a suitable repair shop separate from the display  
6 room with ample space to repair or recondition one or more vehicles at  
7 the same time, and which is equipped with such parts, tools and  
8 equipment as may be requisite for the servicing of motor vehicles in  
9 such a manner as to make them comply with the safety laws of this  
10 state and to properly fulfill the dealer's or manufacturer's warranty  
11 obligation,
- 12          c.     does not hold a franchise in effect with a manufacturer or distributor of  
13 new or unused motor vehicles for the sale of the same and is not  
14 authorized by the manufacturer or distributor to render predelivery  
15 preparation of such vehicles sold to purchasers and to perform any  
16 authorized post-sale work pursuant to the manufacturer's or  
17 distributor's warranty,
- 18          d.     employs unlicensed salespersons, or employs or utilizes the services of  
19 used motor vehicle lots or dealers or other unlicensed persons in  
20 connection with the sale of new motor vehicles,
- 21          e.     does not properly service a new motor vehicle before delivery of same  
22 to the original purchaser thereof, or

1 f. fails to order and stock a reasonable number of new motor vehicles  
2 necessary to meet customer demand for each of the new motor vehicles  
3 included in the new motor vehicle dealer's franchise agreement, unless  
4 the new motor vehicles are not readily available from the  
5 manufacturer or distributor due to limited production;

6 8. Being a factory that has:

7 a. either induced or attempted to induce by means of coercion or  
8 intimidation, any new motor vehicle dealer:

9 (1) to accept delivery of any motor vehicle or vehicles, parts or  
10 accessories therefor, or any other commodities including

11 advertising material which shall not have been ordered by the  
12 new motor vehicle dealer,

13 (2) to order or accept delivery of any motor vehicle with special  
14 features, appliances, accessories or equipment not included in  
15 the list price of the motor vehicles as publicly advertised by the  
16 manufacturer thereof, or

17 (3) to order or accept delivery of any parts, accessories, equipment,  
18 machinery, tools, appliances or any commodity whatsoever, or

19 b. induced under threat or discrimination by the withholding from  
20 delivery to a motor vehicle dealer certain models of motor vehicles,  
21 changing or amending unilaterally the dealer's allotment of motor  
22 vehicles and/or withholding and delaying delivery of such vehicles out

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

12 9. Being a factory that:

- 13 a. has attempted to coerce or has coerced any new motor vehicle dealer to  
14 enter into any agreement or to cancel any agreement, or fails to act in  
15 good faith and in a fair, equitable and nondiscriminatory manner; or  
16 has directly or indirectly coerced, intimidated, threatened or restrained  
17 any motor vehicle dealer; or has acted dishonestly, or has failed to act  
18 in accordance with the reasonable standards of fair dealing,
- 19 b. has failed to compensate its dealers for the work and services they are  
20 required to perform in connection with the dealer's delivery and  
21 preparation obligations according to the agreements on file with the  
22 Commission which must be found by the Commission to be reasonable,

1 or fail to adequately and fairly compensate its dealers for labor, parts  
2 and other expenses incurred by such dealer to perform under and  
3 comply with manufacturer's warranty agreements. In determining  
4 whether the warranty compensation is adequate and fair, the  
5 Commission shall consider the amount that is charged by the dealer or  
6 dealers in their areas of responsibility to their nonwarranty work of  
7 like kind. All claims made by dealers for compensation for delivery,  
8 preparation and warranty work shall be paid within thirty (30) days  
9 after approval and shall be approved or disapproved within thirty (30)  
10 days after receipt. When any claim is disapproved, the dealer shall be  
11 notified in writing of the grounds for disapproval. The dealer's  
12 delivery, preparation and warranty obligations as filed with the  
13 Commission shall constitute the dealer's sole responsibility for product  
14 liability as between the dealer and manufacturer. A factory may  
15 reasonably and periodically audit a new motor vehicle dealer to  
16 determine the validity of paid claims for dealer compensation or any  
17 charge-backs for warranty parts or service compensation. Audits of  
18 warranty payments shall only be for the one-year period immediately  
19 following the date of the payment. A manufacturer shall reserve the  
20 right to reasonable, periodic audits to determine the validity of paid  
21 claims for dealer compensation or any charge-backs for consumer or  
22 dealer incentives. Audits of incentive payments shall only be for a two-

1                   ~~year~~ one-year period immediately following the date of the payment. A  
2                   factory shall not deny a claim or charge a new motor vehicle dealer  
3                   back subsequent to the payment of the claim unless the factory can  
4                   show that the claim was false or fraudulent or that the new motor  
5                   vehicle dealer failed to reasonably substantiate the claim by the  
6                   written reasonable procedures of the factory, or  
7                   c.       unreasonably fails or refuses to offer to its same line-make franchised  
8                   dealers all models manufactured for that line-make, or unreasonably  
9                   requires a dealer to pay any extra fee, purchase unreasonable  
10                  advertising displays or other materials, or remodel, renovate, or  
11                  recondition the dealer's existing facilities as a prerequisite to receiving  
12                  a model or series of vehicles. The failure to deliver any such new  
13                  motor vehicle shall not be considered a violation of the section if the  
14                  failure is not arbitrary or is due to lack of manufacturing capacity or to  
15                  a strike or labor difficulty, a shortage of materials, a freight embargo  
16                  or other cause over which the manufacturer has no control. However,  
17                  this subparagraph shall not apply to recreational vehicles or limited  
18                  production model vehicles;

19           10. Being a factory that establishes a system of motor vehicle allocation or  
20           distribution which is unfair, inequitable or unreasonably discriminatory. Upon the  
21           request of any dealer franchised by it, a factory shall disclose in writing to the dealer the

1 basis upon which new motor vehicles are allocated, scheduled and delivered among the  
2 dealers of the same line-make for that factory;

3 11. Being a factory that sells directly or indirectly new motor vehicles or services to  
4 any retail consumer in the state except through a new motor vehicle dealer holding a  
5 franchise for the line-make that includes the new motor vehicle. This paragraph does not  
6 apply to factory sales of new motor vehicles to its employees, family members of  
7 employees, retirees and family members of retirees, not-for-profit organizations or the  
8 federal, state or local governments. The provisions of this paragraph shall not preclude a  
9 factory from providing information to a consumer for the purpose of marketing or  
10 facilitating a sale of a new motor vehicle or from establishing a program to sell or offer to  
11 sell new motor vehicles through participating dealers;

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

- 13 (1) owns any ownership interest or has any financial interest in a  
14 new motor vehicle dealer or any person who sells products or  
15 services to the public,  
16 (2) operates or controls a new motor vehicle dealer, or  
17 (3) acts in the capacity of a new motor vehicle dealer.

18 b. (1) This paragraph does not prohibit a factory from owning or  
19 controlling a new motor vehicle dealer while in a bona fide  
20 relationship with a dealer development candidate who has made  
21 a substantial initial investment in the franchise and whose  
22 initial investment is subject to potential loss. ~~The dealer~~

1 ~~development candidates' percentage share of any potential~~  
2 ~~dealership losses shall not be less than the percentage share of~~  
3 ~~ownership of the dealership of the person at the time of the loss.~~  
4 The dealer development candidate can reasonably expect to  
5 acquire full ownership of a new motor vehicle dealer within a  
6 reasonable period of time not to exceed ten (10) years and on  
7 reasonable terms and conditions. The ten-year acquisition  
8 period may be expanded for good cause shown. ~~It shall be~~  
9 ~~presumed unreasonable for the terms and conditions not to~~  
10 ~~require the dealer development candidate to buy the remaining~~  
11 ~~ownership interests of the dealer development candidate in~~  
12 ~~periodic payments over the acquisition period. It shall be~~  
13 ~~presumed unreasonable to require the dealer development~~  
14 ~~candidate to acquire the remaining interests solely from the~~  
15 ~~profits or earnings of the dealership or new motor vehicle dealer.~~

- 16 (2) This paragraph does not prohibit a factory from owning,  
17 operating, controlling or acting in the capacity of a motor vehicle  
18 dealer for a period not to exceed twelve (12) months during the  
19 transition from one dealer to another dealer if the dealership is  
20 for sale at a reasonable price and on reasonable terms and  
21 conditions to an independent qualified buyer. On showing by a  
22 factory of good cause, the Oklahoma Motor Vehicle Commission

1                   may extend the time limit set forth above; extensions may be  
2                   granted for periods not to exceed twelve (12) months.

3                   (3) This paragraph does not prohibit a factory from owning,  
4                   operating or controlling or acting in the capacity of a motor  
5                   vehicle dealer which was in operation prior to January 1, 2000.

6                   (4) This paragraph does not prohibit a factory from owning, directly  
7                   or indirectly, a minority interest in an entity that owns, operates  
8                   or controls motor vehicle dealerships of the same line-make  
9                   franchised by the manufacturer, provided that each of the  
10                  following conditions are met:

11                 (a) all of the motor vehicle dealerships selling the motor  
12                 vehicles of that manufacturer in this state trade  
13                 exclusively in the line-make of that manufacturer,

14                 (b) all of the franchise agreements of the manufacturer confer  
15                 rights on the dealer of the line-make to develop and  
16                 operate, within a defined geographic territory or area, as  
17                 many dealership facilities as the dealer and manufacturer  
18                 shall agree are appropriate,

19                 (c) at the time the manufacturer first acquires an ownership  
20                 interest or assumes operation, the distance between any  
21                 dealership thus owned or operated and the nearest

1 unaffiliated motor vehicle dealership trading in the same  
2 line-make is not less than seventy (70) miles,

3 (d) during any period in which the manufacturer has such an  
4 ownership interest, the manufacturer has no more than  
5 three franchise agreements with new motor vehicle  
6 dealers licensed by the Oklahoma Motor Vehicle  
7 Commission to do business within the state, and

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

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

21 a. any information derived from monthly financial statements provided to  
22 the factory, and

1           b.     any information regarding any aspect of the profitability of a  
2                     particular new motor vehicle dealer;

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

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

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

10           a.     the facility and the proposed new location satisfies or meets the  
11                     written reasonable guidelines of the factory, and

12           b.     the proposed new location is within the area of responsibility of the  
13                     new motor vehicle dealer pursuant to Section 578.1 of this title;

14           17. Being a factory which prohibits a new motor vehicle dealer from adding  
15 additional line-makes to its existing facility, if, after adding the additional line-makes,  
16 the facility satisfies the written reasonable facility guidelines of the factory; and

17           18. Being a factory that increases prices of new motor vehicles which the new motor  
18 vehicle dealer had ordered for retail consumers prior to the dealer's receipt of the written  
19 official price increase notification. A sales contract signed by a retail consumer shall  
20 constitute evidence of each such order, provided that the vehicle is in fact delivered to the  
21 customer. Price differences applicable to new models or series motor vehicles at the time  
22 of the introduction of new models or series shall not be considered a price increase for

1 purposes of this paragraph. Price changes caused by any of the following shall not be  
2 subject to the provisions of this paragraph:

- 3 a. the addition to a motor vehicle of required or optional equipment  
4 pursuant to state or federal law,
- 5 b. revaluation of the United States dollar in the case of foreign-made  
6 vehicles or components, or
- 7 c. an increase in transportation charges due to increased rates imposed  
8 by common or contract carriers.

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

- 15 1. To exercise its right of first refusal, the factory must notify the dealer in writing  
16 within sixty (60) days of receipt of the completed proposal for the proposed sale transfer;
- 17 2. The exercise of the right of first refusal will result in the dealer and the owner of  
18 the dealership receiving the same or greater consideration as they have contracted to  
19 receive in connection with the proposed change of ownership or transfer;
- 20 3. The proposed sale or transfer of the assets of the dealership does not involve the  
21 transfer or sale to a member or members of the family of one or more dealer owners, or to  
22 a qualified manager or a partnership or corporation controlled by such persons; and

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

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

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

17           a.       any motor vehicle sold by that person is limited to used motor vehicles  
18                   that have been previously used exclusively and regularly by that  
19                   person in the conduct of business and used motor vehicles traded in on  
20                   motor vehicles sold by that person,



1 is issued to him or her each year by the Oklahoma Tax Commission, the date the new  
2 motor vehicle, travel trailer or commercial trailer was purchased and the company name  
3 of the selling dealer. The Oklahoma Motor Vehicle Commission is hereby directed to  
4 develop a temporary license plate design to incorporate these requirements in a manner  
5 that will permit law enforcement personnel to readily identify the dealer license number  
6 and date of the vehicle purchase. The Motor Vehicle Commission is further authorized to  
7 develop additional requirements and parameters designed to discourage or prevent  
8 illegal duplication and use of the temporary license plate. On or before thirty (30) days  
9 from the date of purchase of a new motor vehicle, travel trailer or commercial trailer,  
10 said temporary license plate shall be removed and replaced with a permanent, current  
11 Oklahoma license plate. Use of said temporary license plate by a licensed dealer for  
12 other than the purpose of normally doing business shall constitute grounds for revocation  
13 of the dealer's license.

14 It shall be unlawful for any licensed dealer of new motor vehicles, travel trailers or  
15 commercial trailers to procure the registration and licensing of any new motor vehicle,  
16 travel trailer or commercial trailer sold by such licensed dealer or to act as the agent for  
17 such purchaser in the procurement of said registration and licensing. The license of any  
18 licensed dealer of new motor vehicles, travel trailers or commercial trailers violating the  
19 provisions of this section shall be revoked.

20 SECTION 5. This act shall become effective November 1, 2008.

21 COMMITTEE REPORT BY: COMMITTEE ON GENERAL GOVERNMENT AND  
22 TRANSPORTATION , dated 04-08-08 - DO PASS, As Amended.