

THE HOUSE OF REPRESENTATIVES
Monday, February 23, 2009

Committee Substitute for
House Bill No. 1318

COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 1318 - By: SHOEMAKE of the House.

An Act relating to motor vehicles; amending 47 O.S. 2001, Section 584, as amended by Section 4, Chapter 298, O.S.L. 2005 (47 O.S. Supp. 2008, Section 584), which relates to the Used Motor Vehicle and Parts Commission; requiring certain information be provided prior to denial of a license; allowing applicant certain time period to resolve certain issues; and providing an effective date.

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

1 SECTION 1. AMENDATORY 47 O.S. 2001, Section 584, as amended by
2 Section 4, Chapter 298, O.S.L. 2005 (47 O.S. Supp. 2008, Section 584), is amended to
3 read as follows:
4 Section 584. A. The Oklahoma Used Motor Vehicle and Parts Commission may
5 deny an application for a license, impose a fine not to exceed One Thousand Dollars
6 (\$1,000.00) per occurrence and/or revoke or suspend a license after it has been granted,
7 when any provision of Sections 581 through ~~585~~ 588 of this title is violated or for any of
8 the following reasons:

1 1. On satisfactory proof of unfitness of the applicant or the licensee, as the case
2 may be, under the standards established by ~~Section~~ Sections 581 et seq. through 588 of
3 this title;

4 2. For fraud practices or any material misstatement made by an applicant in any
5 application for license under the provisions of ~~Section~~ Sections 581 et seq. through 588 of
6 this title;

7 3. For any willful failure to comply with any provision of Section 581 et seq. of this
8 title or with any rule promulgated by the Commission under authority vested in it by
9 ~~Section~~ Sections 581 et seq. through 588 of this title;

10 4. Change of condition after license is granted resulting in failure to maintain the
11 qualifications for license;

12 5. Continued or flagrant violation of any of the rules of the Commission;

13 6. Being a used motor vehicle dealer, used motor vehicle salesperson, a wholesale
14 used motor vehicle dealer, or a manufactured home dealer, a manufactured home
15 installer, manufactured home manufacturer, or manufactured home salesperson who:

16 a. resorts to or uses any false or misleading advertising in connection
17 with business as a used motor vehicle dealer or salesperson, wholesale
18 used motor vehicle dealer or manufactured home dealer, installer or
19 manufacturer,

20 b. has committed any unlawful act which resulted in the revocation of
21 any similar license in another state,

22 c. has been convicted of a crime involving moral turpitude,

- 1 d. has committed a fraudulent act in selling, purchasing or otherwise
2 dealing in motor vehicles or manufactured homes or has
3 misrepresented the terms and conditions of a sale, purchase or
4 contract for sale or purchase of a motor vehicle or manufactured home
5 or any interest therein including an option to purchase such motor
6 vehicles or manufactured homes,
- 7 e. has engaged in business under a past or present license issued
8 pursuant to ~~Section~~ Sections 581 et seq. through 588 of this title, in
9 such a manner as to cause injury to the public or to those with whom
10 the licensee is dealing,
- 11 f. has failed to meet or maintain the conditions and requirements
12 necessary to qualify for the issuance of a license,
- 13 g. has failed or refused to furnish and keep in force any bond required
14 under ~~Section~~ Sections 581 et seq. through 588 of this title,
- 15 h. has installed or attempted to install a manufactured home in an
16 unworkmanlike manner, or
- 17 i. employs unlicensed salesperson or other unlicensed persons in
18 connection with the sale of manufactured homes;
- 19 7. Being a used motor vehicle dealer who:
- 20 a. does not have an established place of business,
- 21 b. employs unlicensed salespersons or other unlicensed persons in
22 connection with the sale of used vehicles,

- 1 c. fails or refuses to furnish or keep in force single limit liability
2 insurance on any vehicle offered for sale and otherwise required under
3 the financial responsibility laws of this state, or
4 d. is not operating from the address shown on the license if this change
5 has not been reported to the Commission; or
6 8. Being a manufactured home dealer who:
7 a. does not have an established place of business,
8 b. fails or refuses to furnish or keep in force garage liability and
9 completed operations insurance, or
10 c. is not operating from the address shown on the license if this change
11 has not been reported to the Commission.
12 B. The Commission shall deny an application for a license, or revoke or suspend a
13 license after it has been granted, if a manufactured home dealer does not meet the
14 following guidelines and restrictions:
15 1. A display area for manufactured homes which is easily accessible, with sufficient
16 parking for the public;
17 2. An office for conducting business where the books, records, and files are kept,
18 with access to a restroom for the public;
19 3. Place of business which meets all zoning occupancy and other requirements of
20 the appropriate local government and regular occupancy by a person, firm, or corporation
21 engaged in the business of selling manufactured homes; and
22 4. Place of business which is separate and apart from any other dealer's location.

1 C. The Commission shall deny an application for a license, or revoke or suspend a
2 license after it has been granted, if a manufactured home installer:

3 1. Installs or attempts to install a manufactured home in a manner that is not in
4 compliance with installation standards as set by the Commission pursuant to rule; or

5 2. Violates or fails to comply with any applicable rule as promulgated by the
6 Commission concerning manufactured home installers.

7 D. The Commission shall deny an application for a license, or revoke or suspend a
8 license after it has been granted, if a manufactured home manufacturer violates or fails
9 to comply with any applicable rule as promulgated by the Commission concerning
10 manufactured home manufacturers.

11 E. The Commission shall deny an application for a license by a motor vehicle
12 manufacturer or factory if the application is for the purpose of selling used motor vehicles
13 to any retail consumer in the state, other than through its retail franchised dealers, or
14 acting as a broker between a seller and a retail buyer. This subsection does not prohibit
15 a manufacturer from selling used motor vehicles where the retail customer is a nonprofit
16 organization or a federal, state, or local government or agency. This subsection does not
17 prohibit a manufacturer from providing information to a consumer for the purpose of
18 marketing or facilitating the sale of used motor vehicles or from establishing a program
19 to sell or offer to sell used motor vehicles through the manufacturer's retail franchised
20 dealers as provided for in ~~Section~~ Sections 561 et seq. through 580.2 of this title. This
21 subsection shall not prevent a factory from obtaining a wholesale used motor vehicle

1 dealer's license or the factory's financing subsidiary from obtaining a wholesale used
2 motor vehicle dealer's license.

3 F. If the Commission denies issuance of a license the Commission shall provide the
4 grounds for the action to the applicant in writing and allow the applicant sixty (60) days
5 to resolve any issues that are the grounds for the action.

6 G. Each of the aforementioned grounds for suspension, revocation, or denial of
7 issuance or renewal of license shall also constitute a violation of ~~Section~~ Sections 581 et
8 ~~seq. through 588~~ of this title, unless the person involved has been tried and acquitted of
9 the offense constituting such grounds.

10 The suspension, revocation or refusal to issue or renew a license or the imposition of
11 any other penalty by the Commission shall be in addition to any penalty which might be
12 imposed upon any licensee upon a conviction at law for any violation of ~~Section~~ Sections
13 ~~581 et seq. through 588~~ of this title.

14 SECTION 2. This act shall become effective November 1, 2009.

15 COMMITTEE REPORT BY: COMMITTEE ON ECONOMIC DEVELOPMENT AND
16 FINANCIAL SERVICES, dated 02-19-09 - DO PASS, As Amended.