

EHB 1318

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THE STATE SENATE  
Thursday, March 26, 2009

ENGROSSED

House Bill No. 1318

ENGROSSED HOUSE BILL NO. 1318 - By: Shoemake of the House and  
Ballenger of the Senate.

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:

SECTION 1. AMENDATORY 47 O.S. 2001, Section 584, as  
amended by Section 4, Chapter 298, O.S.L. 2005 (47 O.S. Supp. 2008,  
Section 584), is amended to read as follows:

Section 584. A. The Oklahoma Used Motor Vehicle and Parts  
Commission may deny an application for a license, impose a fine not  
to exceed One Thousand Dollars (\$1,000.00) per occurrence and/or  
revoke or suspend a license after it has been granted, when any  
provision of Sections 581 through ~~585~~ 588 of this title is violated  
or for any of the following reasons:

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

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

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

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

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

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

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

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

- 1 c. has been convicted of a crime involving moral  
2 turpitude,
- 3 d. has committed a fraudulent act in selling, purchasing  
4 or otherwise dealing in motor vehicles or manufactured  
5 homes or has misrepresented the terms and conditions  
6 of a sale, purchase or contract for sale or purchase  
7 of a motor vehicle or manufactured home or any  
8 interest therein including an option to purchase such  
9 motor vehicles or manufactured homes,
- 10 e. has engaged in business under a past or present  
11 license issued pursuant to ~~Section~~ Sections 581 ~~et~~  
12 ~~seq.~~ through 588 of this title, in such a manner as to  
13 cause injury to the public or to those with whom the  
14 licensee is dealing,
- 15 f. has failed to meet or maintain the conditions and  
16 requirements necessary to qualify for the issuance of  
17 a license,
- 18 g. has failed or refused to furnish and keep in force any  
19 bond required under ~~Section~~ Sections 581 ~~et seq.~~  
20 through 588 of this title,
- 21 h. has installed or attempted to install a manufactured  
22 home in an unworkmanlike manner, or

- 1           i.    employs unlicensed salesperson or other unlicensed  
2                    persons in connection with the sale of manufactured  
3                    homes;
- 4        7.   Being a used motor vehicle dealer who:
- 5           a.    does not have an established place of business,  
6           b.    employs unlicensed salespersons or other unlicensed  
7                    persons in connection with the sale of used vehicles,  
8           c.    fails or refuses to furnish or keep in force single  
9                    limit liability insurance on any vehicle offered for  
10                   sale and otherwise required under the financial  
11                   responsibility laws of this state, or  
12           d.    is not operating from the address shown on the license  
13                   if this change has not been reported to the  
14                   Commission; or
- 15        8.   Being a manufactured home dealer who:
- 16           a.    does not have an established place of business,  
17           b.    fails or refuses to furnish or keep in force garage  
18                   liability and completed operations insurance, or  
19           c.    is not operating from the address shown on the license  
20                   if this change has not been reported to the  
21                   Commission.
- 22        B.   The Commission shall deny an application for a license, or  
23        revoke or suspend a license after it has been granted, if a

1 manufactured home dealer does not meet the following guidelines and  
2 restrictions:

3 1. A display area for manufactured homes which is easily  
4 accessible, with sufficient parking for the public;

5 2. An office for conducting business where the books, records,  
6 and files are kept, with access to a restroom for the public;

7 3. Place of business which meets all zoning occupancy and other  
8 requirements of the appropriate local government and regular  
9 occupancy by a person, firm, or corporation engaged in the business  
10 of selling manufactured homes; and

11 4. Place of business which is separate and apart from any other  
12 dealer's location.

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

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

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

22 D. The Commission shall deny an application for a license, or  
23 revoke or suspend a license after it has been granted, if a

1 manufactured home manufacturer violates or fails to comply with any  
2 applicable rule as promulgated by the Commission concerning  
3 manufactured home manufacturers.

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

21 F. If the Commission denies issuance of a license the  
22 Commission shall provide the grounds for the action to the applicant

1 in writing and allow the applicant sixty (60) days to resolve any  
2 issues that are the grounds for the action.

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

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

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

14 COMMITTEE REPORT BY: COMMITTEE ON BUSINESS & LABOR, dated 3-23-09 -  
15 DO PASS.