

1 ENGROSSED SENATE  
2 BILL NO. 716

By: Leewright of the Senate

3 and

4 Hilbert of the House

5  
6 An Act relating to the Used Motor Vehicle and Parts  
7 Commission; amending 47 O.S. 2011, Section 583, as  
8 last amended by Section 1, Chapter 386, O.S.L. 2015  
9 (47 O.S. Supp. 2018, Section 583), which relates to  
fees; providing certain fees for certain manufactured  
homes shipped or sited in this state; setting fee  
amounts; and providing an effective date.

10  
11 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

12 SECTION 1. AMENDATORY 47 O.S. 2011, Section 583, as last  
13 amended by Section 1, Chapter 386, O.S.L. 2015 (47 O.S. Supp. 2018,  
14 Section 583), is amended to read as follows:

15 Section 583. A. 1. It shall be unlawful and constitute a  
16 misdemeanor for any person to engage in business as, or serve in the  
17 capacity of, or act as a used motor vehicle dealer, used motor  
18 vehicle salesperson, wholesale used motor vehicle dealer,  
19 manufactured home dealer, restricted manufactured home park dealer,  
20 manufactured home salesperson, manufactured home installer, or  
21 manufactured home manufacturer selling directly to a licensed  
22 manufactured home dealer in this state without first obtaining a  
23 license or following other requirements therefor as provided in this  
24 section.

- 1        2.    a.    Any person engaging, acting, or serving in the  
2                    capacity of a used motor vehicle dealer and/or a used  
3                    motor vehicle salesperson, a manufactured home dealer,  
4                    restricted manufactured home park dealer, manufactured  
5                    home salesperson, a manufactured home installer, or a  
6                    manufactured home manufacturer, or having more than  
7                    one place where any such business, or combination of  
8                    businesses, is carried on or conducted shall be  
9                    required to obtain and hold a current license for each  
10                  such business, in which engaged.
- 11               b.    A used motor vehicle dealer's license shall authorize  
12                    one person to sell without a salesperson's license in  
13                    the event such person shall be the owner of a  
14                    proprietorship, or the person designated as principal  
15                    in the dealer's franchise or the managing officer or  
16                    one partner if no principal person is named in the  
17                    franchise.
- 18               c.    If after a hearing in accordance with the provisions  
19                    of Section 585 of this title, the Oklahoma Used Motor  
20                    Vehicle and Parts Commission shall find any person  
21                    installing a mobile or manufactured home to be in  
22                    violation of any of the provisions of this act, such  
23                    person may be subject to an administrative fine of not  
24                    more than Five Hundred Dollars (\$500.00) for each

1 violation. Each day a person is in violation of this  
2 act may constitute a separate violation. All  
3 administrative fines collected pursuant to the  
4 provisions of this subparagraph shall be deposited in  
5 the fund established in Section 582 of this title.  
6 Administrative fines imposed pursuant to this  
7 subparagraph may be enforceable in the district courts  
8 of this state.

9 d. A salesperson's license may not be issued under a  
10 wholesale used motor vehicle dealer's license.

11 3. Any person except persons penalized by administrative fine  
12 violating the provisions of this section shall, upon conviction, be  
13 fined not to exceed Five Hundred Dollars (\$500.00). A second or  
14 subsequent conviction shall be punished by a fine not to exceed One  
15 Thousand Dollars (\$1,000.00); provided that each day such unlicensed  
16 person violates this section shall constitute a separate offense,  
17 and any vehicle involved in a violation of this subsection shall be  
18 considered a separate offense.

19 B. 1. Applications for licenses required to be obtained under  
20 the provisions of the Oklahoma Used Motor Vehicle and Parts  
21 Commission shall be verified by the oath or affirmation of the  
22 applicant and shall be on forms prescribed by the Commission and  
23 furnished to the applicants, and shall contain such information as  
24 the Commission deems necessary to enable it to fully determine the

1 qualifications and eligibility of the several applicants to receive  
2 the license or licenses applied for. The Commission shall require  
3 in the application, or otherwise, information relating to:

- 4 a. the applicant's financial standing,
- 5 b. the applicant's business integrity,
- 6 c. whether the applicant has an established place of  
7 business and is engaged in the pursuit, avocation, or  
8 business for which a license, or licenses, is applied  
9 for,
- 10 d. whether the applicant is able to properly conduct the  
11 business for which a license, or licenses, is applied  
12 for, and
- 13 e. such other pertinent information consistent with the  
14 safeguarding of the public interest and the public  
15 welfare.

16 2. All applications for license or licenses shall be  
17 accompanied by the appropriate fee or fees in accordance with the  
18 schedule hereinafter provided. In the event any application is  
19 denied and the license applied for is not issued, the entire license  
20 fee shall be returned to the applicant.

21 3. All bonds and licenses issued under the provisions of this  
22 act shall expire on December 31, following the date of issue and  
23 shall be nontransferable. All applications for renewal of licenses  
24 shall be submitted by November 1 of each year of expiration, and

1 licenses for completed renewals received by November 1 shall be  
2 issued by January 10. If applications have not been made for  
3 renewal of licenses, such licenses shall expire on December 31 and  
4 it shall be illegal for any person to represent himself or herself  
5 and act as a dealer thereafter. Tag agents shall be notified not to  
6 accept dealers' titles until such time as licenses have been issued.  
7 Beginning January 1, 2016, all licenses shall be issued for a period  
8 of two (2) years and the appropriate fees shall be assessed. The  
9 Commission shall adopt rules necessary to implement the two-year  
10 licensing provisions.

11 4. A used motor vehicle salesperson's license shall permit the  
12 licensee to engage in the activities of a used motor vehicle  
13 salesperson. Salespersons shall not be allowed to sell vehicles  
14 unless applications and fees are on file with the Commission and the  
15 motor vehicle salesperson's or temporary salesperson's license  
16 issued. A temporary salesperson's license, salesperson's renewal or  
17 reissue of salesperson's license shall be deemed to have been issued  
18 when the appropriate application and fee have been properly  
19 addressed and mailed to the Commission.

20 Dealers' payrolls and other evidence will be checked to  
21 ascertain that all salespersons for such dealers are licensed.

22 C. The schedule of license fees to be charged and received by  
23 the Commission for the licenses issued hereunder shall be as  
24 follows:

1        1. For each used motor vehicle dealer's license and each  
2        wholesale used motor vehicle dealer's license, Six Hundred Dollars  
3        (\$600.00). If a used motor vehicle dealer or a wholesale used motor  
4        vehicle dealer has once been licensed by the Commission in the  
5        classification for which he or she applies for a renewal of the  
6        license, the fee for each subsequent renewal shall be Three Hundred  
7        Dollars (\$300.00); provided, if an applicant holds a license to  
8        conduct business as an automotive dismantler and parts recycler  
9        issued pursuant to Section 591.1 et seq. of this title, the initial  
10       fee shall be Two Hundred Dollars (\$200.00) and the renewal fee shall  
11       be Two Hundred Dollars (\$200.00). If an applicant is applying  
12       simultaneously for a license under this paragraph and a license  
13       under paragraph 1 of Section 591.5 of this title, the initial  
14       application fee shall be Four Hundred Dollars (\$400.00). For the  
15       reinstatement of a used motor vehicle dealer's license after  
16       revocation for cancellation or expiration of insurance pursuant to  
17       subsection F of this section, the fee shall be Two Hundred Dollars  
18       (\$200.00);

19       2. For a used motor vehicle dealer's license, for each place of  
20       business in addition to the principal place of business, Two Hundred  
21       Dollars (\$200.00);

22       3. For each used motor vehicle salesperson's license and  
23       renewal, Fifty Dollars (\$50.00), and for a transfer, Fifty Dollars  
24       (\$50.00);

1       4. For each holder who possesses a valid new motor vehicle  
2 dealer's license from the Oklahoma Motor Vehicle Commission, Two  
3 Hundred Dollars (\$200.00) shall be the initial fee for a used motor  
4 vehicle license and the fee for each subsequent renewal shall be Two  
5 Hundred Dollars (\$200.00);

6       5.   a. For each manufactured home dealer's license or a  
7               restricted manufactured home park dealer's license,  
8               Six Hundred Dollars (\$600.00), and for each place of  
9               business in addition to the principal place of  
10              business, Four Hundred Dollars (\$400.00), and

11       b. For each renewal of a manufactured home dealer's  
12              license or a restricted manufactured home park  
13              dealer's license, and renewal for each place of  
14              business in addition to the principal place of  
15              business, Three Hundred Dollars (\$300.00);

16       6.   a. For each manufactured home installer's license, Four  
17               Hundred Dollars (\$400.00), and

18       b. For each renewal of a manufactured home installer's  
19              license, Four Hundred Dollars (\$400.00);

20       7.   a. For each manufactured home manufacturer selling  
21               directly to a licensed manufactured home dealer in  
22               this state, One Thousand Five Hundred Dollars  
23               (\$1,500.00), and  
24

b. For each renewal of a manufactured home manufacturer's license, One Thousand Five Hundred Dollars (\$1,500.00); ~~and~~

8. For each manufactured home salesperson's license or renewal thereof, Fifty Dollars (\$50.00), and for each transfer, Fifty Dollars (\$50.00);

9. Any manufactured home manufacturer who sells a new manufactured home to be shipped to or sited in the State of Oklahoma shall pay an installation inspection fee of Seventy-five Dollars (\$75.00) for each new single-wide manufactured home and One Hundred Twenty-five Dollars (\$125.00) for each new multi-floor manufactured home; and

10. A used manufactured home inspection fee of Seventy-five Dollars (\$75.00) shall be paid by the installer at or before the time of installation of any used manufactured home sited and installed in the State of Oklahoma.

D. 1. The license issued to each used motor vehicle dealer, each wholesale used motor vehicle dealer, each restricted manufactured home park dealer and each manufactured home dealer shall specify the location of the place of business. If the business location is changed, the Oklahoma Used Motor Vehicle and Parts Commission shall be notified immediately of the change and the Commission may endorse the change of location on the license. The fee for a change of location shall be One Hundred Dollars (\$100.00),



1 and the fee for a change of name, Twenty-five Dollars (\$25.00). The  
2 license of each licensee shall be posted in a conspicuous place in  
3 the place or places of business of the licensee.

4 2. The license issued to each manufactured home installer, and  
5 each manufactured home manufacturer shall specify the location of  
6 the place of business. If the business location is changed, the  
7 Oklahoma Used Motor Vehicle and Parts Commission shall be notified  
8 immediately of the change and the Commission may endorse the change  
9 of location on the license without charge. The license of each  
10 licensee shall be posted in a conspicuous place in the place or  
11 places of business of the licensee.

12 3. Every used motor vehicle salesperson shall have the license  
13 upon his or her person when engaged in business, and shall display  
14 same upon request. The name of the employer of the salesperson  
15 shall be stated on the license and if there is a change of employer,  
16 the license holder shall immediately mail the license to the  
17 Commission for its endorsement of the change thereon. There shall  
18 be no penalty for not having a license upon his or her person.

19 4. Every manufactured home installer shall have the license  
20 available for inspection at the primary place of business of the  
21 licensee. This license shall be valid for the licensee and all of  
22 the employees of the licensee. Any person who is not an employee of  
23 the licensee must obtain a separate manufactured home installer  
24

1 license regardless of whether such person is acting in the capacity  
2 of a contractor or subcontractor.

3 E. 1. a. Each applicant for a used motor vehicle dealer's  
4 license shall procure and file with the Commission a  
5 good and sufficient bond in the amount of Twenty-five  
6 Thousand Dollars (\$25,000.00). Each new applicant for  
7 a used motor vehicle dealer's license for the purpose  
8 of conducting a used motor vehicle auction shall  
9 procure and file with the Commission a good and  
10 sufficient bond in the amount of Fifty Thousand  
11 Dollars (\$50,000.00). An applicant who intends to  
12 conduct a used motor vehicle auction who provides  
13 proof that the applicant has check and title insurance  
14 in an amount not less than Fifty Thousand Dollars  
15 (\$50,000.00) shall only be required to have a bond in  
16 the amount of Twenty-five Thousand Dollars  
17 (\$25,000.00).

18 b. Each new applicant for a used motor vehicle dealer  
19 license for the purpose of conducting a used motor  
20 vehicle business which will consist primarily of non-  
21 auction consignment sales which are projected to equal  
22 Five Hundred Thousand Dollars (\$500,000.00) or more in  
23 gross annual sales shall procure and file with the  
24 Commission a good and sufficient bond in the amount of

1 Fifty Thousand Dollars (\$50,000.00). The Commission  
2 shall prescribe by rule the method of operation of the  
3 non-auction consignment dealer in order to properly  
4 protect the interests of all parties to the  
5 transaction and to provide sanctions against dealers  
6 who fail to comply with the rules.

7 c. Each applicant for a wholesale used motor vehicle  
8 dealer's license shall procure and file with the  
9 Commission a good and sufficient bond in the amount of  
10 Twenty-five Thousand Dollars (\$25,000.00).

11 d. Any used motor vehicle dealer who, for the purpose of  
12 being a rebuilder, applies for a rebuilder  
13 certificate, as provided in Section 591.5 of this  
14 title, whether as a new application or renewal, shall  
15 procure and file with the Commission a good and  
16 sufficient bond in the amount of Fifteen Thousand  
17 Dollars (\$15,000.00), in addition to any other bonds  
18 required.

19 e. Each applicant for a manufactured home dealer's  
20 license or a restricted manufactured home park  
21 dealer's license shall procure and file with the  
22 Commission a good and sufficient bond in the amount of  
23 Thirty Thousand Dollars (\$30,000.00).  
24

1           f.    Each manufactured home manufacturing facility selling  
2                directly to a licensed manufactured home dealer in  
3                this state shall procure and file with the Commission  
4                a good and sufficient bond in the amount of Thirty  
5                Thousand Dollars (\$30,000.00). In addition to all  
6                other conditions and requirements set forth herein,  
7                the bond shall require the availability of prompt and  
8                full warranty service by the manufacturer to comply  
9                with all warranties expressed or implied in connection  
10              with each manufactured home which is manufactured for  
11              resale in this state. A manufacturer may not sell,  
12              exchange, or lease-purchase a manufactured home to a  
13              person in this state who is not a licensed  
14              manufactured home dealer.

15          g.    The bond shall be approved as to form by the Attorney  
16                General and conditioned that the applicant shall not  
17                practice fraud, make any fraudulent representation, or  
18                violate any of the provisions of this act in the  
19                conduct of the business for which the applicant is  
20                licensed. One of the purposes of the bond is to  
21                provide reimbursement for any loss or damage suffered  
22                by any person by reason of issuance of a certificate  
23                of title by a used motor vehicle dealer, a wholesale  
24

1           used motor vehicle dealer, a restricted manufactured  
2           home park dealer or a manufactured home dealer.

3       2. The bonds as required by this section shall be maintained  
4 throughout the period of licensure. Should the bond be canceled for  
5 any reason, the license shall be revoked as of the date of  
6 cancellation unless a new bond is furnished prior to such date.

7       F. Any used motor vehicle dealer or wholesale used motor  
8 vehicle dealer is required to furnish and keep in force a minimum of  
9 Twenty-five Thousand Dollars (\$25,000.00) of single liability  
10 insurance coverage on all vehicles offered for sale or used in any  
11 other capacity in demonstrating or utilizing the streets and  
12 roadways in accordance with the financial responsibility laws of  
13 this state.

14       G. Any manufactured home dealer or restricted manufactured home  
15 park dealer is required to furnish and keep in force a minimum of  
16 One Hundred Thousand Dollars (\$100,000.00) of garage liability or  
17 general liability with products and completed operations insurance  
18 coverage.

19       H. Any manufactured home installer is required to furnish and  
20 keep in force a minimum of Twenty-five Thousand Dollars (\$25,000.00)  
21 of general liability with products and completed operations  
22 insurance coverage.

SECTION 2. This act shall become effective November 1, 2019.

Passed the Senate the 12th day of March, 2019.

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Presiding Officer of the Senate

Passed the House of Representatives the \_\_\_\_ day of \_\_\_\_\_,  
2019.

Presiding Officer of the House  
of Representatives