

1                   **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2                                   STATE OF OKLAHOMA

3                                   2nd Session of the 57th Legislature (2020)

4   HOUSE BILL 3095

                                  By: Osburn

7                                   AS INTRODUCED

8           An Act relating to motor vehicles; amending 47 O.S.  
9           2011, Section 565, as last amended by Section 2,  
10          Chapter 79, O.S.L. 2019 (47 O.S. Supp. 2019, Section  
11          565), which relates to Oklahoma Motor Vehicle  
12          Commission licensing; requiring certain employees to  
13          have certificates of registration; amending 47 O.S.  
14          2011, Section 583, as last amended by Section 1,  
15          Chapter 221, O.S.L. 2019 (47 O.S. Supp. 2019, Section  
16          583), which relates to used motor vehicle licensing;  
17          allowing one owner to obtain a certificate of  
18          registration; providing that a certificate of  
19          registration may not be issued under a wholesale used  
20          motor vehicle dealer's license; deleting certain used  
21          motor vehicle salesman licensing information;  
22          providing for registered persons to engage in certain  
23          activities; providing for temporary approval;  
24          deleting certain manufactured home licensing  
            information; amending Section 8, Chapter 79, O.S.L.  
            2019 (47 O.S. Supp. 2019, Section 583.1), which  
            relates to certificates of registration; allowing  
            certain new vehicle salespeople to sell used  
            vehicles; providing for registration fees and  
            renewal; amending 47 O.S. 2011, Section 584, as last  
            amended by Section 6, Chapter 79, O.S.L. 2019 (47  
            O.S. Supp. 2019, Section 584), which relates to  
            Oklahoma Used Motor Vehicle and Parts Commission  
            licensing; allowing for the denial of application and  
            imposition of fines for certain salespeople; and  
            providing an effective date.

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

2 SECTION 1. AMENDATORY 47 O.S. 2011, Section 565, as last  
3 amended by Section 2, Chapter 79, O.S.L. 2019 (47 O.S. Supp. 2019,  
4 Section 565), is amended to read as follows:

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

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

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

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

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

23 5. Being a new motor vehicle dealer who:  
24

- 1           a.    has required a purchaser of a new motor vehicle, as a  
2                   condition of sale and delivery thereof, to also  
3                   purchase special features, appliances, accessories or  
4                   equipment not desired or requested by the purchaser  
5                   and installed by the dealer,
- 6           b.    uses any false or misleading advertising in connection  
7                   with business as a new motor vehicle dealer,
- 8           c.    has committed any unlawful act which resulted in the  
9                   revocation of any similar license in another state,
- 10          d.    has failed or refused to perform any written agreement  
11                with any retail buyer involving the sale of a motor  
12                vehicle,
- 13          e.    has been convicted of a crime involving moral  
14                turpitude,
- 15          f.    has committed a fraudulent act in selling, purchasing  
16                or otherwise dealing in new motor vehicles or has  
17                misrepresented the terms and conditions of a sale,  
18                purchase or contract for sale or purchase of a new  
19                motor vehicle or any interest therein including an  
20                option to purchase such vehicle,
- 21          g.    has failed to meet or maintain the conditions and  
22                requirements necessary to qualify for the issuance of  
23                a license, or
- 24

1           h.    completes any sale or transaction of an extended  
2               service contract, extended maintenance plan, or  
3               similar product using contract forms that do not  
4               conspicuously disclose the identity of the service  
5               contract provider;

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

8           7.   Being a new motor vehicle dealer who:

9           a.    does not have an established place of business,

10          b.    does not provide for a suitable repair shop separate  
11               from the display room with ample space to repair or  
12               recondition one or more vehicles at the same time, and  
13               which is equipped with such parts, tools and equipment  
14               as may be requisite for the servicing of motor  
15               vehicles in such a manner as to make them comply with  
16               the safety laws of this state and to properly fulfill  
17               the dealer's or manufacturer's warranty obligation,

18          c.    does not hold a franchise in effect with a  
19               manufacturer or distributor of new or unused motor  
20               vehicles for the sale of the same and is not  
21               authorized by the manufacturer or distributor to  
22               render predelivery preparation of such vehicles sold  
23               to purchasers and to perform any authorized post-sale  
24

1 work pursuant to the manufacturer's or distributor's  
2 warranty,

3 d. employs a person without obtaining a certificate of  
4 registration for the person, or utilizes the services  
5 of used motor vehicle lots or dealers or other  
6 unlicensed persons in connection with the sale of new  
7 motor vehicles,

8 e. does not properly service a new motor vehicle before  
9 delivery of same to the original purchaser thereof, or

10 f. fails to order and stock a reasonable number of new  
11 motor vehicles necessary to meet customer demand for  
12 each of the new motor vehicles included in the new  
13 motor vehicle dealer's franchise agreement, unless the  
14 new motor vehicles are not readily available from the  
15 manufacturer or distributor due to limited production;

16 8. Being a factory that has:

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

20 (1) to accept delivery of any motor vehicle or  
21 vehicles, parts or accessories therefor, or any  
22 other commodities including advertising material  
23 which shall not have been ordered by the new  
24 motor vehicle dealer,

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

6 (3) to order or accept delivery of any parts,  
7 accessories, equipment, machinery, tools,  
8 appliances or any commodity whatsoever, or

9 b. induced under threat or discrimination by the  
10 withholding from delivery to a motor vehicle dealer  
11 certain models of motor vehicles, changing or amending  
12 unilaterally the dealer's allotment of motor vehicles  
13 and/or withholding and delaying delivery of such  
14 vehicles out of the ordinary course of business, in  
15 order to induce by such coercion any such dealer to  
16 participate or contribute to any local or national  
17 advertising fund controlled directly or indirectly by  
18 the factory or for any other purposes such as contest,  
19 "give-aways" or other so-called sales promotional  
20 devices and/or change of quotas in any sales contest;  
21 or has required motor vehicle dealers, as a condition  
22 to receiving their vehicle allotment, to order a  
23 certain percentage of the vehicles with optional  
24 equipment not specified by the new motor vehicle

1 dealer; however, nothing in this section shall  
2 prohibit a factory from supporting an advertising  
3 association which is open to all dealers on the same  
4 basis;

5 9. Being a factory that:

- 6 a. has attempted to coerce or has coerced any new motor  
7 vehicle dealer to enter into any agreement or to  
8 cancel any agreement, or fails to act in good faith  
9 and in a fair, equitable and nondiscriminatory manner;  
10 or has directly or indirectly coerced, intimidated,  
11 threatened or restrained any motor vehicle dealer; or  
12 has acted dishonestly, or has failed to act in  
13 accordance with the reasonable standards of fair  
14 dealing,
- 15 b. has failed to compensate its dealers for the work and  
16 services they are required to perform in connection  
17 with the dealer's delivery and preparation obligations  
18 according to the agreements on file with the  
19 Commission which must be found by the Commission to be  
20 reasonable, or fail to adequately and fairly  
21 compensate its dealers for labor, parts and other  
22 expenses incurred by such dealer to perform under and  
23 comply with manufacturer's warranty agreements.  
24 Adequate and fair compensation for parts shall be

1 established by the dealer submitting to the  
2 manufacturer or distributor one hundred sequential  
3 nonwarranty customer-paid service repair orders which  
4 contain warranty-like parts, or ninety (90)  
5 consecutive days of nonwarranty customer-paid service  
6 repair orders which contain warranty-like parts,  
7 whichever is less, covering repairs made no more than  
8 one hundred eighty (180) days before the submission  
9 and declaring the average percentage markup. Adequate  
10 and fair compensation for labor shall be established  
11 by the dealer submitting to the manufacturer or  
12 distributor one hundred sequential customer-paid  
13 service repair orders which contain labor charges, or  
14 ninety (90) consecutive days of customer-paid service  
15 repair orders which contain labor charges, whichever  
16 is less. When submitting repair orders to calculate a  
17 labor rate, a dealer need not include repair orders  
18 for routine maintenance. A manufacturer or  
19 distributor may, not later than thirty (30) days after  
20 submission, rebut that declared rate in writing by  
21 reasonably substantiating that the rate is inaccurate  
22 or unreasonable in light of the practices of all other  
23 franchised motor vehicle dealers in an economically  
24 similar part of the state offering the same line-make



1 vehicles. The retail rate shall go into effect thirty  
2 (30) days following the approval by the manufacturer,  
3 subject to audit of the submitted repair orders by the  
4 franchisor and a rebuttal of the declared rate as  
5 described above. If the declared rate is rebutted,  
6 the manufacturer or distributor shall propose an  
7 adjustment in writing of the average percentage markup  
8 based on that rebuttal not later than thirty (30) days  
9 after submission. If the dealer does not agree with  
10 the proposed average percentage markup, the dealer may  
11 file a protest with the Commission not later than  
12 thirty (30) days after receipt of that proposal by the  
13 manufacturer or distributor. In the event a protest  
14 is filed, the manufacturer or distributor shall have  
15 the burden of proof to establish the new motor vehicle  
16 dealer's submitted rate was inaccurate or unreasonable  
17 in light of the practices of all other franchised  
18 motor vehicle dealers in an economically similar part  
19 of the state. A manufacturer or distributor may not  
20 retaliate against any new motor vehicle dealer seeking  
21 to exercise its rights under this provision. A  
22 manufacturer or distributor may require a dealer to  
23 submit repair orders in accordance with this section  
24 in order to validate a dealer's retail rate for parts

1 or labor not more often than once every twelve (12)  
2 months. All claims made by dealers for compensation  
3 for delivery, preparation and warranty work shall be  
4 paid within thirty (30) days after approval and shall  
5 be approved or disapproved within thirty (30) days  
6 after receipt. When any claim is disapproved, the  
7 dealer shall be notified in writing of the grounds for  
8 disapproval. The dealer's delivery, preparation and  
9 warranty obligations as filed with the Commission  
10 shall constitute the dealer's sole responsibility for  
11 product liability as between the dealer and  
12 manufacturer. A factory may reasonably and  
13 periodically audit a new motor vehicle dealer to  
14 determine the validity of paid claims for dealer  
15 compensation or any charge-backs for warranty parts or  
16 service compensation. Except in cases of suspected  
17 fraud, audits of warranty payments shall only be for  
18 the one-year period immediately following the date of  
19 the payment. A manufacturer shall reserve the right  
20 to reasonable, periodic audits to determine the  
21 validity of paid claims for dealer compensation or any  
22 charge-backs for consumer or dealer incentives.  
23 Except in cases of suspected fraud, audits of  
24 incentive payments shall only be for a one-year period

1 immediately following the date of the payment. A  
2 factory shall not deny a claim or charge a new motor  
3 vehicle dealer back subsequent to the payment of the  
4 claim unless the factory can show that the claim was  
5 false or fraudulent or that the new motor vehicle  
6 dealer failed to reasonably substantiate the claim by  
7 the written reasonable procedures of the factory. The  
8 factory shall provide written notice to a dealer of a  
9 proposed charge-back that is the result of an audit  
10 along with the specific audit results and proposed  
11 charge-back amount. A dealer that receives notice of  
12 a proposed charge-back pursuant to a factory's audit  
13 has the right to file a protest with the Commission  
14 within thirty (30) days after receipt of the notice of  
15 the charge-back or audit results, whichever is later.  
16 The factory is prohibited from implementing the  
17 charge-back or debiting the dealer's account until  
18 either the time frame for filing a protest has passed  
19 or a final adjudication is rendered by the Commission,  
20 whichever is later, unless the dealer has agreed to  
21 the charge-back or charge-backs,

- 22 c. unreasonably fails or refuses to offer to its same  
23 line-make franchised dealers all models manufactured  
24 for that line-make, or unreasonably requires a dealer

1 to pay any extra fee, purchase unreasonable  
2 advertising displays or other materials, or remodel,  
3 renovate, or recondition the dealer's existing  
4 facilities as a prerequisite to receiving a model or  
5 series of vehicles. The failure to deliver any such  
6 new motor vehicle shall not be considered a violation  
7 of the section if the failure is not arbitrary or is  
8 due to lack of manufacturing capacity or to a strike  
9 or labor difficulty, a shortage of materials, a  
10 freight embargo or other cause over which the  
11 manufacturer has no control. However, this  
12 subparagraph shall not apply to recreational vehicles  
13 or limited production model vehicles,

- 14 d. except as necessary to comply with a health or safety  
15 law, or to comply with a technology requirement which  
16 is necessary to sell or service a motor vehicle that  
17 the franchised motor vehicle dealer is authorized or  
18 licensed by the franchisor to sell or service,  
19 requires a new motor vehicle dealer to construct a new  
20 facility or substantially renovate the new motor  
21 vehicle dealer's existing facility unless the facility  
22 construction or renovation is justified by the  
23 economic conditions existing at the time, as well as  
24 the reasonably foreseeable projections, in the

1 automotive industry. However, this subparagraph shall  
2 not apply if the factory provides money, credit,  
3 allowance, reimbursement, or additional vehicle  
4 allocation to a dealer to compensate the dealer for  
5 the cost of, or a portion of the cost of, the facility  
6 construction or renovation,

7 e. requires a new motor vehicle dealer to establish an  
8 exclusive facility, unless supported by reasonable  
9 business, market and economic considerations;  
10 provided, that this provision shall not restrict the  
11 terms of any agreement for such exclusive facility  
12 voluntarily entered into and supported by valuable  
13 consideration separate from the new motor vehicle  
14 dealer's right to sell and service motor vehicles for  
15 the franchisor,

16 f. requires a new motor vehicle dealer to enter into a  
17 site-control agreement covering any or all of the new  
18 motor vehicle dealer's facilities or premises;  
19 provided, that this provision shall not restrict the  
20 terms of any site-control agreement voluntarily  
21 entered into and supported by valuable consideration  
22 separate from the new motor vehicle dealer's right to  
23 sell and service motor vehicles for the franchisor.

24 Notwithstanding the foregoing or the terms of any

1 site-control agreement, a site-control agreement  
2 automatically extinguishes if all of the factory's  
3 franchises that operated from the location that are  
4 the subject of the site-control agreement are  
5 terminated by the factory as part of the  
6 discontinuance of a product line, or

7 g. requires a new motor vehicle dealer to purchase goods  
8 or services for the construction, renovation, or  
9 improvement of the dealer's facility from a vendor  
10 chosen by the factory if goods or services available  
11 from other sources are of substantially similar  
12 quality and design and comply with all applicable  
13 laws; provided, however, that such goods are not  
14 subject to the factory's intellectual property or  
15 trademark rights and the new motor vehicle dealer has  
16 received the factory's approval, which approval may  
17 not be unreasonably withheld. Nothing in this  
18 subparagraph may be construed to allow a new motor  
19 vehicle dealer to impair or eliminate a factory's  
20 intellectual property, trademark rights or trade dress  
21 usage guidelines. Nothing in this section prohibits  
22 the enforcement of a voluntary agreement between the  
23 factory and the new motor vehicle dealer where  
24

1                   separate and valuable consideration has been offered  
2                   and accepted;

3           10.   Being a factory that establishes a system of motor vehicle  
4 allocation or distribution which is unfair, inequitable or  
5 unreasonably discriminatory. Upon the request of any dealer  
6 franchised by it, a factory shall disclose in writing to the dealer  
7 the basis upon which new motor vehicles are allocated, scheduled and  
8 delivered among the dealers of the same line-make for that factory;

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

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

22                   (1)   owns any ownership interest or has any financial  
23                   interest in a new motor vehicle dealer or any  
24

1 person who sells products or services to the  
2 public,

3 (2) operates or controls a new motor vehicle dealer,  
4 or

5 (3) acts in the capacity of a new motor vehicle  
6 dealer.

7 b. (1) This paragraph does not prohibit a factory from  
8 owning or controlling a new motor vehicle dealer  
9 while in a bona fide relationship with a dealer  
10 development candidate who has made a substantial  
11 initial investment in the franchise and whose  
12 initial investment is subject to potential loss.  
13 The dealer development candidate can reasonably  
14 expect to acquire full ownership of a new motor  
15 vehicle dealer within a reasonable period of time  
16 not to exceed ten (10) years and on reasonable  
17 terms and conditions. The ten-year acquisition  
18 period may be expanded for good cause shown.

19 (2) This paragraph does not prohibit a factory from  
20 owning, operating, controlling or acting in the  
21 capacity of a motor vehicle dealer for a period  
22 not to exceed twelve (12) months during the  
23 transition from one dealer to another dealer if  
24 the dealership is for sale at a reasonable price



1 and on reasonable terms and conditions to an  
2 independent qualified buyer. On showing by a  
3 factory of good cause, the Oklahoma Motor Vehicle  
4 Commission may extend the time limit set forth  
5 above; extensions may be granted for periods not  
6 to exceed twelve (12) months.

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

11 (4) This paragraph does not prohibit a factory from  
12 owning, directly or indirectly, a minority  
13 interest in an entity that owns, operates or  
14 controls motor vehicle dealerships of the same  
15 line-make franchised by the manufacturer,  
16 provided that each of the following conditions  
17 are met:

18 (a) all of the motor vehicle dealerships selling  
19 the motor vehicles of that manufacturer in  
20 this state trade exclusively in the line-  
21 make of that manufacturer,

22 (b) all of the franchise agreements of the  
23 manufacturer confer rights on the dealer of  
24 the line-make to develop and operate, within

1 a defined geographic territory or area, as  
2 many dealership facilities as the dealer and  
3 manufacturer shall agree are appropriate,

4 (c) at the time the manufacturer first acquires  
5 an ownership interest or assumes operation,  
6 the distance between any dealership thus  
7 owned or operated and the nearest  
8 unaffiliated motor vehicle dealership  
9 trading in the same line-make is not less  
10 than seventy (70) miles,

11 (d) during any period in which the manufacturer  
12 has such an ownership interest, the  
13 manufacturer has no more than three  
14 franchise agreements with new motor vehicle  
15 dealers licensed by the Oklahoma Motor  
16 Vehicle Commission to do business within the  
17 state, and

18 (e) prior to January 1, 2000, the factory shall  
19 have furnished or made available to  
20 prospective motor vehicle dealers an  
21 offering-circular in accordance with the  
22 Trade Regulation Rule on Franchising of the  
23 Federal Trade Commission, and any guidelines  
24 and exemptions issued thereunder, which

1 disclose the possibility that the factory  
2 may from time to time seek to own or  
3 acquire, directly or indirectly, ownership  
4 interests in retail dealerships;

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

- 11 a. ~~any information~~ derived from monthly financial  
12 statements provided to the factory, and
- 13 b. ~~any information~~ regarding any aspect of the  
14 profitability of a particular new motor vehicle  
15 dealer;

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

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

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

- 1           a.    the facility and the proposed new location satisfies  
2                   or meets the written reasonable guidelines of the  
3                   factory. Reasonable guidelines do not include site  
4                   control unless agreed to as set forth in subparagraphs  
5                   e and f of paragraph 9 of this subsection,
- 6           b.    the proposed new location is within the area of  
7                   responsibility of the new motor vehicle dealer  
8                   pursuant to Section 578.1 of this title, and
- 9           c.    the factory has sixty (60) days from receipt of the  
10                  new motor vehicle dealer's relocation request to  
11                  approve or deny the request. The failure to approve  
12                  or deny the request within the sixty-day time frame  
13                  shall constitute approval of the request;

14        17. Being a factory which prohibits a new motor vehicle dealer  
15 from adding additional line-makes to its existing facility, if,  
16 after adding the additional line-makes, the facility satisfies the  
17 written reasonable capitalization standards and facility guidelines  
18 of each factory. Reasonable facility guidelines do not include a  
19 requirement to maintain site control unless agreed to by the dealer  
20 as set forth in subparagraphs e and f of paragraph 9 of this  
21 subsection;

22        18. Being a factory that increases prices of new motor vehicles  
23 which the new motor vehicle dealer had ordered for retail consumers  
24 and notified the factory prior to the dealer's receipt of the

1 written official price increase notification. A sales contract  
2 signed by a retail consumer accompanied with proof of order  
3 submission to the factory shall constitute evidence of each such  
4 order, provided that the vehicle is in fact delivered to the  
5 customer. Price differences applicable to new models or series  
6 motor vehicles at the time of the introduction of new models or  
7 series shall not be considered a price increase for purposes of this  
8 paragraph. Price changes caused by any of the following shall not  
9 be subject to the provisions of this paragraph:

- 10 a. the addition to a motor vehicle of required or
- 11 optional equipment pursuant to state or federal law,
- 12 b. revaluation of the United States dollar in the case of
- 13 foreign-made vehicles or components, or
- 14 c. an increase in transportation charges due to increased
- 15 rates imposed by common or contract carriers;

16 19. Being a factory that requires a new motor vehicle dealer to  
17 participate monetarily in an advertising campaign or contest, or  
18 purchase any promotional materials, showroom or other display  
19 decoration or materials at the expense of the new motor vehicle  
20 dealer without consent of the dealer, which consent shall not be  
21 unreasonably withheld;

22 20. Being a factory that denies any new motor vehicle dealer  
23 the right of free association with any other new motor vehicle  
24

1 dealer for any lawful purpose, unless otherwise permitted by this  
2 chapter; or

3 21. Being a factory that requires a new motor vehicle dealer to  
4 sell, offer to sell or sell exclusively an extended service  
5 contract, extended maintenance plan or similar product, such as gap  
6 products offered, endorsed or sponsored by the factory by the  
7 following means:

8 a. by an act or statement from the factory that will in  
9 any manner adversely impact the dealer,

10 b. by measuring the dealer's performance under the  
11 franchise based on the sale of extended service  
12 contracts, extended maintenance plans or similar  
13 products offered, endorsed or sponsored by the  
14 manufacturer or distributor.

15 B. Notwithstanding the terms of any franchise agreement, in the  
16 event of a proposed sale or transfer of a dealership, the  
17 manufacturer or distributor shall be permitted to exercise a right  
18 of first refusal to acquire the assets or ownership interest of the  
19 dealer of the new vehicle dealership, if such sale or transfer is  
20 conditioned upon the manufacturer or dealer entering into a dealer  
21 agreement with the proposed new owner or transferee, only if all the  
22 following requirements are met:  
23  
24

1        1. To exercise its right of first refusal, the factory must  
2 notify the dealer in writing within sixty (60) days of receipt of  
3 the completed proposal for the proposed sale transfer;

4        2. The exercise of the right of first refusal will result in  
5 the dealer and the owner of the dealership receiving the same or  
6 greater consideration as they have contracted to receive in  
7 connection with the proposed change of ownership or transfer;

8        3. The proposed sale or transfer of the assets of the  
9 dealership does not involve the transfer or sale to a member or  
10 members of the family of one or more dealer owners, or to a  
11 qualified manager or a partnership or corporation controlled by such  
12 persons; and

13       4. The factory agrees to pay the reasonable expenses, including  
14 attorney fees which do not exceed the usual, customary and  
15 reasonable fees charged for similar work done for other clients  
16 incurred by the proposed new owner and transferee prior to the  
17 exercise by the factory of its right of first refusal in negotiating  
18 and implementing the contract for the proposed sale or transfer of  
19 the dealership or dealership assets. Notwithstanding the foregoing,  
20 no payment of expenses and attorney fees shall be required if the  
21 proposed new dealer or transferee has not submitted or caused to be  
22 submitted an accounting of those expenses within thirty (30) days of  
23 receipt of the written request of the factory for such an  
24

1 accounting. The accounting may be requested by a factory before  
2 exercising its right of first refusal.

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

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

12 a. any motor vehicle sold by that person is limited to  
13 used motor vehicles that have been previously used  
14 exclusively and regularly by that person in the  
15 conduct of business and used motor vehicles traded in  
16 on motor vehicles sold by that person,

17 b. warranty repairs performed by that person on motor  
18 vehicles are limited to those motor vehicles that it  
19 owns, previously owned or takes in trade, and

20 c. motor vehicle financing provided by that person to  
21 retail consumers for motor vehicles is limited to used  
22 vehicles sold by that person in the conduct of  
23 business; or  
24



1        2. The direct or indirect ownership, affiliation or control of  
2 a person described in paragraph 1 of this subsection.

3        SECTION 2.        AMENDATORY        47 O.S. 2011, Section 583, as last  
4 amended by Section 1, Chapter 221, O.S.L. 2019 (47 O.S. Supp. 2019,  
5 Section 583), is amended to read as follows:

6        Section 583. A. 1. It shall be unlawful and constitute a  
7 misdemeanor for any person to engage in business as, or serve in the  
8 capacity of, or act as a used motor vehicle dealer, used motor  
9 vehicle salesperson, wholesale used motor vehicle dealer,  
10 manufactured home dealer, restricted manufactured home park dealer,  
11 manufactured home salesperson, manufactured home installer, or  
12 manufactured home manufacturer selling directly to a licensed  
13 manufactured home dealer in this state without first obtaining a  
14 license or following other requirements therefor as provided in this  
15 section.

16        2. a. Any person engaging, acting, or serving in the  
17                capacity of a used motor vehicle dealer and/or a used  
18                motor vehicle salesperson, a manufactured home dealer,  
19                restricted manufactured home park dealer, manufactured  
20                home salesperson, a manufactured home installer, or a  
21                manufactured home manufacturer, or having more than  
22                one place where any such business, or combination of  
23                businesses, is carried on or conducted shall be  
24

1 required to obtain and hold a current license for each  
2 such business, in which engaged.

3 b. A used motor vehicle dealer's license shall authorize  
4 one person to sell without a ~~salesperson's license~~  
5 certificate of registration in the event such person  
6 shall be the owner of a proprietorship, or the person  
7 designated as principal in the dealer's franchise or  
8 the managing officer or one partner if no principal  
9 person is named in the franchise.

10 c. If after a hearing in accordance with the provisions  
11 of Section 585 of this title, the Oklahoma Used Motor  
12 Vehicle and Parts Commission shall find any person  
13 installing a mobile or manufactured home to be in  
14 violation of any of the provisions of this act, such  
15 person may be subject to an administrative fine of not  
16 more than Five Hundred Dollars (\$500.00) for each  
17 violation. Each day a person is in violation of this  
18 act may constitute a separate violation. All  
19 administrative fines collected pursuant to the  
20 provisions of this subparagraph shall be deposited in  
21 the fund established in Section 582 of this title.  
22 Administrative fines imposed pursuant to this  
23 subparagraph may be enforceable in the district courts  
24 of this state.

1           d.    A ~~salesperson's license~~ certificate of registration  
2                   may not be issued under a wholesale used motor vehicle  
3                   dealer's license.

4           3.   Any person except persons penalized by administrative fine  
5   violating the provisions of this section shall, upon conviction, be  
6   fined an amount not to exceed Five Hundred Dollars (\$500.00). A  
7   second or subsequent conviction shall be punished by a fine not to  
8   exceed One Thousand Dollars (\$1,000.00); provided that each day such  
9   unlicensed person violates this section shall constitute a separate  
10   offense, and any vehicle involved in a violation of this subsection  
11   shall be considered a separate offense.

12           B.   1.   Applications for licenses required to be obtained under  
13   the provisions of the Oklahoma Used Motor Vehicle and Parts  
14   Commission shall be verified by the oath or affirmation of the  
15   applicant and shall be on forms prescribed by the Commission and  
16   furnished to the applicants, and shall contain such information as  
17   the Commission deems necessary to enable it to fully determine the  
18   qualifications and eligibility of the several applicants to receive  
19   the license or licenses applied for. The Commission shall require  
20   in the application, or otherwise, information relating to:

- 21           a.    the applicant's financial standing,  
22           b.    the applicant's business integrity,  
23           c.    whether the applicant has an established place of  
24                   business and is engaged in the pursuit, avocation, or

1 business for which a license, or licenses, is applied  
2 for,

3 d. whether the applicant is able to properly conduct the  
4 business for which a license, or licenses, is applied  
5 for, and

6 e. such other pertinent information consistent with the  
7 safeguarding of the public interest and the public  
8 welfare.

9 2. All applications for license or licenses shall be  
10 accompanied by the appropriate fee or fees in accordance with the  
11 schedule hereinafter provided. In the event any application is  
12 denied and the license applied for is not issued, the entire license  
13 fee shall be returned to the applicant.

14 3. All bonds and licenses issued under the provisions of this  
15 act shall expire on December 31, following the date of issue and  
16 shall be nontransferable. All applications for renewal of licenses  
17 shall be submitted by November 1 of each year of expiration, and  
18 licenses for completed renewals received by November 1 shall be  
19 issued by January 10. If applications have not been made for  
20 renewal of licenses, such licenses shall expire on December 31 and  
21 it shall be illegal for any person to represent himself or herself  
22 and act as a dealer thereafter. Tag agents shall be notified not to  
23 accept dealers' titles until such time as licenses have been issued.  
24 Beginning January 1, 2016, all licenses shall be issued for a period

1 of two (2) years and the appropriate fees shall be assessed. The  
2 Commission shall adopt rules necessary to implement the two-year  
3 licensing provisions.

4 4. ~~A used motor vehicle salesperson's license shall permit the~~  
5 ~~licensee to engage in the activities of a used motor vehicle~~  
6 ~~salesperson. Salespersons shall not be allowed to sell vehicles~~  
7 ~~unless applications and fees are on file with the Commission and the~~  
8 ~~motor vehicle salesperson's or temporary salesperson's license~~  
9 ~~issued. A temporary salesperson's license, salesperson's renewal or~~  
10 ~~reissue of salesperson's license shall be deemed to have been issued~~  
11 ~~when the appropriate application and fee have been properly~~  
12 ~~addressed and mailed to the Commission~~ A certificate of registration  
13 shall permit the registered person to engage in the activities of a  
14 used motor vehicle salesperson. A salesperson shall be deemed to be  
15 temporarily approved and allowed to sell vehicles when applications  
16 and fees are on file with the Commission.

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

19 C. The schedule of license and inspection fees to be charged  
20 and received by the Commission for the licenses and inspections  
21 issued hereunder shall be as follows:

22 1. For each used motor vehicle dealer's license and each  
23 wholesale used motor vehicle dealer's license, Six Hundred Dollars  
24 (\$600.00). If a used motor vehicle dealer or a wholesale used motor

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

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

19 ~~3. For each used motor vehicle salesperson's license and~~  
20 ~~renewal, Fifty Dollars (\$50.00), and for a transfer, Fifty Dollars~~  
21 ~~(\$50.00);~~

22 ~~4.~~ For each holder who possesses a valid new motor vehicle  
23 dealer's license from the Oklahoma Motor Vehicle Commission, Two  
24 Hundred Dollars (\$200.00) shall be the initial fee for a used motor

1 vehicle license and the fee for each subsequent renewal shall be Two  
2 Hundred Dollars (\$200.00);

3 ~~5.~~ 4.

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

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

14 ~~6.~~ 5.

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

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

19 ~~7.~~ 6.

20 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);

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

~~9.~~ 7. 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.~~ 8. 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 certificate of registration upon his or her person when engaged in  
14 business, and shall display same upon request. The name of the  
15 employer of the salesperson shall be stated on the ~~license~~  
16 certificate and if there is a change of employer, the ~~license~~  
17 certificate holder shall immediately mail the ~~license~~ certificate to  
18 the Commission for its endorsement of the change thereon. There  
19 shall be no penalty for not having a ~~license~~ certificate upon his or  
20 her person.

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

1 the licensee must obtain a separate manufactured home installer  
2 license regardless of whether such person is acting in the capacity  
3 of a contractor or subcontractor.

4 E. 1. a. Each applicant for a used motor vehicle dealer's  
5 license shall procure and file with the Commission a  
6 good and sufficient bond in the amount of Twenty-five  
7 Thousand Dollars (\$25,000.00). Each new applicant for  
8 a used motor vehicle dealer's license for the purpose  
9 of conducting a used motor vehicle auction shall  
10 procure and file with the Commission a good and  
11 sufficient bond in the amount of Fifty Thousand  
12 Dollars (\$50,000.00). An applicant who intends to  
13 conduct a used motor vehicle auction who provides  
14 proof that the applicant has check and title insurance  
15 in an amount not less than Fifty Thousand Dollars  
16 (\$50,000.00) shall only be required to have a bond in  
17 the amount of Twenty-five Thousand Dollars  
18 (\$25,000.00).

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

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

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

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

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

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.

23           SECTION 3.       AMENDATORY       Section 8, Chapter 79, O.S.L. 2019  
24 (47 O.S. Supp. 2019, Section 583.1), is amended to read as follows:

1       Section 583.1 A. It shall be punishable by an administrative  
2 fine not to exceed Five Hundred Dollars (\$500.00) for any person,  
3 firm, association, corporation or trust to engage in business as, or  
4 serve in the capacity of, a used motor vehicle salesperson in this  
5 state without first obtaining a certificate of registration with the  
6 Oklahoma Used Motor Vehicle and Parts Commission. However, a person  
7 may sell used motor vehicles without obtaining a separate used motor  
8 vehicle salesperson's certificate of registration if the person has  
9 a certificate of registration from the Oklahoma Motor Vehicle  
10 Commission to sell new or unused motor vehicles at a new motor  
11 vehicle dealer's licensed franchise location which also sells used  
12 vehicles; provided, such a person shall only be authorized to sell  
13 used motor vehicles for the dealer at the new motor vehicle dealer's  
14 licensed franchise location and to represent the new motor vehicle  
15 dealer at used motor vehicle auctions. The cost of the registration  
16 for each salesperson shall be Fifty Dollars (\$50.00) to be renewed  
17 biennially and, for a transfer, Twenty-five Dollars (\$25.00). ~~The~~  
18 ~~cost of registration for each new salesperson shall be set at~~  
19 ~~Twenty-five Dollars (\$25.00) to be renewed annually.~~ The cost of  
20 registration is to be borne by the employing entity of the ~~new~~  
21 salesperson. The Oklahoma Used Motor Vehicle and Parts Commission  
22 shall promulgate rules and procedures necessary for the  
23 implementation and creation of ~~the~~ a registry of salespersons and  
24 the issuance of certificates of registration.

1 B. It shall be punishable by an administrative fine not to  
2 exceed Five Hundred Dollars (\$500.00) for any person, firm,  
3 association, corporation or trust to engage in business as, or serve  
4 in the capacity of, a manufactured home salesperson in this state  
5 without first obtaining a certificate of registration with the  
6 Oklahoma Used Motor Vehicle and Parts Commission. ~~The cost of~~  
7 ~~registration for each new salesperson shall be set at Twenty-five~~  
8 ~~Dollars (\$25.00) to be renewed annually.~~ The cost of the  
9 registration for each salesperson shall be Fifty Dollars (\$50.00) to  
10 be renewed biennially and, for a transfer, Twenty-five Dollars  
11 (\$25.00). The cost of registration is to be borne by the employing  
12 entity of the ~~new~~ salesperson. The Commission shall promulgate  
13 rules and procedures necessary for the implementation and creation  
14 of ~~the~~ a registry of salespersons and the issuance of certificates  
15 of registration.

16 SECTION 4. AMENDATORY 47 O.S. 2011, Section 584, as last  
17 amended by Section 6, Chapter 79, O.S.L. 2019 (47 O.S. Supp. 2019,  
18 Section 584), is amended to read as follows:

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

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

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

7        3. For any willful failure to comply with any provision of  
8 Section 581 et seq. of this title or with any rule promulgated by  
9 the Commission under authority vested in it by Sections 581 through  
10 588 of this title;

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

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

15       6. Being a used motor vehicle dealer, a used motor vehicle  
16 salesperson, a wholesale used motor vehicle dealer, or a  
17 manufactured home dealer, a restricted manufactured home park  
18 dealer, a manufactured home installer, a manufactured home  
19 salesperson or a manufactured home manufacturer who:

20           a.    resorts to or uses any false or misleading advertising  
21                   in connection with business as a used motor vehicle  
22                   dealer, wholesale used motor vehicle dealer or a  
23                   restricted manufactured home park dealer or  
24                   manufactured home dealer, installer or manufacturer,



- 1           b.    has committed any unlawful act which resulted in the  
2                revocation of any similar license in another state,  
3           c.    has been convicted of a crime involving moral  
4                turpitude,  
5           d.    has committed a fraudulent act in selling, purchasing  
6                or otherwise dealing in motor vehicles or manufactured  
7                homes or has misrepresented the terms and conditions  
8                of a sale, purchase or contract for sale or purchase  
9                of a motor vehicle or manufactured home or any  
10              interest therein including an option to purchase such  
11              motor vehicles or manufactured homes,  
12           e.    has engaged in business under a past or present  
13                license issued pursuant to Sections 581 through 588 of  
14                this title, in such a manner as to cause injury to the  
15                public or to those with whom the licensee is dealing,  
16           f.    has failed to meet or maintain the conditions and  
17                requirements necessary to qualify for the issuance of  
18                a license,  
19           g.    has failed or refused to furnish and keep in force any  
20                bond required under Sections 581 through 588 of this  
21                title,  
22           h.    has installed or attempted to install a manufactured  
23                home in an unworkmanlike manner, or  
24

- 1 i. employs ~~unlicensed persons~~ a person in connection with  
2 the sale of manufactured homes without first obtaining  
3 a certificate of registration for the person;

4 7. Being a used motor vehicle dealer who:

- 5 a. does not have an established place of business,  
6 b. employs ~~unlicensed persons~~ a person in connection with  
7 the sale of used vehicles without first obtaining a  
8 certificate of registration for the person,  
9 c. fails or refuses to furnish or keep in force single  
10 limit liability insurance on any vehicle offered for  
11 sale and otherwise required under the financial  
12 responsibility laws of this state, or  
13 d. is not operating from the address shown on the license  
14 if this change has not been reported to the  
15 Commission; or

16 8. Being a manufactured home dealer or a restricted  
17 manufactured home park dealer who:

- 18 a. does not have an established place of business,  
19 b. fails or refuses to furnish or keep in force garage  
20 liability and completed operations insurance, or  
21 c. is not operating from the address shown on the license  
22 if this change has not been reported to the  
23 Commission.

1       B. 1. The Commission shall deny an application for a license,  
2 or revoke or suspend a license after it has been granted, if a  
3 manufactured home dealer does not meet the following guidelines and  
4 restrictions:

- 5           a. a display area for manufactured homes which is easily  
6           accessible, with sufficient parking for the public,
- 7           b. an office for conducting business where the books,  
8           records, and files are kept, with access to a restroom  
9           for the public,
- 10          c. a place of business which meets all zoning, occupancy  
11          and other requirements of the appropriate local  
12          government and regular occupancy by a person, firm, or  
13          corporation engaged in the business of selling  
14          manufactured homes, and
- 15          d. a place of business which is separate and apart from  
16          any other dealer's location.

17       2. The Commission shall deny an application for a restricted  
18 manufactured home park dealer license, or revoke or suspend a  
19 license after it has been granted, if a manufactured home park  
20 dealer does not satisfy the following guidelines and restrictions:

- 21           a. only mobile or manufactured homes that are "ready for  
22           occupancy" are sold or offered for sale,

1           b.    maintains an office for conducting business where the  
2               books, records, and files are kept, with access to a  
3               restroom for the public,

4           c.    maintains a place of business which meets all zoning,  
5               occupancy and other requirements of the appropriate  
6               local government and regular occupancy by a person,  
7               firm or corporation engaged in the business of selling  
8               manufactured homes inside a park, and

9           d.    maintains a place of business which is separate and  
10            apart from any other dealer's location.

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

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

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

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

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

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

22       G. Each of the aforementioned grounds for suspension,  
23 revocation, or denial of issuance or renewal of license shall also  
24 constitute a violation of Sections 581 through 588 of this title,

1 unless the person involved has been tried and acquitted of the  
2 offense constituting such grounds.

3 The suspension, revocation or refusal to issue or renew a  
4 license or the imposition of any other penalty by the Commission  
5 shall be in addition to any penalty which might be imposed upon any  
6 licensee upon a conviction at law for any violation of Sections 581  
7 through 588 of this title.

8 SECTION 5. This act shall become effective November 1, 2020.

9  
10 COMMITTEE REPORT BY: COMMITTEE ON GOVERNMENT EFFICIENCY, dated  
11 02/12/2020 - DO PASS.  
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