

1 STATE OF OKLAHOMA

2 1st Session of the 57th Legislature (2019)

3 SENATE BILL NO. 716

By: Leewright

6 AS INTRODUCED

7 An Act relating to the Used Motor Vehicle and Parts
8 Commission; amending 47 O.S. 2011, Section 583, as
9 last amended by Section 1, Chapter 386, O.S.L. 2015
10 (47 O.S. Supp. 2018, Section 583), which relates to
11 fees; providing certain fees for certain manufactured
12 homes shipped or sited in this state; setting fee
13 amounts; and providing an effective date.

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

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

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

1 license or following other requirements therefor as provided in this
2 section.

3 2. a. Any person engaging, acting, or serving in the
4 capacity of a used motor vehicle dealer and/or a used
5 motor vehicle salesperson, a manufactured home dealer,
6 restricted manufactured home park dealer, manufactured
7 home salesperson, a manufactured home installer, or a
8 manufactured home manufacturer, or having more than
9 one place where any such business, or combination of
10 businesses, is carried on or conducted shall be
11 required to obtain and hold a current license for each
12 such business, in which engaged.

13 b. A used motor vehicle dealer's license shall authorize
14 one person to sell without a salesperson's license in
15 the event such person shall be the owner of a
16 proprietorship, or the person designated as principal
17 in the dealer's franchise or the managing officer or
18 one partner if no principal person is named in the
19 franchise.

20 c. If after a hearing in accordance with the provisions
21 of Section 585 of this title, the Oklahoma Used Motor
22 Vehicle and Parts Commission shall find any person
23 installing a mobile or manufactured home to be in
24 violation of any of the provisions of this act, such

1 person may be subject to an administrative fine of not
2 more than Five Hundred Dollars (\$500.00) for each
3 violation. Each day a person is in violation of this
4 act may constitute a separate violation. All
5 administrative fines collected pursuant to the
6 provisions of this subparagraph shall be deposited in
7 the fund established in Section 582 of this title.
8 Administrative fines imposed pursuant to this
9 subparagraph may be enforceable in the district courts
10 of this state.

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

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

21 B. 1. Applications for licenses required to be obtained under
22 the provisions of the Oklahoma Used Motor Vehicle and Parts
23 Commission shall be verified by the oath or affirmation of the
24 applicant and shall be on forms prescribed by the Commission and

1 furnished to the applicants, and shall contain such information as
2 the Commission deems necessary to enable it to fully determine the
3 qualifications and eligibility of the several applicants to receive
4 the license or licenses applied for. The Commission shall require
5 in the application, or otherwise, information relating to:

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

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

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

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

22 Dealers' payrolls and other evidence will be checked to
23 ascertain that all salespersons for such dealers are licensed.
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1 C. The schedule of license fees to be charged and received by
2 the Commission for the licenses issued hereunder shall be as
3 follows:

4 1. For each used motor vehicle dealer's license and each
5 wholesale used motor vehicle dealer's license, Six Hundred Dollars
6 (\$600.00). If a used motor vehicle dealer or a wholesale used motor
7 vehicle dealer has once been licensed by the Commission in the
8 classification for which he or she applies for a renewal of the
9 license, the fee for each subsequent renewal shall be Three Hundred
10 Dollars (\$300.00); provided, if an applicant holds a license to
11 conduct business as an automotive dismantler and parts recycler
12 issued pursuant to Section 591.1 et seq. of this title, the initial
13 fee shall be Two Hundred Dollars (\$200.00) and the renewal fee shall
14 be Two Hundred Dollars (\$200.00). If an applicant is applying
15 simultaneously for a license under this paragraph and a license
16 under paragraph 1 of Section 591.5 of this title, the initial
17 application fee shall be Four Hundred Dollars (\$400.00). For the
18 reinstatement of a used motor vehicle dealer's license after
19 revocation for cancellation or expiration of insurance pursuant to
20 subsection F of this section, the fee shall be Two Hundred Dollars
21 (\$200.00);

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

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

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

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

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

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

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

23 7. a. For each manufactured home manufacturer selling
24 directly to a licensed manufactured home dealer in

1 this state, One Thousand Five Hundred Dollars

2 (\$1,500.00), and

3 b. For each renewal of a manufactured home manufacturer's
4 license, One Thousand Five Hundred Dollars
5 (\$1,500.00); ~~and~~

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

9 9. Any manufactured home manufacturer who sells a new
10 manufactured home to be shipped to or sited in the State of Oklahoma
11 shall pay an installation inspection fee of Seventy-five Dollars
12 (\$75.00) for each new single-wide manufactured home and One Hundred
13 Twenty-five Dollars (\$125.00) for each new multi-floor manufactured
14 home; and

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

19 D. 1. The license issued to each used motor vehicle dealer,
20 each wholesale used motor vehicle dealer, each restricted
21 manufactured home park dealer and each manufactured home dealer
22 shall specify the location of the place of business. If the
23 business location is changed, the Oklahoma Used Motor Vehicle and
24 Parts Commission shall be notified immediately of the change and the

1 Commission may endorse the change of location on the license. The
2 fee for a change of location shall be One Hundred Dollars (\$100.00),
3 and the fee for a change of name, Twenty-five Dollars (\$25.00). The
4 license of each licensee shall be posted in a conspicuous place in
5 the place or places of business of the licensee.

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

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

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

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