

STATE OF OKLAHOMA

2nd Session of the 59th Legislature (2024)

SUBCOMMITTEE RECOMMENDATION  
FOR

HOUSE BILL NO. 3105

By: Dobrinski

SUBCOMMITTEE RECOMMENDATION

An Act relating to motor vehicles; amending 47 O.S. 2021, Section 561, which relates to necessity for regulation; modifying legislative findings to include the regulation of the sale of powersport vehicles; amending 47 O.S. 2021, Section 562, as amended by Section 3, Chapter 29, O.S.L. 2023 (47 O.S. Supp. 2023, Section 562), which relates to definitions; modifying definitions; amending 47 O.S. 2021, Section 563, as amended by Section 4, Chapter 29, O.S.L. 2023 (47 O.S. Supp. 2023, Section 563), which relates to the Oklahoma New Motor Vehicle Commission; modifying professions to have been held by Commissioners; requiring spot delivery forms for the lease of certain vehicles; amending 47 O.S. 2021, Section 564, as amended by Section 5, Chapter 29, O.S.L. 2023 (47 O.S. Supp. 2023, Section 564), which relates to licenses; requiring current financial standing for certain applications; modifying name of responsible entities; requiring license fees for certain manufacturers and distributors; modifying list of licensed entities; deleting certain notification requirement; amending 47 O.S. 2021, Section 564.1, as amended by Section 6, Chapter 29, O.S.L. 2023 (47 O.S. Supp. 2023, Section 564.1), which relates to off-premises displays of new motor vehicles; modifying requirements for certain off-premises displays; providing for off-premises displays of certain powersports vehicles under certain conditions; authorizing Commission to provide certain variance for certain sales events; amending 47 O.S. 2021, Section 564.2, as amended by Section 7, Chapter 29, O.S.L. 2023 (47 O.S. Supp. 2023, Section 564.2), which relates to certificates of registration;

1 modifying list of persons and entities subject to  
2 certain fine; amending 47 O.S. 2021, Section 565, as  
3 last amended by Section 8, Chapter 29, O.S.L. 2023  
4 (47 O.S. Supp. 2023, Section 565), which relates to  
5 the denial, revocation, suspension of licenses;  
6 modifying to include applicability to new powersports  
7 dealers; amending 47 O.S. 2021, Section 565.1, as  
8 amended by Section 9, Chapter 29, O.S.L. 2023 (47  
9 O.S. Supp. 2023, Section 565.1), which relates to  
10 procedure for prevention or refusal to honor  
11 succession to dealership to designated successor;  
12 modifying to include applicability to new powersports  
13 dealers; amending 47 O.S. 2021, Section 565.2, as  
14 amended by Section 10, Chapter 29, O.S.L. 2023 (47  
15 O.S. Supp. 2023, Section 565.2), which relates to  
16 terminating, canceling, or failing to renew  
17 franchise; modifying to include applicability to new  
18 powersports dealers; 47 O.S. 2021, Section 565.3, as  
19 amended by Section 11, Chapter 29, O.S.L. 2023 (47  
20 O.S. Supp. 2023, Section 565.3), which relates to  
21 notice to manufacturers or distributors of sales,  
22 transfers, or assignments of franchise; modifying to  
23 include applicability to new powersports dealers;  
24 amending Section 2, Chapter 29, O.S.L. 2023 (47 O.S.  
Supp. 2023, Section 565.4), which relates to remote  
software upgrades; modifying to include applicability  
to new powersports dealers; amending 47 O.S. 2021,  
Section 566, as amended by Section 12, Chapter 29,  
O.S.L. 2023 (47 O.S. Supp. 2023, Section 566), which  
relates to procedures and fines for denial,  
suspension, or revocation of license; modifying  
certain notice requirement; modifying individuals for  
who may be fined or whose license or application may  
be suspended, denied, or revoked; amending 47 O.S.  
2021, Section 572, which relates to venue in damage  
actions; modifying to include applicability to new  
powersports dealers; amending 47 O.S. 2021, Section  
573, which relates to liberal construction; modifying  
description of certain vehicles; amending 47 O.S.  
2021, Section 578.1, as amended by Section 16,  
Chapter 29, O.S.L. 2023 (47 O.S. Supp. 2023, Section  
578.1), which relates to procedures for establishing  
new or relocating existing dealerships; modifying to  
include applicability to new powersports dealers;  
amending 47 O.S. 2021, Section 579, as amended by  
Section 17, Chapter 29, O.S.L. 2023 (47 O.S. Supp.  
2023, Section 579), which relates to considerations

1 in determining good cause for not entering into or  
2 relocating additional franchise; modifying to include  
3 applicability to new powersports dealers; amending 47  
4 O.S. 2021, Section 579.1, which relates to certain  
5 unlawful vehicle brokering; modifying to include  
6 applicability to new powersports dealers; amending 47  
7 O.S. 2021, Section 580.2, as amended by Section 18,  
8 Chapter 29, O.S.L. 2023 (47 O.S. Supp. 2023, Section  
9 580.2), which relates to vehicles on loan from  
10 authorized motor vehicle dealer; modifying to include  
11 applicability to new powersports dealers; and  
12 providing an effective date.

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

SECTION 1. AMENDATORY 47 O.S. 2021, Section 561, is  
amended to read as follows:

Section 561. The Legislature finds and declares that the  
distribution and sale of new motor vehicles and powersport vehicles  
in the State of Oklahoma vitally affects the general economy of the  
state and the public interest and the public welfare, and that in  
order to promote the public interest and the public welfare, and in  
the exercise of its police powers, it is necessary to regulate and  
to license motor vehicle manufacturers, distributors,  
representatives, new motor vehicle dealers, powersport vehicle  
dealers, and salespersons of new motor vehicles and powersport  
vehicles doing business in Oklahoma, in order to prevent frauds,  
impositions and other abuses upon its citizens and to protect and  
preserve the investments and properties of the citizens of this  
state, and in order to avoid undue control of the independent motor

1 vehicle dealer or powersport dealer by the motor vehicle or  
2 powersport manufacturing and distributing organizations, and in  
3 order to foster and keep alive vigorous and healthy competition by  
4 prohibiting unfair practices by which fair and honest competition is  
5 destroyed or prevented, and to protect the public against the  
6 creation or perpetuation of monopolies and practices detrimental to  
7 the public welfare, to prevent the practice of requiring the buying  
8 of special features, appliances and equipment not desired or  
9 requested by the purchaser, to prevent false and misleading  
10 advertising, to prevent unfair practices by motor vehicle dealers,  
11 or powersports dealers, manufacturers and distributing  
12 organizations, to promote the public safety and prevent disruption  
13 of the franchise system of distribution of motor vehicles or  
14 powersports vehicles to the public and prevent deterioration of  
15 facilities for servicing motor or powersport vehicles and keeping  
16 same safe and properly functioning, and prevent bankrupting of motor  
17 vehicle dealers and powersport dealers, who might otherwise be  
18 caused to fail because of such unfair practices.

19 SECTION 2. AMENDATORY 47 O.S. 2021, Section 562, as  
20 amended by Section 3, Chapter 29, O.S.L. 2023 (47 O.S. Supp. 2023,  
21 Section 562), is amended to read as follows:

22 Section 562. The following words, terms, and phrases, when used  
23 in Sections 561 through 567, 572, 578.1, 579, and 579.1 of this  
24 title, shall have the meanings respectively ascribed to them in this

1 section, except where the context clearly indicates a different  
2 meaning:

3 1. "Motor vehicle" means any motor-driven vehicle required to  
4 be registered under the Oklahoma Vehicle License and Registration  
5 Act. The term motor vehicle does not include:

6 a. recreational vehicles, as defined in the Recreational  
7 Vehicle Franchise Act, or

8 b. ~~all-terrain powersport vehicles, utility vehicles, and~~  
9 ~~motorcycles used exclusively for off-road use which~~  
10 ~~are sold by a retail implement dealer;~~

11 2. "New motor vehicle dealer" means any person, firm,  
12 association, corporation, or trust not excluded by this paragraph  
13 who sells, offers for sale, advertises to sell, leases, or displays  
14 new motor vehicles and holds a bona fide contract or franchise in  
15 effect with a manufacturer or distributor authorized by the  
16 manufacturer to make predelivery preparation of such vehicles sold  
17 to purchasers and to perform post-sale work pursuant to the  
18 manufacturer's or distributor's warranty. As used herein,  
19 "authorized predelivery preparation" means the rendition by the  
20 dealer of services and safety adjustments on each new motor vehicle  
21 in accordance with the procedure and safety standards required by  
22 the manufacturer of the vehicle to be made before its delivery to  
23 the purchaser. "Performance of authorized post-sale work pursuant  
24 to the warranty", as used herein, means the rendition of services

1 which are required by the terms of the warranty that stands extended  
2 to the vehicle at the time of its sale and are to be made in  
3 accordance with the safety standards prescribed by the manufacturer.  
4 The term includes premises or facilities at which a person engages  
5 only in the repair of motor vehicles if repairs are performed  
6 pursuant to the terms of a franchise and motor vehicle  
7 manufacturer's warranty. For the purpose of Sections 561 through  
8 567, 572, 578.1, 579, and 579.1 of this title, the terms new motor  
9 vehicle dealer and "new motor vehicle dealership" shall be  
10 synonymous. The term new motor vehicle dealer does not include:

- 11 a. receivers, trustees, administrators, executors,  
12 guardians, or other persons appointed by or acting  
13 under judgment or order of any court,
- 14 b. public officers while performing or in operation of  
15 their duties,
- 16 c. employees of persons, corporations, or associations  
17 enumerated in subparagraph a of this paragraph when  
18 engaged in the specific performance of their duties as  
19 such employees, or
- 20 d. a powersports vehicle dealer;

21 3. "Motor vehicle salesperson" means any person, resident or  
22 nonresident, who, for gain or compensation of any kind, either  
23 directly or indirectly, regularly or occasionally, by any form of  
24 agreement or arrangement, sells or negotiates for the sale, lease,

1 or conveyance or arranges the financing of any new motor vehicle or  
2 powersports vehicle as an employee for any new motor vehicle dealer  
3 or powersports dealer to any one or more third parties;

4 4. "Commission" means the Oklahoma New Motor Vehicle  
5 Commission;

6 5. "Manufacturer" means any person, firm, association,  
7 corporation, or trust, resident or nonresident, that manufactures or  
8 assembles new and unused motor vehicles or new and unused powersport  
9 vehicles or that engages in the fabrication or assembly of motorized  
10 vehicles of a type required to be registered in this state;

11 6. "Distributor" means any person, firm, association,  
12 corporation, or trust, resident or nonresident, that, being  
13 authorized by the original manufacturer, in whole or in part sells  
14 or distributes new and unused motor vehicles to new motor vehicle  
15 dealers or powersport dealers, or that maintains distributor  
16 representatives;

17 7. "Factory branch" means any branch office maintained by a  
18 person, firm, association, corporation, or trust that manufactures  
19 or assembles motor vehicles or powersport vehicles for the sale of  
20 motor vehicles or powersport vehicles to distributors, or for the  
21 sale of motor vehicles to new motor vehicle dealers, or for the sale  
22 of powersport vehicles to new powersport vehicle dealers, or for  
23 directing or supervising, in whole or in part, its representatives;

1        8. "Distributor branch" means any branch office similarly  
2 maintained by a distributor for the same purposes a factory branch  
3 is maintained;

4        9. "Factory representative" means any officer or agent engaged  
5 as a representative of a manufacturer of motor vehicles or  
6 powersport vehicles or by a factory branch, for the purpose of  
7 making or promoting the sale of its motor vehicles or powersport  
8 vehicles, or for supervising or contacting its dealers or  
9 prospective dealers;

10       10. "Distributor representative" means any person, firm,  
11 association, corporation, or trust and each officer and employee  
12 thereof engaged as a representative of a distributor or distributor  
13 branch of motor vehicles or powersport vehicles, for the purpose of  
14 making or promoting the sale of its motor vehicles or powersport  
15 vehicles, or for supervising or contacting its dealers or  
16 prospective dealers;

17       11. "Franchise" means any contract or agreement between a new  
18 motor vehicle dealer or a powersports vehicle dealer and a  
19 manufacturer of a new motor vehicle or powersports vehicle or its  
20 distributor or factory branch by which the new motor vehicle dealer  
21 or new powersports vehicle dealer is authorized to engage in the  
22 activities of a new motor vehicle dealer or new powersports vehicle  
23 dealer as defined by this section;



1        12. "New or unused motor vehicle" means a vehicle which is in  
2 the possession of the manufacturer or distributor or has been sold  
3 only to the holder of a valid franchise granted by the manufacturer  
4 or distributor for the sale of that make of new vehicle so long as  
5 the manufacturer's statement of origin has not been assigned to  
6 anyone other than a licensed franchised new motor vehicle dealer of  
7 the same line-make;

8        13. "Area of responsibility" means the geographical area, as  
9 designated by the manufacturer, factory branch, factory  
10 representative, distributor, distributor branch, or distributor  
11 representative, in which the new motor vehicle dealer or powersports  
12 dealer is held responsible for the promotion and development of  
13 sales and rendering of service for the make of motor vehicle or  
14 powersports vehicle for which the new motor vehicle dealer or new  
15 powersports vehicle dealer holds a franchise or selling agreement;

16        14. "Off premises" means at a location other than the address  
17 designated on the new motor vehicle dealer's or new powersports  
18 vehicle dealer's license;

19        15. "Sponsoring entity" means any person, firm, association,  
20 corporation, or trust which has control, either permanently or  
21 temporarily, over the real property upon which the off-premises sale  
22 or display is conducted;

23        16. "Product" means new motor vehicles and new motor vehicle  
24 parts or new powersports vehicle and new powersports vehicle parts;

1        17. "Service" means motor vehicle or powersports vehicle  
2 warranty repairs including both parts and labor;

3        18. "Lead" means a consumer contact in response to a factory  
4 program designed to generate interest in purchasing or leasing a new  
5 motor vehicle or new powersports vehicle;

6        19. "Sell" or "sale" means to sell or lease;

7        20. "Factory" means a manufacturer, distributor, factory  
8 branch, distributor branch, factory representative, or distributor  
9 representative, which manufactures or distributes vehicle products;

10       21. "Powersports vehicle" means any new or unused motorcycles,  
11 scooters, mopeds, all-terrain vehicles, and utility vehicles  
12 required to be registered under the Oklahoma Vehicle License and  
13 Registration Act, with the exception of all-terrain vehicles,  
14 utility vehicles, and motorcycles used exclusively for off-road use  
15 which are sold by a retail implement dealer;

16       22. "Powersports vehicle dealer" means any person, firm, or  
17 corporation, resident or nonresident, that is in the business of  
18 selling any new powersports vehicles except for retail implement  
19 dealers;

20       23. "Retail implement dealer" means a business engaged  
21 primarily in the sale of farm tractors as defined in Section 1-118  
22 of this title or implements of husbandry as defined in Section 1-125  
23 of this title or a combination thereof and is exempt from licensing  
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1 by the Commission for the sale of all-terrain vehicles, utility  
2 vehicles, and motorcycles used exclusively for off-road use;

3 24. "Consumer data" means nonpublic personal information as  
4 defined in 15 U.S.C., Section 6809(4) as it existed on January 1,  
5 2023, that is:

- 6 a. collected by a new motor vehicle dealer, and
- 7 b. provided by the new motor vehicle dealer directly to a  
8 manufacturer or third party acting on behalf of a  
9 manufacturer.

10 The term shall not include the same or similar data obtained by  
11 a manufacturer from any source other than the new motor vehicle  
12 dealer or new motor vehicle dealer's data management system; and

13 25. "Fleet vehicle" means a new motor vehicle sold and titled  
14 or registered to a business and used for business purposes only.

15 SECTION 3. AMENDATORY 47 O.S. 2021, Section 563, as  
16 amended by Section 4, Chapter 29, O.S.L. 2023 (47 O.S. Supp. 2023,  
17 Section 563), is amended to read as follows:

18 Section 563. A. There is hereby created the Oklahoma New Motor  
19 Vehicle Commission, to be composed of nine (9) members. Seven of  
20 the members shall have been engaged in the manufacture,  
21 distribution, or sale of new motor vehicles and two members shall be  
22 lay members, all to be appointed by the Governor of the State of  
23 Oklahoma, with the advice and consent of the Senate. Appointments  
24 shall be made within thirty (30) days after November 1, 1985. Each

1 of the Commissioners thus appointed shall, at the time of the  
2 appointment, be a resident in good faith of this state, shall be of  
3 good moral character, and each of the industry related Commissioners  
4 shall have been actually engaged in the manufacture, distribution,  
5 or sale of new motor vehicles, new powersport vehicles or new  
6 recreational vehicles for not less than ten (10) years preceding the  
7 appointment. The members of the Commission shall serve at the  
8 pleasure of the Governor.

9 B. 1. The Commissioners shall elect a chair from amongst them  
10 whose term shall be for one (1) year with the right to succeed  
11 himself or herself.

12 2. There shall be three at large members of the Commission.  
13 Six members of the Commission shall be appointed from the following  
14 geographical areas with at least one member from each area:

15 a. four areas of the state shall be the northwest,  
16 northeast, southwest, and southeast sections  
17 designated by Interstate 35 dividing the state east  
18 and west and Interstate 40 dividing the state north  
19 and south, excluding Oklahoma County and Tulsa County,  
20 and

21 b. two additional areas shall be Oklahoma County and  
22 Tulsa County.

23 There shall not be more than two members of the Commission from any  
24 one area.

1 C. The terms of office of the members first appointed to the  
2 Commission shall be as follows:

3 1. The members appointed from the northwest, northeast, and  
4 southwest areas shall serve until June 30, 1987;

5 2. The members appointed from the southeast area and Oklahoma  
6 County and Tulsa County shall serve until June 30, 1989; and

7 3. The members appointed at large shall serve until June 30,  
8 1991.

9 Each member shall serve until a successor is appointed and  
10 qualifies. Thereafter, the term of office of each member of the  
11 Commission shall be for six (6) years. The term of office of any  
12 member will automatically expire if the member moves out of the  
13 geographical area from which the member was appointed. In event of  
14 death, resignation, removal, or term automatically expiring of any  
15 person serving on the Commission, the vacancy shall be filled by  
16 appointment as provided for the unexpired portion of the term. The  
17 Commission shall meet at Oklahoma City and complete its organization  
18 immediately after the membership has been appointed and has  
19 qualified. The chair and each member of the Commission shall take  
20 and subscribe to the oath of office required of public officers.

21 D. The members of the Commission shall receive reimbursement  
22 for subsistence and traveling expenses necessarily incurred in the  
23 performance of their duties as provided by the State Travel  
24 Reimbursement Act.

1       E. The Commission shall appoint a qualified person to serve as  
2 Executive Director thereof, which person shall have had not less  
3 than ten (10) years of experience in the motor vehicle industry.  
4 The Executive Director shall be appointed for a term of six (6)  
5 years, and shall not be subject to dismissal or removal without  
6 cause. The Commission shall fix the salary and prescribe the duties  
7 of the Executive Director. The Executive Director shall devote such  
8 time as necessary to fulfill the duties thereof, and before entering  
9 upon such duties shall take and subscribe to the oath of office.  
10 The Executive Director may employ such clerical, technical, and  
11 other help and legal services and incur such expenses as may be  
12 necessary for the proper discharge of the duties of the Executive  
13 Director under Section 561 et seq. of this title. The Commission  
14 shall maintain its office and transact its business in Oklahoma  
15 City, and it is authorized to adopt and use a seal. The Executive  
16 Director is hereby authorized to hire, retain, or otherwise acquire  
17 the services of an attorney to represent the Commission in any and  
18 all state and federal courts, and assist the Commission in any and  
19 all business or legal matters that may come before it. The attorney  
20 so representing the Commission shall discharge the duties under the  
21 direction of the Executive Director.

22       F. The Commission is hereby vested with the powers necessary to  
23 enable it to fully and effectively carry out the provisions and  
24 objects of Section 561 et seq. of this title, and is hereby

1 authorized and empowered to make and enforce all reasonable rules  
2 and to adopt and prescribe all forms necessary to accomplish such  
3 purpose. All forms used by a new motor vehicle dealer to facilitate  
4 the delivery of a vehicle pending approval of financing shall be  
5 approved by the Commission. Spot delivery agreement forms shall be  
6 required for all new motor vehicle or powersport vehicle deliveries  
7 subject to dealers finding lending institutions to purchase the  
8 retail or lease installment contracts executed by the purchasing and  
9 selling parties.

10 G. All fees, charges and fines collected under the provisions  
11 of Section 561 et seq. of this title shall be deposited by the  
12 Executive Director in the State Treasury in accordance with the  
13 depository laws of this state in a special fund to be known as the  
14 "Oklahoma New Motor Vehicle Commission Fund", which is hereby  
15 created, and except as hereinafter provided the monies in the fund  
16 shall be used by the Commission for the purpose of carrying out and  
17 enforcing the provisions of Section 561 et seq. of this title.  
18 Expenditures from the fund shall be made upon vouchers approved by  
19 the Commission or its authorized officers.

20 At the close of each fiscal year, the Commission shall file with  
21 the Governor and the State Auditor and Inspector a true and correct  
22 report of all fees, fines and charges collected and received by it  
23 during the preceding fiscal year and shall at the same time pay into  
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1 the General Revenue Fund of the state a sum equal to ten percent  
2 (10%) of the fees, fines, and charges collected and received.

3 All expenses incurred by the Commission in carrying out the  
4 provisions of Section 561 et seq. of this title, including but not  
5 limited to per diem, wages, salaries, rent, postage, advertising,  
6 supplies, bond premiums, travel, and subsistence for the  
7 Commissioners, the Executive Director, employees, and legal counsel,  
8 and printing and utilities, shall be a proper charge against such  
9 fund, exclusive of the portion thereof to be paid into the General  
10 Revenue Fund as above set out. In no event shall liability ever  
11 accrue hereunder against this state in any sum whatsoever, or  
12 against the Oklahoma New Motor Vehicle Commission Fund, in excess of  
13 the ninety percent (90%) of the fees, fines, and charges deposited  
14 therein.

15 SECTION 4. AMENDATORY 47 O.S. 2021, Section 564, as  
16 amended by Section 5, Chapter 29, O.S.L. 2023 (47 O.S. Supp. 2023,  
17 Section 564), is amended to read as follows:

18 Section 564. A. It shall be unlawful for any person, firm,  
19 association, corporation, or trust to engage in business as, or  
20 serve in the capacity of, or act as a new motor vehicle dealer,  
21 powersports dealer, or manufacturer or distributor of new motor  
22 vehicles or powersports vehicles, or factory branch, distributor  
23 branch or factory representative or distributor representative, as  
24 defined in Section 562 of this title, in this state without first



1 obtaining a license therefor as provided for by law. Any person,  
2 firm, association, corporation, or trust engaging in more than one  
3 of such capacities or having more than one place where such business  
4 is carried on or conducted shall be required to obtain and hold a  
5 current license for each thereof. Provided that, a new motor  
6 vehicle dealer's license shall authorize one person to sell in the  
7 event such person shall be the owner of a proprietorship, or the  
8 person designated as principal in the dealer's franchise or the  
9 managing officer or one partner if no principal person is named in  
10 the franchise. It is further provided that a factory or an entity  
11 affiliated by any ownership or control by the factory shall not be  
12 permitted to be licensed as a new motor vehicle dealer in this  
13 state, except as provided by subparagraph b of paragraph 12 of  
14 Section 565 of this title.

15 B. Applications for licenses required to be obtained under the  
16 provisions of Section 561 et seq. of this title shall be verified by  
17 the oath or affirmation of the applicant and shall be on forms  
18 prescribed by the Oklahoma New Motor Vehicle Commission and  
19 furnished to the applicants, and shall contain information as the  
20 Commission deems necessary to enable it to fully determine the  
21 qualifications and eligibility of the several applicants to receive  
22 the license or licenses applied for. The Commission shall require  
23 in such application, or otherwise, information relating to the  
24 applicant's current financial standing, the applicant's business

1 integrity, whether the applicant has an established place of  
2 business and is primarily engaged in the pursuit, avocation, or  
3 business for which a license, or licenses, are applied for, and  
4 whether the applicant is able to properly conduct the business for  
5 which a license, or licenses, are applied for, and such other  
6 pertinent information consistent with the safeguarding of the public  
7 interest and the public welfare. All applications for license or  
8 licenses shall be accompanied by the appropriate fee or fees  
9 therefor in accordance with the schedule thereof hereinafter set  
10 out. In the event any application is denied and the license applied  
11 for is not issued, the entire license fee shall be returned to the  
12 applicant. All licenses issued under the provisions of Section 561  
13 et seq. of this title shall expire on June 30, following the date of  
14 issue and shall be nontransferable. All applications for renewal of  
15 a license for a new motor vehicle dealer, powersports dealer,  
16 manufacturer, distributor, or manufacturer's or distributor's  
17 representative shall be submitted by June 1 of each year, and such  
18 license or licenses will be issued by July 1. If applications have  
19 not been made for renewal of licenses at the times described in this  
20 subsection, it shall be illegal for any person to represent himself  
21 or herself and act as a dealer, manufacturer, distributor, or  
22 manufacturer's or distributor's representative. ~~Motor license~~  
23 ~~agents~~ Service Oklahoma and licensed operators will be notified not  
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1 to accept such dealers' titles until such time as licenses have been  
2 issued by the Commission.

3 C. The schedule of license fees to be charged and received by  
4 the Commission for the licenses issued hereunder shall be as  
5 follows:

6 1. For each factory branch or distributor branch, Four Hundred  
7 Dollars (\$400.00) initial fee with annual renewal fee of Three  
8 Hundred Dollars (\$300.00);

9 2. For each manufacturer or distributor of new motor vehicles  
10 or new powersport vehicles, Four Hundred Dollars (\$400.00) initial  
11 fee with annual renewal fee of Three Hundred Dollars (\$300.00);

12 3. For each factory representative or distributor  
13 representative, One Hundred Dollars (\$100.00) annually;

14 4. For each new motor vehicle dealer, except powersports  
15 vehicle dealers, initial fee of Three Hundred Dollars (\$300.00) per  
16 franchise sold at each location licensed, with an annual renewal fee  
17 of One Hundred Dollars (\$100.00) per franchise sold at each location  
18 licensed per year; and

19 5. For each powersports vehicle dealer, initial fee of Three  
20 Hundred Dollars (\$300.00) per manufacturer represented by the dealer  
21 at each location licensed, with an annual renewal fee of One Hundred  
22 Dollars (\$100.00) per manufacturer represented by the dealer at each  
23 location licensed per year.

1 D. The licenses issued to each new motor vehicle dealer, new  
2 powersports vehicle dealer, manufacturer, distributor, factory  
3 branch, or distributor branch ~~or representative, if a corporation,~~  
4 shall specify the location of the factory, office, or branch  
5 thereof. In case such location is changed, the Commission may  
6 endorse the change of location on the license without charge unless  
7 the change of address triggers a relocation of a new motor vehicle  
8 dealer or new powersports vehicle dealer pursuant to the provisions  
9 of Section 578.1 of this title. The ~~license~~ licenses of each new  
10 ~~motor~~ vehicle dealer shall be posted in a conspicuous place in the  
11 ~~new motor vehicle~~ dealer's place or places of business.

12 Every motor vehicle factory representative or distributor  
13 representative ~~if an individual~~ shall physically possess the license  
14 when engaged in business and shall display such upon request. The  
15 name of the employer of such factory representative or distributor  
16 representative shall be stated on the license ~~and, in case of a~~  
17 ~~change of employer, the holder of such license shall immediately~~  
18 ~~mail such to the Commission for its endorsement of such change. The~~  
19 ~~Commission shall endorse each such change of employer on licenses~~  
20 ~~for a fee of Ten Dollars (\$10.00).~~

21 E. The new powersports dealer license shall only allow the sale  
22 of the specific types of powersports vehicles authorized by the  
23 manufacturer and agreed to by the powersports dealer.

1       SECTION 5.       AMENDATORY       47 O.S. 2021, Section 564.1, as  
2 amended by Section 6, Chapter 29, O.S.L. 2023 (47 O.S. Supp. 2023,  
3 Section 564.1), is amended to read as follows:

4       Section 564.1 A. The Oklahoma New Motor Vehicle Commission  
5 shall provide for off-premises displays of new motor vehicles by  
6 currently licensed new motor vehicle dealers. An off-premises event  
7 may be held for display purposes only, without the need for permits,  
8 under the following conditions:

9       1. The new motor vehicles are for display purposes only and not  
10 for sale at the off-premises display event;

11       2. No selling activities shall be conducted;

12       3. The display is in the new motor vehicle dealer's factory-  
13 approved area of sales and service responsibility;

14       4. The new motor vehicle dealer ~~must~~ shall obtain written  
15 approval from the manufacturer or distributor; ~~and~~

16       5. The new motor vehicle dealer is required to obtain approval  
17 for the display location from the sponsoring entity; and

18       6. No new motor vehicle manufacturer, distributor, factory  
19 branch, or distributor branch may engage in any off-premises display  
20 of new motor vehicles without the participation of one or more  
21 currently licensed new motor vehicle dealers.

22       B. The Oklahoma New Motor Vehicle Commission shall provide for  
23 off-premises displays or sales of powersports vehicles by currently  
24 licensed new powersports vehicle dealers. An off-premises event may

1 be held for display or sale purposes only under the following  
2 conditions:

3 1. The event is in the new powersport vehicle dealer's factory-  
4 approved area of sales and service responsibility;

5 2. The new powersport vehicle dealer must obtain written  
6 approval from the manufacturer or distributor;

7 3. The new powersport vehicle dealer must submit an application  
8 to obtain off-premises sales permits for new powersports being  
9 offered for sale at the event, at least seven (7) days prior to the  
10 event, and the permit fee is Fifteen Dollars (\$15.00) for each new  
11 powersport at the event;

12 4. The sponsor of the event must submit an application to  
13 obtain an off-premises sponsoring entity sales permit, at least  
14 seven (7) days prior to the event, and the permit fee is Two Hundred  
15 Dollars (\$200.00) for the event; and

16 5. No permit application or fee is required by the new  
17 powersports vehicle dealer nor sponsoring entity for an off-premises  
18 display only event.

19 C. The Oklahoma New Motor Vehicle Commission is authorized to  
20 provide a variance to the ~~distance requirements~~ conditions specified  
21 in this section, for any off-premises display or sales event if the  
22 off-premises display is conducted within municipal, county, or  
23 state-owned or controlled facilities or within the grounds of any  
24 county, district, or state fair.

1       SECTION 6.       AMENDATORY       47 O.S. 2021, Section 564.2, as  
2 amended by Section 7, Chapter 29, O.S.L. 2023 (47 O.S. Supp. 2023,  
3 Section 564.2), is amended to read as follows:

4       Section 564.2 It shall be punishable by an administrative fine  
5 not to exceed Five Hundred Dollars (\$500.00) for any person, ~~firm,~~  
6 ~~association, corporation, or trust~~ resident, or nonresident to  
7 engage in business as, or serve in the capacity of, a new motor  
8 vehicle salesperson in this state without first obtaining a  
9 certificate of registration with the Oklahoma New Motor Vehicle  
10 Commission. The cost of registration for each new salesperson shall  
11 be set at Twenty-five Dollars (\$25.00) to be renewed annually. The  
12 cost of registration and any administrative fine is to be borne by  
13 the employing entity of the new salesperson. The Commission shall  
14 promulgate rules and procedures necessary for the implementation and  
15 creation of the registry and the issuance of certificates of  
16 registration.

17       SECTION 7.       AMENDATORY       47 O.S. 2021, Section 565, as last  
18 amended by Section 8, Chapter 29, O.S.L. 2023 (47 O.S. Supp. 2023,  
19 Section 565), is amended to read as follows:

20       Section 565. A. The Oklahoma New Motor Vehicle Commission may  
21 deny an application for a license, revoke or suspend a license, or  
22 impose a fine against any person or entity, not to exceed Ten  
23 Thousand Dollars (\$10,000.00) per occurrence, that violates any  
24

1 provision of Sections 561 through 567, 572, 578.1, 579, and 579.1 of  
2 this title or for any of the following reasons:

3 1. On satisfactory proof of unfitness of the applicant in any  
4 application for any license under the provisions of Section 561 et  
5 seq. of this title;

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

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

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

14 5. Being a new motor vehicle dealer or new powersports vehicle  
15 dealer who:

16 a. has required a purchaser of a new motor vehicle or new  
17 powersports vehicle, as a condition of sale and  
18 delivery thereof, to also purchase special features,  
19 appliances, accessories, or equipment not desired or  
20 requested by the purchaser and installed by the new  
21 motor vehicle dealer or new powersports vehicle  
22 dealer,



- b. uses any false or misleading advertising in connection with business as a new motor vehicle dealer or new powersports vehicle dealer,
- c. has committed any unlawful act which resulted in the revocation of any similar license in another state,
- d. has failed or refused to perform any written agreement with any retail buyer involving the sale of a motor vehicle or powersports vehicle,
- e. has been convicted of a felony crime that substantially relates to the occupation of a new motor vehicle dealer or new powersports vehicle dealer and poses a reasonable threat to public safety,
- f. has committed a fraudulent act in selling, purchasing, or otherwise dealing in new motor vehicles or new powersports vehicle or has misrepresented the terms and conditions of a sale, purchase or contract for sale or purchase of a new motor vehicle or new powersports vehicle or any interest therein including an option to purchase such vehicle,
- g. has failed to meet or maintain the conditions and requirements necessary to qualify for the issuance of a license, or
- h. completes any sale or transaction of an extended service contract, extended maintenance plan, or

1 similar product using contract forms that do not  
2 conspicuously disclose the identity of the service  
3 contract provider;

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

6 7. Being a new motor vehicle dealer or new powersports vehicle  
7 dealer who:

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

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

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

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 or unregistered persons in  
7 connection with the sale of new ~~motor~~ vehicles,

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

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

17 8. Being a factory that has:

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

21 (1) to accept delivery of any ~~motor~~ vehicle or  
22 vehicles, parts, or accessories therefor, or any  
23 other commodities including advertising material  
24

1                   which shall not have been ordered by the new  
2                   motor vehicle dealer,

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

9           (3)   to order or accept delivery of any parts,  
10           accessories, equipment, machinery, tools,  
11           appliances, or any commodity whatsoever,

12       b.   induced under threat or discrimination by the  
13           withholding from delivery to a new motor vehicle  
14           dealer or new powersports vehicle dealer certain  
15           models of motor vehicles, changing or amending  
16           unilaterally the new motor vehicle dealer's allotment  
17           of motor vehicles, and/or withholding and delaying  
18           delivery of the vehicles out of the ordinary course of  
19           business, in order to induce by such coercion any new  
20           motor vehicle dealer or new powersports vehicle dealer  
21           to participate or contribute to any local or national  
22           advertising fund controlled directly or indirectly by  
23           the factory or for any other purposes such as contest,  
24           "giveaways", or other so-called sales promotional

1 devices, and/or change of quotas in any sales contest;  
2 or has required new motor vehicle dealers, as a  
3 condition to receiving their vehicle allotment, to  
4 order a certain percentage of the vehicles with  
5 optional equipment not specified by the ~~new motor~~  
6 ~~vehicle~~ dealer; however, nothing in this section shall  
7 prohibit a factory from supporting an advertising  
8 association which is open to all new motor vehicle  
9 dealers or new powersports vehicle dealers on the same  
10 basis,

11 c. used a performance standard, sales objective, or  
12 program for measuring dealer performance that may have  
13 a material effect on a right of the dealer to vehicle  
14 allocation; or payment under any incentive or  
15 reimbursement program that is unfair, unreasonable,  
16 inequitable, and not based on accurate information,

17 d. used a performance standard for measuring sales or  
18 service performance of any new motor vehicle dealer or  
19 new powersports vehicle dealer under the terms of the  
20 franchise agreement which:

21 (1) is unfair, unreasonable, arbitrary, or  
22 inequitable, and

23 (2) does not consider the relevant and material local  
24 and state or regional criteria, including

1                   prevailing economic conditions affecting the  
2                   sales or service performance of a vehicle dealer  
3                   or any relevant and material data and facts  
4                   presented by the dealer in writing within thirty  
5                   (30) days of the written notice of the  
6                   manufacturer to the dealer of its intention to  
7                   cancel, terminate, or not renew the dealer's  
8                   franchise agreement,

9           e.   failed or refused to sell, or offer for sale, new  
10           motor vehicles to all of its authorized same line-make  
11           franchised new motor vehicle dealers or new  
12           powersports vehicle dealers at the same price for a  
13           comparably equipped motor vehicle, on the same terms,  
14           with no differential in functionally available  
15           discount, allowance, credit, or bonus, except as  
16           provided in subparagraph e of paragraph 9 of this  
17           subsection,

18           f.   failed to provide reasonable compensation to a new  
19           motor vehicle dealer substantially equivalent to the  
20           actual cost of providing a manufacturer required  
21           loaner or rental vehicle to any consumer who is having  
22           a vehicle serviced at the dealership. For purposes of  
23           this paragraph, actual cost is the average cost in the  
24           new motor vehicle dealer's region for the rental of a

1 substantially similar make and model as the vehicle  
2 being serviced, or

- 3 g. failed to make available to its new motor vehicle  
4 dealers a fair and proportional share of all new  
5 vehicles distributed to same line-make dealers in this  
6 state, subject to the same reasonable terms, including  
7 any vehicles distributed from a common new vehicle  
8 inventory pool outside of the factory's ordinary  
9 allocation process such as any vehicles the factory  
10 reserves to distribute on a discretionary basis;

11 9. Being a factory that:

- 12 a. has attempted to coerce or has coerced any new motor  
13 vehicle dealer or new powersports vehicle dealer to  
14 enter into any agreement or to cancel any agreement;  
15 has failed to act in good faith and in a fair,  
16 equitable, and nondiscriminatory manner; has directly  
17 or indirectly coerced, intimidated, threatened, or  
18 restrained any new motor vehicle dealer; has acted  
19 dishonestly; or has failed to act in accordance with  
20 the reasonable standards of fair dealing,
- 21 b. has failed to compensate its dealers for the work and  
22 services they are required to perform in connection  
23 with the dealer's delivery and preparation obligations  
24 according to the agreements on file with the

Commission which must be found by the Commission to be reasonable, or has failed to adequately and fairly compensate its dealers for labor, parts, and other expenses incurred by the dealer to perform under and comply with manufacturer's warranty agreements and recall repairs which shall include diagnostic work as applicable and assistance requested by a consumer whose vehicle was subjected to an over-the-air or remote change, repair, or update to any part, system, accessory, or function by the manufacturer and performed by the dealer in order to satisfy the consumer. Time allowances for the diagnosis and performance of repair work shall be reasonable and adequate for the work to be performed. Adequate and fair compensation, which under this provision shall be no less than the rates customarily charged for retail consumer repairs as calculated herein, for parts and labor for warranty and recall repairs shall, at the option of the new motor vehicle dealer, be established by the new motor vehicle dealer submitting to the manufacturer or distributor one hundred sequential nonwarranty consumer-paid service repair orders which contain warranty-like repairs, or ninety (90) consecutive days of nonwarranty consumer-paid service



1 repair orders which contain warranty-like repairs,  
2 whichever is less, covering repairs made no more than  
3 one hundred eighty (180) days before the submission  
4 and declaring the average percentage labor rate and/or  
5 markup rate. A ~~new~~ motor vehicle dealer may not  
6 submit a request to establish its retail rates more  
7 than once in a twelve-month period. That request may  
8 establish a parts markup rate, labor rate, or both.  
9 The new motor vehicle dealer or new powersports  
10 vehicle dealer shall calculate its retail parts rate  
11 by determining the total charges for parts from the  
12 qualified repair orders submitted, dividing that  
13 amount by the new motor vehicle dealer's total cost of  
14 the purchase of those parts, subtracting one (1), and  
15 multiplying by one hundred (100) to produce a  
16 percentage. The new motor vehicle dealer or new  
17 powersports vehicle dealer shall calculate its retail  
18 labor rate by dividing the amount of the new ~~motor~~  
19 vehicle dealer's total labor sales from the qualified  
20 repair orders by the total labor hours charged for  
21 those sales. When submitting repair orders to  
22 establish a retail parts and labor rate, a new motor  
23 vehicle dealer or new powersports vehicle dealer need  
24 not include repairs for:

- (1) routine maintenance including but not limited to the replacement of bulbs, fluids, filters, batteries, and belts that are not provided in the course of and related to a repair,
- (2) factory special events, specials, or promotional discounts for retail consumer repairs,
- (3) parts sold or repairs performed at wholesale,
- (4) factory-approved goodwill or policy repairs or replacements,
- (5) repairs with aftermarket parts, when calculating the retail parts rate but not the retail labor rate,
- (6) repairs on aftermarket parts,
- (7) replacement of or work on tires including front-end alignments and wheel or tire rotations,
- (8) repairs of ~~motor~~ vehicles owned by the new motor vehicle dealer or new powersports vehicle dealer or employee thereof at the time of the repair,
- (9) vehicle reconditioning, or
- (10) items that do not have individual part numbers including, but not limited to, nuts, bolts, and fasteners.

A manufacturer or distributor may, not later than forty-five (45) days after submission, rebut that

1 declared retail parts and labor rate in writing by  
2 reasonably substantiating that the rate is not  
3 accurate or is incomplete pursuant to the provisions  
4 of this section. If the manufacturer or distributor  
5 determines the set of repair orders submitted by the  
6 new motor vehicle dealer or new powersports vehicle  
7 dealer pursuant to this section for a retail labor  
8 rate or retail parts markup rate is substantially  
9 higher than the new ~~motor~~ vehicle dealer's current  
10 warranty rates, the manufacturer or distributor may  
11 request, in writing, within forty-five (45) days after  
12 the manufacturer's or distributor's receipt of the new  
13 ~~motor~~ vehicle dealer's initial submission, all repair  
14 orders closed within the period of thirty (30) days  
15 immediately preceding, or thirty (30) days immediately  
16 following, the set of repair orders initially  
17 submitted by the new motor vehicle dealer. All time  
18 periods under this section shall be suspended until  
19 the supplemental repair orders are provided. If the  
20 manufacturer or distributor requests supplemental  
21 repair orders, the manufacturer or distributor may,  
22 within thirty (30) days after receiving the  
23 supplemental repair orders and in accordance with the  
24 formula described in this subsection, calculate a

1 proposed adjusted retail labor rate or retail parts  
2 markup rate, as applicable, based upon any set of the  
3 qualified repair orders submitted by the franchisee  
4 and following the formula set forth herein to  
5 establish the rate. The retail labor and parts rates  
6 shall go into effect thirty (30) days following the  
7 approval by the manufacturer or distributor. If the  
8 declared rate is rebutted, the manufacturer or  
9 distributor shall provide written notice stating the  
10 reasons for the rebuttal, an explanation of the  
11 reasons for the rebuttal, and a copy of all  
12 calculations used by the franchisor in determining the  
13 manufacturer or distributor's position and propose an  
14 adjustment in writing of the average percentage markup  
15 or labor rate based on that rebuttal not later than  
16 forty-five (45) days after submission. If the new  
17 motor vehicle dealer or new powersports vehicle dealer  
18 does not agree with the proposed average percentage  
19 markup or labor rate, the new ~~motor~~ vehicle dealer may  
20 file a protest with the Commission not later than  
21 thirty (30) days after receipt of that proposal by the  
22 manufacturer or distributor. In the event a protest  
23 is filed, the manufacturer or distributor shall have  
24 the burden of proof to establish the new ~~motor~~ vehicle

1 dealer's submitted parts markup rate or labor rate was  
2 inaccurate or not complete pursuant to the provisions  
3 of this section. A manufacturer or distributor may  
4 not retaliate against any new motor vehicle dealer or  
5 new powersports vehicle dealer seeking to exercise its  
6 rights under this section. A manufacturer or  
7 distributor may require a dealer to submit repair  
8 orders in accordance with this section in order to  
9 validate the reasonableness of a dealer's retail rate  
10 for parts or labor not more often than once every  
11 twelve (12) months. A manufacturer or distributor may  
12 not otherwise recover its costs from new ~~motor~~ vehicle  
13 dealers within this state including a surcharge  
14 imposed on a new motor vehicle dealer solely intended  
15 to recover the cost of reimbursing a ~~new motor vehicle~~  
16 dealer for parts and labor pursuant to this section;  
17 provided, a manufacturer or distributor shall not be  
18 prohibited from increasing prices for vehicles or  
19 parts in the normal course of business or from  
20 auditing and charging back claims in accordance with  
21 this section. All claims made by dealers for  
22 compensation for delivery, preparation, warranty, or  
23 recall repair work shall be paid within thirty (30)  
24 days after approval and shall be approved or

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

1 claim unless the factory can show that the claim was  
2 false or fraudulent or that the new motor vehicle  
3 dealer or new powersports vehicle dealer failed to  
4 reasonably substantiate the claim by the written  
5 reasonable procedures of the factory. A factory shall  
6 not deny a claim or implement a charge-back against a  
7 new ~~motor~~ vehicle dealer after payment of a claim in  
8 the event a purchaser of a new vehicle that is the  
9 subject of a claim fails to comply with titling or  
10 registration laws of this state and is not prevented  
11 from compliance by any action of the ~~new motor vehicle~~  
12 dealer; provided, that the factory may require the ~~new~~  
13 ~~motor vehicle~~ dealer to provide, within thirty (30)  
14 days of notice of charge-back, withholding of payment,  
15 or denial of claim, the documentation to demonstrate  
16 the vehicle sale, delivery, and customer qualification  
17 for an incentive as reported, including consumer name  
18 and address and written attestation signed by the  
19 dealer operator or general manager stating the  
20 consumer was not on the export control list and the  
21 dealer did not know or have reason to know the vehicle  
22 was being exported or resold.  
23 The factory shall provide written notice to a dealer  
24 of a proposed charge-back that is the result of an

1           audit along with the specific audit results and  
2           proposed charge-back amount. A dealer that receives  
3           notice of a proposed charge-back pursuant to a  
4           factory's audit has the right to file a protest with  
5           the Commission within thirty (30) days after receipt  
6           of the notice of the charge-back or audit results,  
7           whichever is later. The factory is prohibited from  
8           implementing the charge-back or debiting the dealer's  
9           account until either the time frame for filing a  
10          protest has passed or a final adjudication is rendered  
11          by the Commission, whichever is later, unless the  
12          dealer has agreed to the charge-back or charge-backs,  
13          c. fails to compensate the new motor vehicle dealer for a  
14          used motor vehicle:  
15               (1) that is of the same make and model manufactured,  
16               imported, or distributed by the factory and is a  
17               line-make that the new motor vehicle dealer is  
18               franchised to sell or on which the new motor  
19               vehicle dealer is authorized to perform recall  
20               repairs,  
21               (2) that is subject to a stop-sale or do-not-drive  
22               order issued by the factory or an authorized  
23               governmental agency,  
24



1 (3) that is held by the new motor vehicle dealer in  
2 the dealer's inventory at the time the stop-sale  
3 or do-not-drive order is issued or that is taken  
4 by the new motor vehicle dealer into the dealer's  
5 inventory after the recall notice as a result of  
6 a retail consumer trade-in or a lease return to  
7 the dealer inventory in accordance with an  
8 applicable lease contract,

9 (4) that cannot be repaired due to the  
10 unavailability, within thirty (30) days after  
11 issuance of the stop-sale or do-not-drive order,  
12 of a remedy or parts necessary for the new motor  
13 vehicle dealer to make the recall repair, and

14 (5) that is not at least in the prorated amount of  
15 one percent (1.00%) of the value of the vehicle  
16 per month beginning on the date that is thirty  
17 (30) days after the date on which the stop-sale  
18 order was provided to the new motor vehicle  
19 dealer until the earlier of either of the  
20 following:

21 (a) the date the recall remedy or parts are made  
22 available, or  
23  
24

1                   (b) the date the new motor vehicle dealer sells,  
2                   trades, or otherwise disposes of the  
3                   affected used motor vehicle.

4                   For the purposes of division (5) of this subparagraph,  
5                   the value of a used vehicle shall be the average Black  
6                   Book value for the year, make, and model of the  
7                   recalled vehicle. A factory may direct the manner and  
8                   method in which a new motor vehicle dealer must  
9                   demonstrate the inventory status of an affected used  
10                  motor vehicle to determine eligibility under this  
11                  subparagraph; provided, that the manner and method may  
12                  not be unduly burdensome and may not require  
13                  information that is unduly burdensome to provide. All  
14                  reimbursement claims made by new motor vehicle dealers  
15                  pursuant to this section for recall remedies or  
16                  repairs, or for compensation where no part or repair  
17                  is reasonably available and the vehicle is subject to  
18                  a stop-sale or do-not-drive order, shall be subject to  
19                  the same limitations and requirements as a warranty  
20                  reimbursement claim made under subparagraph b of this  
21                  paragraph. In the alternative, a manufacturer may  
22                  compensate its franchised new motor vehicle dealers  
23                  under a national recall compensation program;  
24                  provided, the compensation under the program is equal

1 to or greater than that provided under division (5) of  
2 this subparagraph, or as the manufacturer and new  
3 motor vehicle dealer otherwise agree. Nothing in this  
4 section shall require a factory to provide total  
5 compensation to a new motor vehicle dealer which would  
6 exceed the total average Black Book value of the  
7 affected used motor vehicle as originally determined  
8 under division (5) of this subparagraph. Any remedy  
9 provided to a new motor vehicle dealer under this  
10 subparagraph is exclusive and may not be combined with  
11 any other state or federal compensation remedy,

- 12 d. unreasonably fails or refuses to offer to its same  
13 line-make franchised dealers a reasonable supply and  
14 mix of all models manufactured for that line-make, or  
15 unreasonably requires a dealer to pay any extra fee,  
16 purchase unreasonable advertising displays or other  
17 materials, or enter into a separate agreement which  
18 adversely alters the rights or obligations contained  
19 within the ~~new motor vehicle~~ dealer's existing  
20 franchise agreement or which waives any right of the  
21 new motor vehicle dealer or new powersports vehicle  
22 dealer as protected by Section 561 et seq. of this  
23 title, or remodel, renovate, or recondition the ~~new~~  
24 ~~motor vehicle~~ dealer's existing facilities as a

1 prerequisite to receiving a model or series of  
2 vehicles, except as may be necessary to sell or  
3 service the model or series of vehicles as provided by  
4 subparagraph e of this paragraph. It shall be a  
5 violation of this section for new vehicle allocation  
6 to be withheld subject to any requirement to purchase  
7 or sell any number of used or off-lease vehicles. The  
8 failure to deliver any such new motor vehicle shall  
9 not be considered a violation of the section if the  
10 failure is not arbitrary or is due to lack of  
11 manufacturing capacity or to a strike or labor  
12 difficulty, a shortage of materials, a freight  
13 embargo, or other cause over which the manufacturer  
14 has no control. However, this subparagraph shall not  
15 apply to ~~recreational vehicles~~, limited production  
16 model vehicles, a vehicle not advertised by the  
17 factory for sale in this state, vehicles that are  
18 subject to allocation affected by federal  
19 environmental laws or environmental laws of this  
20 state, or vehicles allocated in response to an  
21 unforeseen event or circumstance,

22 e. except as necessary to comply with a health or safety  
23 law, or to comply with a technology requirement which  
24 is necessary to sell or service a ~~motor~~ vehicle that

1 the franchised new motor vehicle dealer or new  
2 powersports vehicle dealer is authorized or licensed  
3 by the franchisor to sell or service, requires a ~~new~~  
4 ~~motor vehicle~~ dealer to construct a new facility or  
5 substantially renovate the ~~new motor vehicle~~ dealer's  
6 existing facility unless the facility construction or  
7 renovation is justified by the economic conditions  
8 existing at the time, as well as the reasonably  
9 foreseeable projections, in the new motor vehicle  
10 dealer's market and in the automotive industry.  
11 However, this subparagraph shall not apply if the new  
12 motor vehicle dealer or new powersports vehicle dealer  
13 voluntarily agrees to facility construction or  
14 renovation in exchange for money, credit, allowance,  
15 reimbursement, or additional vehicle allocation to a  
16 ~~new motor vehicle~~ dealer from the factory to  
17 compensate the ~~new motor vehicle~~ dealer for the cost  
18 of, or a portion of the cost of, the facility  
19 construction or renovation. Except as necessary to  
20 comply with a health or safety law, or to comply with  
21 a technology or safety requirement which is necessary  
22 to sell or service a motor vehicle or powersports  
23 vehicle that the franchised ~~new motor vehicle~~ dealer  
24 is authorized or licensed by the franchisor to sell or

1 service, a new ~~motor~~ vehicle dealer which completes a  
2 facility construction or renovation pursuant to  
3 factory requirements shall not be required to  
4 construct a new facility or renovate the existing  
5 facility if the same area of the facility or premises  
6 has been constructed or substantially altered within  
7 the last ten (10) years and the construction or  
8 alteration was approved by the manufacturer as a part  
9 of a facility upgrade program, standard, or policy.  
10 For purposes of this subparagraph, "substantially  
11 altered" means to perform an alteration that  
12 substantially impacts the architectural features,  
13 characteristics, or integrity of a structure or lot.  
14 The term shall not include routine maintenance  
15 reasonably necessary to maintain a dealership in  
16 attractive condition. If a facility upgrade program,  
17 standard, or policy under which the dealer completed a  
18 facility construction or substantial alteration does  
19 not contain a specific time period during which the  
20 manufacturer or distributor shall provide payments or  
21 benefits to a participating dealer, or the time frame  
22 specified under the program is reduced or canceled  
23 prematurely in the unilateral discretion of the  
24 manufacturer or distributor, the manufacturer or

1 distributor shall not deny the participating dealer  
2 any payment or benefit under the terms of the program,  
3 standard, or policy as it existed when the dealer  
4 began to perform under the program, standard, or  
5 policy for the balance of the ten-year period,  
6 regardless of whether the manufacturer's or  
7 distributor's program, standard, or policy has been  
8 changed or canceled, unless the manufacturer and  
9 dealer agree, in writing, to the change in payment or  
10 benefit,

11 f. requires a new motor vehicle dealer or new powersports  
12 vehicle dealer to establish an exclusive facility,  
13 unless supported by reasonable business, market, and  
14 economic considerations; provided, that this section  
15 shall not restrict the terms of any agreement for such  
16 exclusive facility voluntarily entered into and  
17 supported by valuable consideration separate from the  
18 new motor vehicle dealer's right to sell and service  
19 motor vehicles for the franchisor,

20 g. requires a new motor vehicle dealer or new powersports  
21 vehicle dealer to enter into a site-control agreement  
22 covering any or all of the new motor vehicle dealer's  
23 facilities or premises; provided, that this section  
24 shall not restrict the terms of any site-control

1 agreement voluntarily entered into and supported by  
2 valuable consideration separate from the new motor  
3 vehicle dealer's right to sell and service motor  
4 vehicles for the franchisor. Notwithstanding the  
5 foregoing or the terms of any site-control agreement,  
6 a site-control agreement automatically extinguishes if  
7 all of the factory's franchises that operated from the  
8 location that are the subject of the site-control  
9 agreement are terminated by the factory as part of the  
10 discontinuance of a product line,

11 h. refuses to pay, or claims reimbursement from, a new  
12 motor vehicle dealer or new powersports vehicle dealer  
13 for sales, incentives, or other payments related to a  
14 ~~motor~~ vehicle sold by the ~~new motor vehicle~~ dealer  
15 because the purchaser of the ~~motor~~ new vehicle  
16 exported or resold the ~~motor~~ vehicle in violation of  
17 the policy of the factory unless the factory can show  
18 that, at the time of the sale, the new ~~motor~~ vehicle  
19 dealer knew or reasonably should have known of the  
20 purchaser's intention to export or resell the ~~motor~~  
21 vehicle. There is a rebuttable presumption that the  
22 new ~~motor~~ vehicle dealer did not know or could not  
23 have known that the vehicle would be exported if the  
24



1 vehicle is titled and registered in any state of the  
2 United States, or

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

23 10. Being a factory that:  
24

- 1 a. establishes a system of motor vehicle allocation or  
2 distribution which is unfair, inequitable, or  
3 unreasonably discriminatory. Upon the request of any  
4 new motor vehicle dealer or new powersports vehicle  
5 dealer franchised by it, a factory shall disclose in  
6 writing to the ~~new motor vehicle~~ dealer the basis upon  
7 which new ~~motor~~ vehicles are allocated, scheduled, and  
8 delivered among the new motor vehicle dealers of the  
9 same line-make for that factory, or
- 10 b. changes an established plan or system of new motor  
11 vehicle or new powersports vehicle distribution. A  
12 new motor vehicle dealer or new powersports vehicle  
13 dealer franchise agreement shall continue in full  
14 force and operation notwithstanding a change, in whole  
15 or in part, of an established plan or system of  
16 distribution of the motor vehicles or new powersports  
17 vehicles offered or previously offered for sale under  
18 the franchise agreement. The appointment of a new  
19 importer or distributor for motor vehicles or new  
20 powersports vehicle offered for sale under the  
21 franchise agreement shall be deemed to be a change of  
22 an established plan or system of distribution. The  
23 discontinuation of a line-make shall not be deemed to  
24 be a change of an established plan or system of motor

1 vehicle or new powersports vehicle distribution. The  
2 creation of a line-make shall not be deemed to be a  
3 change of an established plan or system of motor  
4 vehicle distribution as long as the new line-make is  
5 not selling the same, or substantially the same  
6 vehicle or vehicles previously sold through another  
7 line-make by new motor vehicle dealers or new  
8 powersports vehicle dealers with an active franchise  
9 agreement for the other line-make in the state if such  
10 ~~new motor vehicle~~ dealers are no longer authorized to  
11 sell the comparable vehicle previously sold through  
12 their line-make. Changing a vehicle's powertrain is  
13 not sufficient to show it is substantially different.  
14 Upon the occurrence of such change, the manufacturer  
15 or distributor shall be prohibited from obtaining a  
16 license to distribute vehicles under the new plan or  
17 system of distribution unless the manufacturer or  
18 distributor offers to each ~~new motor~~ vehicle dealer  
19 who is a party to the franchise agreement a new  
20 franchise agreement containing substantially the same  
21 provisions which were contained in the previous  
22 franchise agreement;

23 11. Being a factory that sells directly or indirectly new motor  
24 vehicles or new powersports vehicles to any retail consumer in the

1 state except through a new motor vehicle dealer or new powersports  
2 vehicle dealer holding a franchise for the line-make that includes  
3 the new motor vehicle or new powersports vehicle. This paragraph  
4 does not apply to factory sales of new ~~motor~~ vehicles to its  
5 employees, family members of employees, retirees and family members  
6 of retirees, not-for-profit organizations, or the federal, state, or  
7 local governments. The provisions of this paragraph shall not  
8 preclude a factory from providing information to a consumer for the  
9 purpose of marketing or facilitating a sale of a new ~~motor~~ vehicle  
10 or from establishing a program to sell or offer to sell new motor  
11 vehicles or new powersports vehicle through participating dealers  
12 subject to the limitations provided in paragraph 2 of Section 562 of  
13 this title;

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

- 15 (1) owns any ownership interest or has any financial  
16 interest in a new motor vehicle dealer or new  
17 powersports vehicle dealer or any person who  
18 sells products or services pursuant to the terms  
19 of the franchise agreement,  
20 (2) operates or controls a new motor vehicle dealer  
21 or new powersports vehicle dealer, or  
22 (3) acts in the capacity of a new motor vehicle  
23 dealer or new powersports vehicle dealer.

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

14           (2) This paragraph does not prohibit a factory from  
15                  owning, operating, controlling, or acting in the  
16                  capacity of a new motor vehicle dealer or new  
17                  powersports vehicle dealer for a period not to  
18                  exceed twelve (12) months during the transition  
19                  from one independent dealer to another  
20                  independent dealer if the dealership is for sale  
21                  at a reasonable price and on reasonable terms and  
22                  conditions to an independent qualified buyer. On  
23                  showing by a factory of good cause, the Oklahoma  
24                  New Motor Vehicle Commission may extend the time

1 limit set forth above; extensions may be granted  
2 for periods not to exceed twelve (12) months.

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

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

15 (a) all of the new motor vehicle or new  
16 powersports vehicle dealerships selling the  
17 ~~motor~~ vehicles of that manufacturer in this  
18 state trade exclusively in the line-make of  
19 that manufacturer,

20 (b) all of the franchise agreements of the  
21 manufacturer confer rights on the dealer of  
22 the line-make to develop and operate, within  
23 a defined geographic territory or area, as  
24

many dealership facilities as the dealer and manufacturer shall agree are appropriate,

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

(d) during any period in which the manufacturer has such an ownership interest, the manufacturer has no more than three franchise agreements with new motor vehicle dealers or new powersports vehicle dealers licensed by the Oklahoma New Motor Vehicle Commission to do business within the state, and

(e) prior to January 1, 2000, the factory shall have furnished or made available to prospective new ~~motor~~ vehicle dealers an offering circular in accordance with the Trade Regulation Rule on Franchising of the Federal Trade Commission, and any guidelines

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

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

- 13 a. derived from monthly financial statements provided to  
14 the factory, and
- 15 b. regarding any aspect of the profitability of a  
16 particular new motor vehicle dealer or new powersports  
17 vehicle dealer;

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

22 15. Being a factory which used the consumer list of a new motor  
23 vehicle dealer or new powersports vehicle dealer for the purpose of  
24 unfairly competing with dealers;



1        16. Being a factory which prohibits a new motor vehicle dealer  
2 or new powersports vehicle dealer from relocating after a written  
3 request by such ~~new motor vehicle~~ dealer if:

4            a. the facility and the proposed new location satisfies  
5                or meets the written reasonable guidelines of the  
6                factory. Reasonable guidelines do not include  
7                exclusivity or site control unless agreed to as set  
8                forth in subparagraphs f and g of paragraph 9 of this  
9                subsection,

10           b. the proposed new location is within the area of  
11                responsibility of the new motor vehicle dealer or new  
12                powersports vehicle dealer pursuant to Section 578.1  
13                of this title, and

14           c. the factory has sixty (60) days from receipt of the  
15                new motor vehicle dealer's relocation request to  
16                approve or deny the request. The failure to approve  
17                or deny the request within the sixty-day time frame  
18                shall constitute approval of the request;

19        17. Being a factory which prohibits a new motor vehicle dealer  
20 or new powersports vehicle dealer from adding additional line-makes  
21 to its existing facility, if, after adding the additional line-  
22 makes, the facility satisfies the written reasonable capitalization  
23 standards and facility guidelines of each factory. Reasonable  
24 facility guidelines do not include a requirement to maintain

1 exclusivity or site control unless agreed to by the dealer as set  
2 forth in subparagraphs f and g of paragraph 9 of this subsection;

3 18. Being a factory that increases prices of new motor vehicles  
4 or new powersports vehicles which the ~~new motor vehicle~~ dealer had  
5 ordered for retail consumers and notified the factory prior to the  
6 ~~new motor vehicle~~ dealer's receipt of the written official price  
7 increase notification. A sales contract signed by a retail consumer  
8 accompanied with proof of order submission to the factory shall  
9 constitute evidence of each such order, provided that the vehicle is  
10 in fact delivered to the consumer. Price differences applicable to  
11 new models or series motor vehicles at the time of the introduction  
12 of new models or series shall not be considered a price increase for  
13 purposes of this paragraph. Price changes caused by any of the  
14 following shall not be subject to the provisions of this paragraph:

- 15 a. the addition to a motor vehicle or powersports vehicle  
16 of required or optional equipment pursuant to state or  
17 federal law,
- 18 b. revaluation of the United States dollar in the case of  
19 foreign-made vehicles or components, or
- 20 c. an increase in transportation charges due to increased  
21 rates imposed by common or contract carriers;

22 19. Being a factory that requires a new motor vehicle dealer or  
23 new powersports vehicle dealer to participate monetarily in an  
24 advertising campaign or contest, or purchase any promotional

1 materials, showroom, or other display decoration or materials at the  
2 expense of the new motor vehicle or powersports vehicle dealer  
3 without consent of the ~~new motor vehicle~~ dealer, which consent shall  
4 not be unreasonably withheld;

5 20. Being a factory that denies any new motor vehicle dealer or  
6 new powersports vehicle dealer the right of free association with  
7 any other ~~new motor vehicle~~ dealer for any lawful purpose, unless  
8 otherwise permitted by this chapter; or

9 21. Being a factory that requires a new motor vehicle dealer or  
10 new powersports vehicle dealer to sell, offer to sell, or sell  
11 exclusively an extended service contract, extended maintenance plan,  
12 or similar product, such as gap products offered, endorsed, or  
13 sponsored by the factory by the following means:

14 a. by an act or statement from the factory that will in  
15 any manner adversely impact the new motor vehicle  
16 dealer, or

17 b. by measuring ~~the new motor vehicle~~ dealer's  
18 performance under the franchise based on the sale of  
19 extended service contracts, extended maintenance  
20 plans, or similar products offered, endorsed, or  
21 sponsored by the manufacturer or distributor.

22 B. Notwithstanding the terms of any franchise agreement, in the  
23 event of a proposed sale or transfer of a dealership, the  
24 manufacturer or distributor shall be permitted to exercise a right

1 of first refusal to acquire the assets or ownership interest of the  
2 dealer of the new motor vehicle or new powersports vehicle  
3 dealership, if such sale or transfer is conditioned upon the  
4 manufacturer or dealer entering into a dealer agreement with the  
5 proposed new owner or transferee, only if all the following  
6 requirements are met:

7 1. To exercise its right of first refusal, the factory must  
8 notify the new motor vehicle dealer or new powersports vehicle  
9 dealer in writing within sixty (60) days of receipt of the completed  
10 proposal for the proposed sale transfer;

11 2. The exercise of the right of first refusal will result in  
12 the new motor vehicle dealer or new powersports vehicle dealer and  
13 the owner of the dealership receiving the same or greater  
14 consideration as they have contracted to receive in connection with  
15 the proposed change of ownership or transfer;

16 3. The proposed sale or transfer of the dealership does not  
17 involve the transfer or sale to a member or members of the family of  
18 one or more dealer owners, or to a qualified manager or a  
19 partnership or corporation controlled by such persons; and

20 4. The factory agrees to pay the reasonable expenses, including  
21 attorney fees which do not exceed the usual, customary, and  
22 reasonable fees charged for similar work done for other clients  
23 incurred by the proposed new owner and transferee prior to the  
24 exercise by the factory of its right of first refusal in negotiating

1 and implementing the contract for the proposed sale or transfer of  
2 the dealership or dealership assets. Notwithstanding the foregoing,  
3 no payment of expenses and attorney fees shall be required if the  
4 proposed new dealer or transferee has not submitted or caused to be  
5 submitted an accounting of those expenses within thirty (30) days of  
6 receipt of the written request of the factory for such an  
7 accounting. The accounting may be requested by a factory before  
8 exercising its right of first refusal.

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

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

18 a. any motor vehicle or powersports vehicle sold by that  
19 person is limited to used motor vehicles or  
20 powersports vehicles that have been previously used  
21 exclusively and regularly by that person in the  
22 conduct of business and used motor vehicles or used  
23 powersports vehicles traded in on motor vehicles or  
24 powersports vehicles sold by that person,

1           b.     warranty repairs performed by that person on motor  
2                 vehicles or powersports vehicles are limited to those  
3                 ~~motor~~ vehicles that the person owns, previously owned,  
4                 or takes in trade, and

5           c.     motor vehicle or powersports vehicle financing  
6                 provided by that person to retail consumers for motor  
7                 vehicles or powersports vehicles is limited to used  
8                 vehicles sold by that person in the conduct of  
9                 business; or

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

12          D.     As used in this section:

13          1.     "Substantially relates" means the nature of criminal conduct  
14     for which the person was convicted has a direct bearing on the  
15     fitness or ability to perform one or more of the duties or  
16     responsibilities necessarily related to the occupation; and

17          2.     "Poses a reasonable threat" means the nature of criminal  
18     conduct for which the person was convicted involved an act or threat  
19     of harm against another and has a bearing on the fitness or ability  
20     to serve the public or work with others in the occupation.

21          E.     Nothing in this section shall prohibit a manufacturer or  
22     distributor from requiring a dealer to be in compliance with the  
23     franchise agreement and authorized to sell a make and model based on  
24     applicable reasonable standards and requirements that include but

1 are not limited to any facility, technology, or training  
2 requirements necessary to sell or service a vehicle, in order to be  
3 eligible for delivery or allotment of a make or model of a new motor  
4 vehicle or new powersports vehicle or an incentive.

5 SECTION 8. AMENDATORY 47 O.S. 2021, Section 565.1, as  
6 amended by Section 9, Chapter 29, O.S.L. 2023 (47 O.S. Supp. 2023,  
7 Section 565.1), is amended to read as follows:

8 Section 565.1 A. For the purposes of this section, "designated  
9 successor" means a person who the new motor vehicle dealer or new  
10 powersports vehicle dealer has designated to take over operation of  
11 the dealership or a legal heir or devisee under the will of a new  
12 motor vehicle dealer or new powersports vehicle dealer or under the  
13 laws of descent and distribution of this state.

14 B. Notwithstanding the terms of any franchise agreement, and  
15 subject to the following conditions contained in paragraphs 1  
16 through 5 of this subsection, any manufacturer or distributor who  
17 prevents or refuses to honor the succession to the operation of a  
18 dealership by a designated successor without good cause or good  
19 faith, as defined in this section, shall be subject to the following  
20 procedure:

21 1. Within one hundred twenty (120) days after the death or  
22 departure of the new motor vehicle dealer or new powersports vehicle  
23 dealer, the manufacturer shall receive a written notice from the  
24 dealership of the designated successor who intends to become the

1 successor dealership operator. If timely notice is not received,  
2 this paragraph shall not apply, and any succession shall be governed  
3 solely by the terms of the franchise;

4 2. Within thirty (30) days of receipt of the dealership's  
5 timely written notice, the manufacturer may request, and the  
6 designated successor shall, within a reasonable time, provide any  
7 information which is reasonably necessary for the manufacturer to  
8 evaluate the designated successor dealer and dealership, including  
9 applications and financing;

10 3. Within sixty (60) days of receipt of such information, the  
11 manufacturer shall approve or disapprove the designated successor  
12 dealer, and in case of disapproval shall communicate in writing such  
13 disapproval and grounds for disapproval to the dealership;

14 4. Failure of the manufacturer to act in a timely manner with  
15 respect to any time period described above shall constitute a waiver  
16 of the manufacturer's right to disapprove the proposed succession;  
17 and

18 5. Within ten (10) days of the dealership's receipt of the  
19 manufacturer's notice of disapproval, the dealership may file a  
20 protest of the manufacturer's decision with the Oklahoma New Motor  
21 Vehicle Commission and request a hearing. Such hearing shall be  
22 heard in a substantially similar manner as provided by Section 566  
23 of this title, except that the Commission shall render a final  
24 decision within sixty (60) days of the filing of the protest. The



1 manufacturer shall have the burden of proof to show that its  
2 disapproval was for a good cause and in good faith. A denial shall  
3 not be for good cause and in good faith unless the factory  
4 establishes that the designated successor is not of good moral  
5 character or fails to meet the written, reasonable, and uniformly  
6 applied requirements of the manufacturer or distributor relating to  
7 financial qualifications, general business experience, and other  
8 requirements relating to prospective franchisees. However, a a  
9 designated successor who is a family member and who is of good moral  
10 character in accordance with reasonable factory qualifications and  
11 meets the factory's financial qualifications may rely on controlling  
12 executive management that is of good moral character and meets the  
13 factory's qualifications for general business experience. Any  
14 denial of the designated successor based upon a failure to agree to  
15 terms other than those contained in the existing franchise  
16 agreement, related addendums and agreements, and any written notice  
17 provided to the existing dealer prior to the manufacturer's or  
18 distributor's receipt of any written notice from the existing dealer  
19 of the proposed transfer shall not be considered good cause for such  
20 denial. However, any proposed change to the franchise pursuant to  
21 written notice from the manufacturer or distributor, to be valid,  
22 must be in compliance with existing law. The disapproval by the  
23 manufacturer shall be final if the dealership fails to file a timely  
24 protest of the disapproval. In the event that the Commission finds

1 that the manufacturer's disapproval was not made for good cause,  
2 then it shall issue a final order requiring the manufacturer to  
3 honor the successor designated in the notice sent by the dealership.  
4 Notwithstanding anything to the contrary in this section, a new  
5 motor vehicle or new powersports vehicle dealer may designate any  
6 person as successor by filing a written instrument pursuant to the  
7 franchise with the manufacturer during the new motor vehicle or new  
8 powersports vehicle dealer's lifetime. In such a case, the written  
9 instrument and franchise shall govern the dealership succession.

10 The suspension, revocation, or refusal to issue or renew a  
11 license or the imposition of any other penalty by the Commission  
12 shall be in addition to any penalty which might be imposed upon any  
13 licensee upon judgment or conviction in a court of competent  
14 jurisdiction for any violation of the provisions of Sections 561  
15 through 567, 572, 578.1, 579, and 579.1 of this title.

16 SECTION 9. AMENDATORY 47 O.S. 2021, Section 565.2, as  
17 amended by Section 10, Chapter 29, O.S.L. 2023 (47 O.S. Supp. 2023,  
18 Section 565.2), is amended to read as follows:

19 Section 565.2 A. Irrespective of the terms, provisions, or  
20 conditions of any franchise, or the terms or provisions of any  
21 waiver, no manufacturer shall terminate, cancel, or fail to renew  
22 any franchise with a licensed new motor vehicle dealer or new  
23 powersports vehicle dealer unless the manufacturer has satisfied the  
24 notice requirements as provided in this section and has good cause

1 for cancellation, termination, or nonrenewal. The manufacturer  
2 shall not attempt to cancel or fail to renew the franchise agreement  
3 of a new motor vehicle dealer in this state unfairly and without  
4 just provocation or without due regard to the equities of the dealer  
5 or without good faith as defined herein. As used herein, "good  
6 faith" means the duty of each party to any franchise agreement to  
7 act in a fair and equitable manner toward each other, with freedom  
8 from coercion or intimidation or threats thereof from each other.

9 B. Irrespective of the terms, provisions, or conditions of any  
10 franchise, or the terms or provisions of any waiver, good cause  
11 shall exist for the purpose of a termination, cancellation, or  
12 nonrenewal when:

13 1. The new motor vehicle dealer or new powersports vehicle  
14 dealer has failed to comply with a provision of the franchise, which  
15 provision is both reasonable and of material significance to the  
16 franchise relationship, or the new motor vehicle dealer has failed  
17 to comply with reasonable performance criteria for sales or service  
18 established by the manufacturer, and the new motor vehicle dealer  
19 has been notified by written notice from the manufacturer; and

20 2. The new motor vehicle dealer or new powersports vehicle  
21 dealer has received written notification of failure to comply with  
22 the manufacturer's reasonable sales performance standards,  
23 capitalization requirements, facility commitments, business-related  
24 equipment acquisitions, or other such remediable failings exclusive

1 of those reasons enumerated in paragraph 1 of subsection C of this  
2 section, and the new motor vehicle dealer has been afforded a  
3 reasonable opportunity of not less than six (6) months to comply  
4 with such a provision or criteria.

5 C. Irrespective of the terms, provisions, or conditions of any  
6 franchise agreement prior to the termination, cancellation, or  
7 nonrenewal of any franchise, the manufacturer shall furnish  
8 notification of such termination, cancellation, or nonrenewal to the  
9 new motor vehicle dealer and the Oklahoma New Motor Vehicle  
10 Commission as follows:

11 1. Not less than ninety (90) days prior to the effective date  
12 of the termination, cancellation, or nonrenewal unless for a cause  
13 described in paragraph 2 of this subsection;

14 2. Not less than fifteen (15) days prior to the effective date  
15 of the termination, cancellation, or nonrenewal with respect to any  
16 of the following:

17 a. insolvency of the new motor vehicle dealer, or the  
18 filing of any petition by or against the new motor  
19 vehicle dealer or new powersports vehicle dealer under  
20 any bankruptcy or receivership law,

21 b. failure of the new motor vehicle dealer or new  
22 powersports vehicle dealer to conduct its customary  
23 sales and service operations during its customary  
24 business hours for seven (7) consecutive business

1 days, provided that such failure to conduct business  
2 shall not be due to an act of God or circumstances  
3 beyond the direct control of the new ~~motor~~ vehicle  
4 dealer, or

5 c. conviction of the new ~~motor~~ vehicle dealer or new  
6 powersports vehicle dealer of any felony which is  
7 punishable by imprisonment or a violation of the  
8 Federal Odometer Act; and

9 3. Not less than one hundred eighty (180) days prior to the  
10 effective date of the termination or cancellation where the  
11 manufacturer or distributor is discontinuing the sale of the product  
12 line.

13 The notification required by this subsection shall be by  
14 certified mail, return receipt requested, and shall contain a  
15 statement of intent to terminate, to cancel, or to not renew the  
16 franchise, a statement of the reasons for the termination,  
17 cancellation, or nonrenewal and the date the termination shall take  
18 effect.

19 D. Upon the affected new motor vehicle or new powersports  
20 vehicle dealer's receipt of the aforementioned notice of  
21 termination, cancellation, or nonrenewal, the new motor vehicle  
22 dealer shall have the right to file a protest of such threatened  
23 termination, cancellation, or nonrenewal with the Commission within  
24 thirty (30) days and request a hearing. The hearing shall be held

1 within one hundred eighty (180) days of the date of the timely  
2 protest by the dealer and in accordance with the provisions of the  
3 Administrative Procedures Act, Sections 250 through 323 of Title 75  
4 of the Oklahoma Statutes, to determine if the threatened  
5 cancellation, termination, or nonrenewal of the franchise has been  
6 for good cause and if the factory has complied with its obligations  
7 pursuant to subsections A, B, and C of this section and the factory  
8 shall have the burden of proof. Either party may request an  
9 additional one-hundred-eighty-day extension of the hearing date from  
10 the Commission. Approval of the requested extension may not be  
11 unreasonably withheld or delayed. If the Commission finds that the  
12 threatened cancellation, termination, or nonrenewal of the franchise  
13 has not been for good cause or violates subsection A, B, or C of  
14 this section, then it shall issue a final order stating that the  
15 threatened termination is wrongful. A factory shall have the right  
16 to appeal such order. During the pendency of the hearing and after  
17 the decision, the franchise shall remain in full force and effect,  
18 including the right to transfer the franchise. If the Commission  
19 finds that the threatened cancellation, termination, or nonrenewal  
20 is for good cause and does not violate subsection A, B, or C of this  
21 section, the new motor vehicle or new powersports vehicle dealer  
22 shall have the right to an appeal. During the pendency of the  
23 action, including the final decision or appeal, the franchise shall  
24 remain in full force and effect, including the right to transfer the

1 franchise. If the ~~new motor vehicle~~ dealer prevails in the  
2 threatened termination action, the Commission shall award to the ~~new~~  
3 ~~motor vehicle~~ dealer the attorney fees and costs incurred to defend  
4 the action.

5 E. If the factory prevails in an action to terminate, cancel,  
6 or not renew any franchise, the new motor vehicle or new powersports  
7 vehicle dealer shall be allowed fair and reasonable compensation by  
8 the manufacturer for:

9 1. New, current, and previous model year vehicle inventory  
10 which has been acquired from the manufacturer, and which is unused  
11 and has not been damaged or altered while in the ~~new motor vehicle~~  
12 dealer's possession;

13 2. Supplies and parts which have been acquired from the  
14 manufacturer, for the purpose of this section, limited to any and  
15 all supplies and parts that are listed on the current parts price  
16 sheet available to the ~~new motor vehicle~~ dealer;

17 3. Equipment and furnishings, provided the ~~new motor vehicle~~  
18 dealer purchased them from the manufacturer or its approved sources;  
19 and

20 4. Special tools, with such fair and reasonable compensation to  
21 be paid by the manufacturer within ninety (90) days of the effective  
22 date of the termination, cancellation, or nonrenewal, provided the  
23 ~~new motor vehicle~~ dealer has clear title to the inventory and other  
24 items and is in a position to convey that title to the manufacturer.

1           a.   For the purposes of paragraph 1 of this subsection,  
2               fair and reasonable compensation shall be no less than  
3               the net acquisition price of the vehicle paid by the  
4               ~~new motor vehicle~~ dealer.

5           b.   For the purposes of paragraphs 2, 3, and 4 of this  
6               subsection, fair and reasonable compensation shall be  
7               the net acquisition price paid by the ~~new motor~~  
8               ~~vehicle~~ dealer less a twenty-percent (20%) straight-  
9               line depreciation for each year following the dealer's  
10              acquisition of the supplies, parts, equipment,  
11              furnishings, and/or special tools.

12           F.   If a factory prevails in an action to terminate, cancel, or  
13              not renew any franchise and the new motor vehicle or new powersports  
14              vehicle dealer is leasing the dealership facilities, the  
15              manufacturer shall pay a reasonable rent to the lessor in accordance  
16              with and subject to the provisions of subsection G of this section.  
17              Nothing in this section shall be construed to relieve a new motor  
18              vehicle or new powersports vehicle dealer of its duty to mitigate  
19              damages.

20           G.   1.   Such reasonable rental value shall be paid only to the  
21              extent the dealership premises are recognized in the franchise and  
22              only if they are:

23               a.   used solely for performance in accordance with the  
24                      franchise. If the facility is used for the operation



1 of more than one franchise, the reasonable rent shall  
2 be paid based upon the portion of the facility  
3 utilized by the franchise being terminated, canceled,  
4 or nonrenewed, and

- 5 b. not substantially in excess of facilities recommended  
6 by the manufacturer.

7 2. If the facilities are owned by the new motor vehicle or new  
8 powersports vehicle dealer, within ninety (90) days following the  
9 effective date of the termination, cancellation, or nonrenewal, the  
10 manufacturer will either:

- 11 a. locate a qualified purchaser who will offer to  
12 purchase the dealership facilities at a reasonable  
13 price,  
14 b. locate a qualified lessee who will offer to lease the  
15 premises for the remaining lease term at the rent set  
16 forth in the lease, or  
17 c. failing the foregoing, lease the dealership facilities  
18 at a reasonable rental value for the portion of the  
19 facility that is recognized in the franchise agreement  
20 for one (1) year.

21 3. If the facilities are leased by the new motor vehicle or new  
22 powersports vehicle dealer, within ninety (90) days following the  
23 effective date of the termination, cancellation, or nonrenewal the  
24 manufacturer will either:

- a. locate a tenant or tenants satisfactory to the lessor, who will sublet or assume the balance of the lease,
- b. arrange with the lessor for the cancellation of the lease without penalty to the ~~new motor vehicle~~ dealer, or
- c. failing the foregoing, lease the dealership facilities at a reasonable rent for the portion of the facility that is recognized in the franchise agreement for one (1) year.

4. The manufacturer shall not be obligated to provide assistance under this section if the new motor vehicle or new powersports vehicle dealer:

- a. fails to accept a bona fide offer from a prospective purchaser, sublessee, or assignee,
- b. refuses to execute a settlement agreement with the lessor if such agreement with the lessor would be without cost to the ~~new motor vehicle~~ dealer, or
- c. fails to make written request for assistance under this section within ninety (90) days after the effective date of the termination, cancellation, or nonrenewal.

5. The manufacturer shall be entitled to occupy and use any space for which it pays rent required by this section.

1       H. In addition to the repurchase requirements set forth in  
2 subsections E and G of this section, in the event the termination or  
3 cancellation is the result of a discontinuance of a product line,  
4 the manufacturer or distributor shall compensate the new motor  
5 vehicle or new powersports vehicle dealer in an amount equivalent to  
6 the fair market value of the terminated franchise as of the date  
7 immediately preceding the manufacturer's or distributor's  
8 announcement or provide the ~~new motor vehicle~~ dealer with a  
9 replacement franchise on substantially similar terms and conditions  
10 as those offered to other same line-make dealers. The ~~new motor~~  
11 ~~vehicle~~ dealer may immediately request payment under this section  
12 following the announcement in exchange for canceling any further  
13 franchise rights, except payments owed to the new motor vehicle  
14 dealer in the ordinary course of business, or may request payment  
15 under this section upon the final termination, cancellation, or  
16 nonrenewal of the franchise. In either case, payment under this  
17 section shall be made not later than ninety (90) days after the fair  
18 market value is determined. If the factory and ~~new motor vehicle~~  
19 dealer cannot agree on the fair market value of the terminated  
20 franchise or agree to a process to determine the fair market value,  
21 then the factory and ~~new motor vehicle~~ dealer shall utilize a  
22 neutral third-party mediator to resolve the disagreement.

1       SECTION 10.       AMENDATORY       47 O.S. 2021, Section 565.3, as  
2 amended by Section 11, Chapter 29, O.S.L. 2023 (47 O.S. Supp. 2023,  
3 Section 565.3), is amended to read as follows:

4       Section 565.3 A. A franchised new motor vehicle or new  
5 powersports vehicle dealer proposing a sale, transfer, or assignment  
6 of a franchise agreement or the business and assets of a dealership  
7 or an interest in a dealership to another person, hereinafter  
8 transferee, shall notify the manufacturer or distributor whose  
9 vehicles the dealer is franchised to sell of the proposed action of  
10 the dealer. The manufacturer or distributor may make written  
11 request to the proposed transferee to submit completed application  
12 forms and related information generally utilized by a manufacturer  
13 to evaluate such a proposal and a copy of all agreements related to  
14 the proposed sale, transfer, or assignment.

15       B. The approval by the manufacturer or distributor of the sale,  
16 transfer, or assignment shall not be unreasonably withheld unless  
17 the proposed transferee is not of good moral character or fails to  
18 meet the written, reasonable, and uniformly applied requirements of  
19 the manufacturer or distributor relating to prospective franchisees.  
20 Approval of the transfer shall not be made contingent upon the  
21 transferee meeting unreasonable facility requirements or performance  
22 standards different than those contained in the transferor's  
23 franchise agreement and related addendum and agreements, and any  
24 written notices provided to the existing dealer prior to the

1 manufacturer's or distributor's receipt of any written notice from  
2 the existing dealer of the proposed transfer. However, to be valid,  
3 any proposed change to the franchise pursuant to written notice from  
4 the manufacturer or distributor shall be in compliance with existing  
5 law. The burden of proof shall be upon the manufacturer or  
6 distributor to show good cause existed to withhold approval. The  
7 manufacturer or distributor that has made such a determination shall  
8 send a letter by certified mail to the dealer and the applicant of  
9 its refusal to approve the proposal, which shall include a statement  
10 of the specific grounds for refusal, within sixty (60) days after  
11 the later of:

12 1. Receipt by the manufacturer or distributor of the notice of  
13 the proposed sale, transfer, or assignment; or

14 2. Receipt by the manufacturer or distributor of the  
15 information requested from the proposed transferee pursuant to  
16 subsection A of this section if the manufacturer or distributor has  
17 requested such information within fifteen (15) days of receipt of  
18 written notice of the proposed sale, transfer, or assignment.

19 C. Failure of the manufacturer or distributor to send its  
20 notice of refusal pursuant to subsection B of this section shall  
21 mean that the application for the proposed sale, transfer, or  
22 assignment is approved.

23 D. If the proposed sale, transfer, or assignment is to an  
24 existing owner's family member or other existing owner, the

1 manufacturer or distributor's evaluation of the proposal is limited  
2 to the written, reasonable, and uniformly applied requirements of  
3 the manufacturer or distributor relating to good moral character and  
4 financial qualifications. Notwithstanding the foregoing, a change  
5 in dealer operator shall be addressed pursuant to the provisions of  
6 Section 565.1 of this ~~title~~ title.

7 E. A dealership or dealership owner receiving notice of refusal  
8 of the sale, transfer, or assignment shall have the right to file a  
9 protest with the Oklahoma New Motor Vehicle Commission within thirty  
10 (30) days of receipt of the refusal. In the event a protest is  
11 filed, the manufacturer or distributor shall have the burden of  
12 proof to establish the proposed transferee or the proposed  
13 transferee's controlling executive management is not of good moral  
14 character or fails to meet the written reasonable and uniformly  
15 applied requirements of the manufacturer or distributor relating to  
16 prospective franchisees or that the facility requirements are not  
17 different than those contained in the transferor's franchise  
18 agreement.

19 F. Notwithstanding any other provision of this section, the  
20 dealer shall submit a signed copy of the dealer sales and service  
21 agreement resulting from any completed sale, transfer, or assignment  
22 of a franchise to the Oklahoma New Motor Vehicle Commission within  
23 fifteen (15) business days.

SECTION 11. AMENDATORY Section 2, Chapter 29, O.S.L.

2023 (47 O.S. Supp. 2023, Section 565.4), is amended to read as follows:

Section 565.4 Any manufacturer or distributor who has new motor vehicle or new powersports vehicle sales and service agreements with new motor ~~vehicles~~ vehicle or new powersports vehicle dealers in this state shall allow its ~~new motor vehicle~~ dealers to offer consumers any remote software upgrade or change to vehicle functions and features to a new motor vehicle or new powersports vehicle which is of a line-make the ~~new motor vehicle~~ dealer holds an active sales and service contract for, as any offered to consumers by the manufacturer or distributor, and such upgrade or change shall be available for an authorized ~~new motor vehicle~~ dealer to offer to consumers at any time during the life cycle of the vehicle, and subject to the manufacturer or distributor's requirements, provided the same continues to be made available and offered to consumers in this state by the manufacturer or distributor. This section does not apply to remote software upgrades or changes administered at no cost to the consumer or related solely to the safety, regulatory requirements, cybersecurity, recall of a motor vehicle or powersports vehicle, Oklahoma Statutes, or federal statutes.

Nothing in this section shall be construed to limit or impair a manufacturer or distributor's intellectual property rights, or to grant a new ~~motor~~ vehicle dealer authority to sell, copy, modify, or

1 use the manufacturer's or distributor's intellectual property in a  
2 manner that has not been authorized by the manufacturer or  
3 distributor. Nothing in this section shall obligate a manufacturer,  
4 distributor, or other person to support or maintain any software or  
5 change to vehicle functions and features.

6 SECTION 12. AMENDATORY 47 O.S. 2021, Section 566, as  
7 amended by Section 12, Chapter 29, O.S.L. 2023 (47 O.S. Supp. 2023,  
8 Section 566), is amended to read as follows:

9 Section 566. The Oklahoma New Motor Vehicle Commission may deny  
10 any application for license, or suspend or revoke a license issued  
11 or impose a fine, only after a hearing of which the applicant, or  
12 licensee affected, shall be given at least ten (10) days' written  
13 notice specifying the reason for denying the applicant a license,  
14 or, in the case of a revocation or suspension or imposition of a  
15 fine, the offenses of which the licensee is charged. The notices  
16 may be served as provided by law for the service of notices, or  
17 mailing a copy by ~~registered~~ certified mail to the last-known  
18 residence or business address of the applicant or licensee. The  
19 hearing on the charges shall be at such time and place as the  
20 Commission may prescribe and the aforementioned notice shall further  
21 specify the time and place. If the applicant, registrant, or  
22 licensee is a ~~motor vehicle~~ salesperson, factory representative, or  
23 distributor representative, the Commission shall in like manner also  
24 notify the person, firm, association, corporation, or trust with



1 whom he or she is associated, or in whose association he or she is  
2 about to enter. The Commission shall have the power to compel the  
3 production of all records, papers, and other documents which may be  
4 deemed relevant to the proceeding bearing upon the complaints. The  
5 Commission shall have the power to subpoena and bring before it any  
6 person, or take testimony of any such person by deposition, with the  
7 same fees and mileage and in the same manner as prescribed in  
8 proceedings before courts of the state in civil cases. Any party to  
9 the hearing shall have the right to the attendance of witnesses ~~in~~  
10 on his or her behalf upon designating to the Commission the person  
11 or persons sought to be subpoenaed.

12 SECTION 13. AMENDATORY 47 O.S. 2021, Section 572, is  
13 amended to read as follows:

14 Section 572. Any action brought to recover any damages that may  
15 be sustained by any motor vehicle or powersports vehicle dealer may  
16 be brought in the county in which said dealer is located and in  
17 addition to the action for damages he shall be entitled to sue for  
18 and have injunctive relief against the threatened loss, damage or  
19 injury to his business or property because of any violation of  
20 Sections 565 through 566 and 579 of this title or the threatened  
21 cancellation, termination or failure to renew any franchise  
22 agreement between any factory and said dealer, and the court may  
23 grant such injunctive relief, including temporary restraining  
24 orders, as it deems just and proper, notwithstanding any other

provisions of law, and in addition to any other remedy which may be afforded under any other statute of this state.

SECTION 14. AMENDATORY 47 O.S. 2021, Section 573, is amended to read as follows:

Section 573. All provisions in this chapter shall be liberally interpreted to protect the public from fraud in the business of purchasing or selling ~~motor~~ new vehicles and to protect the investments of its citizens in ~~motor~~ new vehicles and dealerships and to protect the transportation system of the state and shall further be interpreted to affect existing as well as future franchise agreements.

SECTION 15. AMENDATORY 47 O.S. 2021, Section 578.1, as amended by Section 16, Chapter 29, O.S.L. 2023 (47 O.S. Supp. 2023, Section 578.1), is amended to read as follows:

Section 578.1 A. Notwithstanding the terms of a franchise and notwithstanding the terms of a waiver, if a factory intends or proposes to enter into a franchise to establish an additional new motor vehicle or powersports vehicle dealer or to relocate an existing new motor vehicle or powersports vehicle dealer within or into a relevant market area in which the same line-make of motor vehicle is currently represented, the factory shall provide at least sixty (60) days advance written notice to the Commission and to each new motor vehicle or powersports vehicle dealer of the same line-make in the relevant market area, of the intention of the factory to

1 establish an additional ~~new motor vehicle~~ dealer or to relocate an  
2 existing new motor vehicle dealer within or into the relevant market  
3 area. For purposes of this section, the "relevant market area"  
4 means the area within a radius of fifteen (15) miles around the site  
5 of the proposed new motor vehicle or powersports vehicle dealership  
6 measured from the property boundary of primary dealership property.  
7 The notice shall be sent by certified mail to each party and shall  
8 include the following information:

9 1. The specific location at which the additional or relocated  
10 ~~new motor vehicle~~ dealer will be established;

11 2. The date on or after which the additional or relocated ~~new~~  
12 ~~motor vehicle~~ dealer intends to commence business at the proposed  
13 location;

14 3. The identity of all ~~new motor vehicle~~ dealers who are  
15 franchised to sell the same line-make vehicles as the proposed ~~new~~  
16 ~~motor vehicle~~ dealer and who have licensed locations within the  
17 relevant market area;

18 4. The names and addresses of the person intended to be  
19 franchised as the proposed additional or relocated ~~new motor vehicle~~  
20 dealership, the principal investors in the proposed additional or  
21 relocated ~~new motor vehicle~~ dealership, and the proposed dealer  
22 operator of the proposed additional or relocated ~~new motor vehicle~~  
23 dealership; and  
24

1        5. The specific grounds or reasons for the proposed  
2 establishment of an additional ~~new motor vehicle~~ dealer or  
3 relocation of an existing ~~new motor vehicle~~ dealer.

4        B. The notification requirements prescribed in subsection A of  
5 this section shall not apply if:

6        1. The relocation of an existing ~~new motor vehicle~~ dealer is  
7 within the relevant market area of that dealer; provided, that the  
8 relocation not be at a site within ten (10) miles of a licensed ~~new~~  
9 ~~motor vehicle~~ dealer for the same line-make of ~~motor~~ vehicle;

10       2. A proposed additional ~~new motor vehicle~~ dealer which is to  
11 be established at or within two (2) miles of a location at which a  
12 former licensed ~~new motor vehicle~~ dealer for the same line-make of  
13 ~~new motor~~ vehicle had ceased operating within the previous two (2)  
14 years;

15       3. The relocation of an existing ~~new motor vehicle~~ dealer is  
16 within two (2) miles of the existing site of the ~~new motor vehicle~~  
17 dealership; or

18       4. The proposed site for the relocation of an existing ~~new~~  
19 ~~motor vehicle~~ dealer is farther away from all other ~~new motor~~  
20 ~~vehicle~~ dealers of the same line-make in that relevant market area.

21       C. Within thirty (30) days after receipt of the notice, or  
22 within thirty (30) days after the end of an appeal procedure  
23 provided by the factory, whichever is greater, a new motor vehicle  
24 dealer or new powersports vehicle dealer so notified or entitled to

1 notice may file a petition with the Commission protesting the  
2 proposed establishment or relocation. The petition shall contain a  
3 short statement setting forth the reasons for the objection of the  
4 new motor vehicle dealer to the proposed establishment or  
5 relocation. Upon filing of a protest, the Commission shall promptly  
6 notify the factory that a timely protest has been filed and shall  
7 schedule a hearing, which shall be held within one hundred twenty  
8 (120) days of the filing of a timely protest. The factory shall not  
9 establish or relocate the ~~new motor vehicle~~ dealer until the  
10 Commission has held a hearing and has determined that there is good  
11 cause for permitting the proposed establishment or relocation. When  
12 more than one protest is filed against the establishment or  
13 relocation of the same dealer, the Commission shall consolidate the  
14 hearings to expedite disposition of the matter.

15 D. The burden of proof to establish that good cause exists for  
16 permitting the proposed establishment of a new motor vehicle or  
17 powersports vehicle dealer or relocating an existing ~~new motor~~  
18 ~~vehicle~~ dealership shall be on the applicant who seeks to establish  
19 a ~~new motor vehicle~~ dealership or the relocation of an existing ~~new~~  
20 ~~motor vehicle~~ dealership.

21 SECTION 16. AMENDATORY 47 O.S. 2021, Section 579, as  
22 amended by Section 17, Chapter 29, O.S.L. 2023 (47 O.S. Supp. 2023,  
23 Section 579), is amended to read as follows:  
24

1       Section 579. In determining whether good cause has been  
2 established for permitting the proposed establishment or relocation  
3 of an additional franchise for the same line-make, the Oklahoma New  
4 Motor Vehicle Commission shall take into consideration, and must be  
5 persuaded, that good cause exists for entering into or relocating an  
6 additional franchise for the same line-make by the greater weight of  
7 facts and the existing circumstances, including but not limited to:

8       1. Permanency of the investment of the proposed dealership;

9       2. Effect on the retail new motor vehicle or new powersports  
10 vehicle business and the consuming public in the relevant market  
11 area;

12       3. Whether it is injurious to the public welfare for an  
13 additional ~~new motor vehicle~~ dealership to be established;

14       4. Whether the ~~new motor vehicle~~ dealers of the same line-make  
15 in that relevant market area are providing adequate competition and  
16 convenient consumer care for the motor vehicle or powersports  
17 vehicle sales and service facilities, equipment, supply of ~~motor~~  
18 vehicle parts, and qualified service personnel; and

19       5. Whether the establishment of an additional ~~new motor vehicle~~  
20 dealership would increase competition, and therefore be in the  
21 public interest.

22       SECTION 17.       AMENDATORY       47 O.S. 2021, Section 579.1, is  
23 amended to read as follows:

24       Section 579.1 A. It shall be unlawful to be a broker.

1 B. For the purposes of this section, "broker" means a person  
2 who, for a fee, commission or other valuable consideration, arranges  
3 or offers to arrange a transaction involving the sale of a new motor  
4 vehicle or new powersports vehicle, and who is not:

5 1. A new motor vehicle or new powersports vehicle dealer or  
6 employee of such a dealer;

7 2. A distributor or employee of such a distributor;

8 3. A motor vehicle manufacturer or employee of such a  
9 manufacturer; or

10 4. An auctioneer or any other person engaged in the auto  
11 auction business.

12 However, an individual shall not be deemed to be a broker if the  
13 individual is the owner of the new or used motor vehicle or new or  
14 used powersports vehicle which is the object of the brokering  
15 transaction.

16 C. Any person convicted of being a broker as defined by this  
17 section shall, upon conviction, be guilty of a misdemeanor  
18 punishable by imprisonment in the county jail for not more than one  
19 (1) year and a fine of not more than One Thousand Dollars  
20 (\$1,000.00). Any person convicted of a second or subsequent offense  
21 shall be guilty of a Schedule G felony offense, and the fine for a  
22 felony violation of this section shall be not less than One Thousand  
23 Dollars (\$1,000.00) nor more than Five Thousand Dollars (\$5,000.00).  
24

1       SECTION 18.       AMENDATORY       47 O.S. 2021, Section 580.2, as  
2 amended by Section 18, Chapter 29, O.S.L. 2023 (47 O.S. Supp. 2023,  
3 Section 580.2), is amended to read as follows:

4       Section 580.2 During the time a person is operating a motor  
5 vehicle or powersports vehicle with the express or implied  
6 permission of a new motor vehicle or new powersports vehicle dealer,  
7 as defined in Section 562 of this title, such person's motor vehicle  
8 liability policy shall have primary coverage with the motor vehicle  
9 liability policy of the ~~new motor vehicle~~ dealer having secondary  
10 coverage until the vehicle is returned. As used herein, "motor  
11 vehicle liability policy" means motor vehicle insurance against  
12 legal liability for the death, injury, or disability of any human  
13 being, or for damage to real or personal property. The motor  
14 vehicle liability policy of any person who has been loaned a vehicle  
15 or powersports vehicle by a ~~new motor vehicle~~ dealer pursuant to the  
16 terms of this section shall provide primary coverage for any death  
17 or injury of any human being or for any real or personal property  
18 damage, including damage to the loaned vehicle, with the motor  
19 vehicle insurance policy of the ~~new motor vehicle~~ dealer having  
20 secondary coverage for any death or injury of any human being or for  
21 any real or personal property damage, including damage to the loaned  
22 vehicle. The change in financial responsibility shall be evidenced  
23 by a release signed by the person operating the vehicle with the  
24 express or implied permission of the ~~new motor vehicle~~ dealer with



1 the release to be returned to the person upon the return of the  
2 motor vehicle or powersports vehicle to the ~~new motor vehicle~~  
3 dealer. The motor vehicle liability policy of such person shall  
4 meet the minimum financial responsibility requirements found in  
5 Section 7-324 of this title.

6 This section shall apply only to the loan of a motor vehicle or  
7 powersports vehicle by a new motor vehicle or new powersports  
8 vehicle dealer which occurs without financial remuneration in the  
9 form of a fee or lease charge.

10 SECTION 19. This act shall become effective November 1, 2024.

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