1	STATE OF OKLAHOMA
2	1st Session of the 59th Legislature (2023)
3	SENATE BILL 593 By: Thompson (Roger)
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6	AS INTRODUCED
7	An Act relating to motor vehicle dealers and
8	manufacturers; amending 47 O.S. 2021, Section 565, as amended by Section 3, Chapter 192, O.S.L. 2022 (47
9	O.S. Supp. 2022, Section 565), which relates to application, denial, revocation, or suspension of
10	licenses and penalties; prohibiting denial or chargeback of certain claim for failure of purchasers
11	to comply with title and registration laws; clarifying statutory language; and providing an
12	effective date.
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14	BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:
15	SECTION 1. AMENDATORY 47 O.S. 2021, Section 565, as
16	amended by Section 3, Chapter 192, O.S.L. 2022 (47 O.S. Supp. 2022,
17	Section 565), is amended to read as follows:
18	Section 565. A. The Oklahoma Motor Vehicle Commission may deny
19	an application for a license, or revoke or suspend a license or
20	impose a fine not to exceed Ten Thousand Dollars (\$10,000.00)
21	against a manufacturer or distributor or a fine not to exceed One
22	Thousand Dollars (\$1,000.00) against a dealer per occurrence that
23	any provision of Sections 561 through 567, 572, 578.1, 579 <u>,</u> and
24 23	579.1 of this title is violated or for any of the following reasons:

1 1. On satisfactory proof of unfitness of the applicant in any 2 application for any license under the provisions of Section 561 et 3 seq. of this title;

⁴ 2. For any material misstatement made by an applicant in any ⁵ application for any license under the provisions of Section 561 et ⁶ seq. of this title;

7 3. For any failure to comply with any provision of Section 561
8 et seq. of this title or any rule promulgated by the Commission
9 under authority vested in it by Section 561 et seq. of this title;
10 4. A change of condition after license is granted resulting in
11 failure to maintain the gualifications for license;

failure to maintain the qualifications for license;

5. Being a new motor vehicle dealer who:

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

b. uses any false or misleading advertising in connection
with business as a new motor 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,

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1	e.	has been convicted of a felony crime that
2		substantially relates to the occupation of a motor
3		vehicle dealer and poses a reasonable threat to public
4		safety,

5	f.	has committed a fraudulent act in selling, purchasing <u>,</u>
6		or otherwise dealing in new motor vehicles or has
7		misrepresented the terms and conditions of a sale,
8		purchase $\underline{\prime}$ or contract for sale or purchase of a new
9		motor vehicle or any interest therein including an
10		option to purchase such vehicle,

- 11 g. has failed to meet or maintain the conditions and 12 requirements necessary to qualify for the issuance of 13 a license, or
- h. completes any sale or transaction of an extended service contract, extended maintenance plan, or similar product using contract forms that do not conspicuously disclose the identity of the service contract provider;

19	6	5.	Beir	ng a	new	mot	or veł	nicle	salesperson	who	is	not	employed	as
20	such	by	a li	cen	sed	new 1	motor	vehic	le dealer;					

21	7.	Being	a new motor vehicle dealer who:
22		a.	does not have an established place of business,
23		b.	does not provide for a suitable repair shop separate
24			from the display room with ample space to repair or

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recondition one or more vehicles at the same time, and which is equipped with such parts, tools, and equipment as may be requisite for the servicing of motor vehicles in such a manner as to make them comply with the safety laws of this state and to properly fulfill the dealer's or manufacturer's warranty obligation,

- 8 с. does not hold a franchise in effect with a 9 manufacturer or distributor of new or unused motor 10 vehicles for the sale of the same and is not 11 authorized by the manufacturer or distributor to 12 render predelivery preparation of such vehicles sold 13 to purchasers and to perform any authorized post-sale 14 work pursuant to the manufacturer's or distributor's 15 warranty,
- 16d.employs a person without obtaining a certificate of17registration for the person, or utilizes the services18of used motor vehicle lots or dealers or other19unlicensed persons in connection with the sale of new20motor vehicles,
- e. does not properly service a new motor vehicle before
 delivery of same to the original purchaser thereof, or
 f. fails to order and stock a reasonable number of new
 motor vehicles necessary to meet customer demand for

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1 each of the new motor vehicles included in the new 2 motor vehicle dealer's franchise agreement, unless the 3 new motor vehicles are not readily available from the 4 manufacturer or distributor due to limited production; 5 Being a factory that has: 8. 6 either induced or attempted to induce by means of a. 7 coercion or intimidation, any new motor vehicle 8 dealer: 9 (1) to accept delivery of any motor vehicle or 10 vehicles, parts, or accessories therefor, or any 11 other commodities including advertising material 12 which shall not have been ordered by the new 13 motor vehicle dealer, 14 (2) to order or accept delivery of any motor vehicle 15 with special features, appliances, accessories, 16 or equipment not included in the list price of 17 the motor vehicles as publicly advertised by the 18 manufacturer thereof, or 19 (3) to order or accept delivery of any parts, 20 accessories, equipment, machinery, tools, 21 appliances, or any commodity whatsoever, or 22 b. induced under threat or discrimination by the 23 withholding from delivery to a motor vehicle dealer 24 certain models of motor vehicles, changing or amending _ _

1 unilaterally the dealer's allotment of motor vehicles, 2 and/or withholding and delaying delivery of such 3 vehicles out of the ordinary course of business, in 4 order to induce by such coercion any such dealer to 5 participate or contribute to any local or national 6 advertising fund controlled directly or indirectly by 7 the factory or for any other purposes such as contest, 8 "give-aways" or other so-called sales promotional 9 devices, and/or change of quotas in any sales contest; 10 or has required motor vehicle dealers, as a condition 11 to receiving their vehicle allotment, to order a 12 certain percentage of the vehicles with optional 13 equipment not specified by the new motor vehicle 14 dealer; however, nothing in this section shall 15 prohibit a factory from supporting an advertising 16 association which is open to all dealers on the same 17 basis;

18 9. Being a factory that:

19a.has attempted to coerce or has coerced any new motor20vehicle dealer to enter into any agreement or to21cancel any agreement, or fails to act in good faith22and in a fair, equitable and nondiscriminatory manner;23or has directly or indirectly coerced, intimidated,24threatened, or restrained any motor vehicle dealer; or

has acted dishonestly, or has failed to act in accordance with the reasonable standards of fair dealing,

4 b. has failed to compensate its dealers for the work and 5 services they are required to perform in connection 6 with the dealer's delivery and preparation obligations 7 according to the agreements on file with the 8 Commission which must be found by the Commission to be 9 reasonable $\overline{\tau}$ or fail to adequately and fairly 10 compensate its dealers for labor, parts, and other 11 expenses incurred by such dealer to perform under and 12 comply with manufacturer's warranty agreements. 13 Adequate and fair compensation for parts shall be 14 established by the dealer submitting to the 15 manufacturer or distributor one hundred sequential 16 nonwarranty customer-paid service repair orders which 17 contain warranty-like parts, or ninety (90) 18 consecutive days of nonwarranty customer-paid service 19 repair orders which contain warranty-like parts, 20 whichever is less, covering repairs made no more than 21 one hundred eighty (180) days before the submission 22 and declaring the average percentage markup. Adequate 23 and fair compensation for labor shall be established 24 by the dealer submitting to the manufacturer or _ _

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1 distributor one hundred sequential customer-paid 2 service repair orders which contain labor charges, or 3 ninety (90) consecutive days of customer-paid service 4 repair orders which contain labor charges, whichever 5 is less. When submitting repair orders to calculate a 6 labor rate, a dealer need not include repair orders 7 for routine maintenance. A manufacturer or 8 distributor may, not later than thirty (30) days after 9 submission, rebut that declared rate in writing by 10 reasonably substantiating that the rate is inaccurate 11 or unreasonable in light of the practices of all other 12 franchised motor vehicle dealers in an economically 13 similar part of the state offering the same line-make 14 vehicles. The retail rate shall go into effect thirty 15 (30) days following the approval by the manufacturer, 16 subject to audit of the submitted repair orders by the 17 franchisor and a rebuttal of the declared rate as 18 described above. If the declared rate is rebutted, 19 the manufacturer or distributor shall propose an 20 adjustment in writing of the average percentage markup 21 based on that rebuttal not later than thirty (30) days 22 after submission. If the dealer does not agree with 23 the proposed average percentage markup, the dealer may 24 file a protest with the Commission not later than _ _

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1 thirty (30) days after receipt of that proposal by the 2 manufacturer or distributor. In the event a protest 3 is filed, the manufacturer or distributor shall have 4 the burden of proof to establish the new motor vehicle 5 dealer's submitted rate was inaccurate or unreasonable 6 in light of the practices of all other franchised 7 motor vehicle dealers in an economically similar part 8 of the state. A manufacturer or distributor may not 9 retaliate against any new motor vehicle dealer seeking 10 to exercise its rights under this provision. Α 11 manufacturer or distributor may require a dealer to 12 submit repair orders in accordance with this section 13 in order to validate a dealer's retail rate for parts 14 or labor not more often than once every twelve (12) 15 months. All claims made by dealers for compensation 16 for delivery, preparation and warranty work shall be 17 paid within thirty (30) days after approval and shall 18 be approved or disapproved within thirty (30) days 19 after receipt. When any claim is disapproved, the 20 dealer shall be notified in writing of the grounds for 21 disapproval. The dealer's delivery, preparation and 22 warranty obligations as filed with the Commission 23 shall constitute the dealer's sole responsibility for 24 product liability as between the dealer and _ _

1 manufacturer. A factory may reasonably and 2 periodically audit a new motor vehicle dealer to 3 determine the validity of paid claims for dealer 4 compensation or any charge-backs chargebacks for 5 warranty parts or service compensation. Except in 6 cases of suspected fraud, audits of warranty payments 7 shall only be for the one-year period immediately 8 following the date of the payment. A manufacturer 9 shall reserve the right to reasonable, periodic audits 10 to determine the validity of paid claims for dealer 11 compensation or any charge-backs chargebacks for 12 consumer or dealer incentives. Except in cases of 13 suspected fraud, audits of incentive payments shall 14 only be for a one-year period immediately following 15 the date of the payment. A factory shall not deny a 16 claim or charge a new motor vehicle dealer back 17 subsequent to the payment of the claim unless the 18 factory can show that the claim was false or 19 fraudulent or that the new motor vehicle dealer failed 20 to reasonably substantiate the claim by the written 21 reasonable procedures of the factory. A factory shall 22 not deny a claim or implement a chargeback against a 23 new motor vehicle dealer after payment of a claim in 24 the event a purchaser of a new vehicle that is the _ _

1 subject of a claim fails to comply with titling or 2 registration laws of this state and is not prevented 3 from compliance by any action of the dealer. The 4 factory shall provide written notice to a dealer of a 5 proposed charge-back chargeback that is the result of 6 an audit along with the specific audit results and 7 proposed charge-back chargeback amount. A dealer that 8 receives notice of a proposed charge-back chargeback 9 pursuant to a factory's audit has the right to file a 10 protest with the Commission within thirty (30) days 11 after receipt of the notice of the charge-back 12 chargeback or audit results, whichever is later. The 13 factory is prohibited from implementing the charge-14 back chargeback or debiting the dealer's account until 15 either the time frame for filing a protest has passed 16 or a final adjudication is rendered by the Commission, 17 whichever is later, unless the dealer has agreed to 18 the charge-back chargeback or charge-backs 19 chargebacks,

c. unreasonably fails or refuses to offer to its same
line-make franchised dealers all models manufactured
for that line-make, or unreasonably requires a dealer
to pay any extra fee, purchase unreasonable
advertising displays or other materials, or remodel,

renovate, or recondition the dealer's existing facilities as a prerequisite to receiving a model or series of vehicles. The failure to deliver any such new motor vehicle shall not be considered a violation of the section if the failure is not arbitrary or is due to lack of manufacturing capacity or to a strike or labor difficulty, a shortage of materials, a freight embargo or other cause over which the manufacturer has no control. However, this subparagraph shall not apply to recreational vehicles or limited production model vehicles,

12 d. except as necessary to comply with a health or safety 13 law, or to comply with a technology requirement which 14 is necessary to sell or service a motor vehicle that 15 the franchised motor vehicle dealer is authorized or 16 licensed by the franchisor to sell or service, 17 requires a new motor vehicle dealer to construct a new 18 facility or substantially renovate the new motor 19 vehicle dealer's existing facility unless the facility 20 construction or renovation is justified by the 21 economic conditions existing at the time, as well as 22 the reasonably foreseeable projections, in the 23 automotive industry. However, this subparagraph shall 24 not apply if the factory provides money, credit, _ _

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allowance, reimbursement, or additional vehicle allocation to a dealer to compensate the dealer for the cost of, or a portion of the cost of, the facility construction or renovation,

- 5 requires a new motor vehicle dealer to establish an e. 6 exclusive facility, unless supported by reasonable 7 business, market, and economic considerations; 8 provided, that this provision shall not restrict the 9 terms of any agreement for such exclusive facility 10 voluntarily entered into and supported by valuable 11 consideration separate from the new motor vehicle 12 dealer's right to sell and service motor vehicles for 13 the franchisor,
- 14 requires a new motor vehicle dealer to enter into a f. 15 site-control agreement covering any or all of the new 16 motor vehicle dealer's facilities or premises; 17 provided, that this provision shall not restrict the 18 terms of any site-control agreement voluntarily 19 entered into and supported by valuable consideration 20 separate from the new motor vehicle dealer's right to 21 sell and service motor vehicles for the franchisor. 22 Notwithstanding the foregoing or the terms of any 23 site-control agreement, a site-control agreement 24 automatically extinguishes if all of the factory's _ _

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1 franchises that operated from the location that are 2 the subject of the site-control agreement are 3 terminated by the factory as part of the 4 discontinuance of a product line, or 5 requires a new motor vehicle dealer to purchase goods g. 6 or services for the construction, renovation, or 7 improvement of the dealer's facility from a vendor 8 chosen by the factory if goods or services available 9 from other sources are of substantially similar 10 quality and design and comply with all applicable 11 laws; provided, however, that such goods are not 12 subject to the factory's intellectual property or 13 trademark rights and the new motor vehicle dealer has 14 received the factory's approval, which approval may 15 not be unreasonably withheld. Nothing in this 16 subparagraph may be construed to allow a new motor 17 vehicle dealer to impair or eliminate a factory's 18 intellectual property, trademark rights or trade dress 19 usage guidelines. Nothing in this section prohibits 20 the enforcement of a voluntary agreement between the 21 factory and the new motor vehicle dealer where 22 separate and valuable consideration has been offered 23 and accepted;

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1 10. Being a factory that establishes a system of motor vehicle 2 allocation or distribution which is unfair, inequitable, or 3 unreasonably discriminatory. Upon the request of any dealer 4 franchised by it, a factory shall disclose in writing to the dealer 5 the basis upon which new motor vehicles are allocated, scheduled, 6 and delivered among the dealers of the same line-make for that 7 factory;

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

20 12. a. Being a factory which directly or indirectly:
21 (1) owns any ownership interest or has any financial
22 interest in a new motor vehicle dealer or any
23 person who sells products or services to the
24 public,

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- operates or controls a new motor vehicle dealer, (2) or
 - (3) acts in the capacity of a new motor vehicle dealer.
- This paragraph does not prohibit a factory from b. (1)owning or controlling a new motor vehicle dealer while in a bona fide relationship with a dealer development candidate who has made a substantial initial investment in the franchise and whose initial investment is subject to potential loss. The dealer development candidate can reasonably expect to acquire full ownership of a new motor vehicle dealer within a reasonable period of time not to exceed ten (10) years and on reasonable terms and conditions. The ten-year acquisition period may be expanded for good cause shown. This paragraph does not prohibit a factory from (2)
- 18 owning, operating, controlling, or acting in the 19 capacity of a motor vehicle dealer for a period 20 not to exceed twelve (12) months during the 21 transition from one dealer to another dealer if 22 the dealership is for sale at a reasonable price 23 and on reasonable terms and conditions to an independent qualified buyer. On showing by a

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factory of good cause, the Oklahoma Motor Vehicle Commission may extend the time limit set forth above; extensions may be granted for periods not to exceed twelve (12) months.

- (3) This paragraph does not prohibit a factory from owning, operating, or controlling or acting in the capacity of a motor vehicle dealer which was in operation prior to January 1, 2000.
- 9 (4) This paragraph does not prohibit a factory from
 10 owning, directly or indirectly, a minority
 11 interest in an entity that owns, operates, or
 12 controls motor vehicle dealerships of the same
 13 line-make franchised by the manufacturer,
 14 provided that each of the following conditions
 15 are met:
- 16 (a) all of the motor vehicle dealerships selling 17 the motor vehicles of that manufacturer in 18 this state trade exclusively in the line-19 make of that manufacturer,
 - (b) all of the franchise agreements of the manufacturer confer rights on the dealer of the line-make to develop and operate, within a defined geographic territory or area, as
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1 many dealership facilities as the dealer and 2 manufacturer shall agree are appropriate, 3 (C) at the time the manufacturer first acquires 4 an ownership interest or assumes operation, 5 the distance between any dealership thus 6 owned or operated and the nearest 7 unaffiliated motor vehicle dealership 8 trading in the same line-make is not less 9 than seventy (70) miles, 10 during any period in which the manufacturer (d) 11 has such an ownership interest, the 12 manufacturer has no more than three 13 franchise agreements with new motor vehicle 14 dealers licensed by the Oklahoma Motor 15 Vehicle Commission to do business within the 16 state, and 17 prior to January 1, 2000, the factory shall (e) 18 have furnished or made available to 19 prospective motor vehicle dealers an 20 offering-circular in accordance with the 21 Trade Regulation Rule on Franchising of the 22 Federal Trade Commission, and any guidelines 23 and exemptions issued thereunder, which 24 disclose the possibility that the factory _ _

1 may from time to time seek to own or 2 acquire, directly or indirectly, ownership 3 interests in retail dealerships; 4 13. Being a factory which directly or indirectly makes 5 available for public disclosure any proprietary information provided 6 to the factory by a new motor vehicle dealer, other than in 7 composite form to dealers in the same line-make or in response to a 8 subpoena or order of the Commission or a court. Proprietary 9 information includes, but is not limited to, information: 10 derived from monthly financial statements provided to а. 11 the factory, and 12 b. regarding any aspect of the profitability of a 13 particular new motor vehicle dealer; 14 Being a factory which does not provide or direct leads in a 14. 15 fair, equitable and timely manner. Nothing in this paragraph shall 16 be construed to require a factory to disregard the preference of a 17 consumer in providing or directing a lead; 18 Being a factory which used the customer list of a new motor 15. 19 vehicle dealer for the purpose of unfairly competing with dealers; 20 16. Being a factory which prohibits a new motor vehicle dealer 21 from relocating after a written request by such new motor vehicle 22 dealer if: 23 the facility and the proposed new location satisfies a. 24 or meets the written reasonable guidelines of the _ _

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

12 17. Being a factory which prohibits a new motor vehicle dealer 13 from adding additional line-makes to its existing facility, if, 14 after adding the additional line-makes, the facility satisfies the 15 written reasonable capitalization standards and facility guidelines 16 of each factory. Reasonable facility guidelines do not include a 17 requirement to maintain site control unless agreed to by the dealer 18 as set forth in subparagraphs e and f of paragraph 9 of this 19 subsection;

20 18. Being a factory that increases prices of new motor vehicles 21 which the new motor vehicle dealer had ordered for retail consumers 22 and notified the factory prior to the dealer's receipt of the 23 written official price increase notification. A sales contract 24 signed by a retail consumer accompanied with proof of order

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

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

14 19. Being a factory that requires a new motor vehicle dealer to 15 participate monetarily in an advertising campaign or contest, or 16 purchase any promotional materials, showroom or other display 17 decoration or materials at the expense of the new motor vehicle 18 dealer without consent of the dealer, which consent shall not be 19 unreasonably withheld;

20 20. Being a factory that denies any new motor vehicle dealer 21 the right of free association with any other new motor vehicle 22 dealer for any lawful purpose, unless otherwise permitted by this 23 chapter; or

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1 21. Being a factory that requires a new motor vehicle dealer to 2 sell, offer to sell or sell exclusively an extended service 3 contract, extended maintenance plan or similar product, such as gap 4 products offered, endorsed, or sponsored by the factory by the 5 following means:

6 by an act or statement from the factory that will in a. 7 any manner adversely impact the dealer, or 8 b. by measuring the dealer's performance under the 9 franchise based on the sale of extended service 10 contracts, extended maintenance plans or similar 11 products offered, endorsed, or sponsored by the 12 manufacturer or distributor.

13 Notwithstanding the terms of any franchise agreement, in the Β. 14 event of a proposed sale or transfer of a dealership, the 15 manufacturer or distributor shall be permitted to exercise a right 16 of first refusal to acquire the assets or ownership interest of the 17 dealer of the new vehicle dealership, if such sale or transfer is 18 conditioned upon the manufacturer or dealer entering into a dealer 19 agreement with the proposed new owner or transferee, only if all the 20 following requirements are met:

21 1. To exercise its right of first refusal, the factory must 22 notify the dealer in writing within sixty (60) days of receipt of 23 the completed proposal for the proposed sale transfer;

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

5 3. The proposed sale or transfer of the assets of the 6 dealership does not involve the transfer or sale to a member or 7 members of the family of one or more dealer owners, or to a 8 qualified manager or a partnership or corporation controlled by such 9 persons; and

10 4. The factory agrees to pay the reasonable expenses, including 11 attorney fees which do not exceed the usual, customary, and 12 reasonable fees charged for similar work done for other clients 13 incurred by the proposed new owner and transferee prior to the 14 exercise by the factory of its right of first refusal in negotiating 15 and implementing the contract for the proposed sale or transfer of 16 the dealership or dealership assets. Notwithstanding the foregoing, 17 no payment of expenses and attorney fees shall be required if the 18 proposed new dealer or transferee has not submitted or caused to be 19 submitted an accounting of those expenses within thirty (30) days of 20 receipt of the written request of the factory for such an 21 accounting. The accounting may be requested by a factory before 22 exercising its right of first refusal.

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

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

a. any motor vehicle sold by that person is limited to
used motor vehicles that have been previously used
exclusively and regularly by that person in the
conduct of business and used motor vehicles traded in
on motor vehicles sold by that person,
b. warranty repairs performed by that person on motor

14 vehicles are limited to those motor vehicles that it 15 owns, previously owned or takes in trade, and

16 c. motor vehicle financing provided by that person to 17 retail consumers for motor vehicles is limited to used 18 vehicles sold by that person in the conduct of 19 business; or

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

D. As used in this section:

23 1. "Substantially relates" means the nature of criminal conduct 24 for which the person was convicted has a direct bearing on the

1	fitness or ability to perform one or more of the duties or
2	responsibilities necessarily related to the occupation; and
3	2. "Poses a reasonable threat" means the nature of criminal
4	conduct for which the person was convicted involved an act or threat
5	of harm against another and has a bearing on the fitness or ability
6	to serve the public or work with others in the occupation.
7	SECTION 2. This act shall become effective November 1, 2023.
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