

1                   **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2                               STATE OF OKLAHOMA

3                               1st Session of the 60th Legislature (2025)

4   ENGROSSED SENATE  
5   BILL NO. 604

By: Gollihare of the Senate

and

Dobrinski of the House

6  
7  
8  
9       An Act relating to motor vehicles; amending 47 O.S.  
10      2021, Sections 562 and 564, as last amended by  
11      Sections 2 and 4, Chapter 240, O.S.L. 2024 (47 O.S.  
12      Supp. 2024, Sections 562 and 564), which relate to  
13      definitions and licenses; modifying definitions;  
14      defining terms; modifying list of entities requiring  
15      licensure; removing certain exception; amending  
16      Section 1, Chapter 29, O.S.L. 2023 (47 O.S. Supp.  
17      2024, Section 564.3), which relates to dealer  
18      management system providers; modifying definitions;  
19      requiring certain commercially reasonable data  
20      security standards; modifying entities not liable for  
21      certain actions; modifying entities required to  
22      provide certain indemnification; prohibiting certain  
23      actions by certain entities; defining certain term;  
24      amending 47 O.S. 2021, Section 565, as last amended  
by Section 7, Chapter 240, O.S.L. 2024 (47 O.S. Supp.  
2024, Section 565), which relates to the denial,  
revocation, or suspension of license; modifying  
reasons for which a license may be denied, revoked,  
or suspended; defining term; removing language  
requiring certain dealer compliance; and providing an  
effective date.

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

1       SECTION 1.       AMENDATORY       47 O.S. 2021, Section 562, as last  
2 amended by Section 2, Chapter 240, O.S.L. 2024 (47 O.S. Supp. 2024,  
3 Section 562), is amended to read as follows:

4       Section 562. The following words, terms, and phrases, when used  
5 in Sections 561 through 567, 572, 578.1, 579, and 579.1 of this  
6 title, shall have the meanings respectively ascribed to them in this  
7 section, except where the context clearly indicates a different  
8 meaning:

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

- 12           a. recreational vehicles, as defined in the Recreational  
13           Vehicle Franchise Act, or
- 14           b. powersport vehicles;

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

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

- 16 a. receivers, trustees, administrators, executors,  
17 guardians, or other persons appointed by or acting  
18 under judgment or order of any court,
- 19 b. public officers while performing or in operation of  
20 their duties,
- 21 c. employees of persons, corporations, or associations  
22 enumerated in subparagraph a of this paragraph when  
23 engaged in the specific performance of their duties as  
24 such employees, or

1           d.    a powersports vehicle dealer;

2           3.   "Motor vehicle salesperson" means any person, resident or  
3 nonresident, who, for gain or compensation of any kind, either  
4 directly or indirectly, regularly or occasionally, by any form of  
5 agreement or arrangement, sells or negotiates for the sale, lease,  
6 or conveyance or arranges the financing of any new motor vehicle or  
7 powersports vehicle as an employee for any new motor vehicle dealer  
8 or powersports dealer to any one or more third parties;

9           4.   "Commission" means the Oklahoma New Motor Vehicle  
10 Commission;

11          5.   "Manufacturer" means any person, firm, association,  
12 corporation, ~~or~~ partnership, trust, joint venture, or common entity  
13 thereof, resident or nonresident, that manufactures or assembles new  
14 and unused motor vehicles or new and unused powersport vehicles or  
15 that engages in the fabrication or assembly of motorized vehicles of  
16 a type required to be registered in this state;

17          6.   "Distributor" means any person, firm, association,  
18 corporation, ~~or~~ partnership, trust, joint venture, or common entity  
19 thereof, resident or nonresident, that, being authorized by the  
20 original manufacturer, in whole or in part sells or distributes new  
21 and unused motor vehicles to new motor vehicle dealers or powersport  
22 dealers, or that maintains distributor representatives;

23          7.   "Factory branch" means any branch office maintained by a  
24 person, firm, association, corporation, ~~or~~ partnership, trust, joint

1 venture, or common entity thereof that manufactures or assembles  
2 motor vehicles or powersport vehicles for the sale of motor vehicles  
3 or powersport vehicles to distributors, or for the sale of motor  
4 vehicles to new motor vehicle dealers, or for the sale of powersport  
5 vehicles to new powersport vehicle dealers, or for directing or  
6 supervising, in whole or in part, its representatives;

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

10 9. "Factory representative" means any officer or agent engaged  
11 as a representative of a manufacturer of motor vehicles or  
12 powersport vehicles or by a factory branch, for the purpose of  
13 making or promoting the sale of its motor vehicles or powersport  
14 vehicles, or for supervising or contacting its dealers or  
15 prospective dealers;

16 10. "Distributor representative" means any person, firm,  
17 association, corporation, ~~or~~ partnership, trust, joint venture, or  
18 common entity thereof, and each officer and employee thereof engaged  
19 as a representative of a distributor or distributor branch of motor  
20 vehicles or powersport vehicles, for the purpose of making or  
21 promoting the sale of its motor vehicles or powersport vehicles, or  
22 for supervising or contacting its dealers or prospective dealers;

23 11. "Franchise" means any contract or agreement between a new  
24 motor vehicle dealer or a powersports vehicle dealer and a

1 manufacturer of a new motor vehicle or powersports vehicle or its  
2 distributor or factory branch by which the new motor vehicle dealer  
3 or new powersports vehicle dealer is authorized to engage in the  
4 activities of a new motor vehicle dealer or new powersports vehicle  
5 dealer as defined by this section;

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

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

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

24

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

5        16. "Product" means new motor vehicles and new motor vehicle  
6 parts or new powersports vehicle and new powersports vehicle parts;

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

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

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

13       20. "Factory" means a manufacturer, distributor, factory  
14 branch, distributor branch, any common entity of a manufacturer,  
15 distributor, factory branch, or distributor branch; or factory  
16 representative, or distributor representative, which manufactures or  
17 distributes vehicle products;

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

1        22. "Powersports vehicle dealer" means any person, firm, or  
2 corporation, resident or nonresident, that is in the business of  
3 selling any new powersports vehicles except for retail implement  
4 dealers;

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

11        24. "Consumer data" means nonpublic personal information as  
12 defined in 15 U.S.C., Section 6809(4) as it existed on January 1,  
13 2023, that is:

- 14            a. collected by a new motor vehicle dealer, and
- 15            b. provided by the new motor vehicle dealer directly to a  
16                manufacturer or third party acting on behalf of a  
17                manufacturer.

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

21        25. "Fleet vehicle" means a new motor vehicle sold and titled  
22 or registered to a business and used for business purposes only; and  
23  
24



1        26. a. "Common entity" means any person, firm, association,  
2        corporation, partnership, trust, or joint venture  
3        acting as a new motor vehicle dealer which:

4        (1) is directly or indirectly controlled by or has  
5        more than thirty percent (30%) of its equity  
6        interest directly or indirectly owned,  
7        beneficially or of record, through any form of  
8        ownership structure, by a factory, manufacturer,  
9        manufacturer branch, distributor, or distributor  
10       branch, or

11       (2) has more than thirty percent (30%) of its equity  
12       interest directly or indirectly controlled or  
13       owned, beneficially or of record, through any  
14       form of ownership structure, by one or more  
15       persons who also directly or indirectly control  
16       or own, beneficially or of record, more than  
17       thirty percent (30%) of the equity interests of  
18       the factory, manufacturer, manufacturer branch,  
19       distributor, or distributor branch.

20       b. An entity that would otherwise be considered a common  
21       entity of a distributor as provided in division 1 or 2  
22       of subparagraph a of this paragraph because of its  
23       relation to a distributor is not considered a common  
24       entity of that distributor if:

1           (1) the distributor to which the entity is related  
2           was a licensed distributor on March 1, 2025,

3           (2) the entity is not a common entity of a  
4           manufacturer or an importer, and

5           (3) the distributor to which the entity is related is  
6           not, and has never been, a common entity of a  
7           manufacturer or an importer.

8           SECTION 2.       AMENDATORY       47 O.S. 2021, Section 564, as last  
9 amended by Section 4, Chapter 240, O.S.L. 2024 (47 O.S. Supp. 2024,  
10 Section 564), is amended to read as follows:

11       Section 564. A. It shall be unlawful for any person, firm,  
12 association, corporation, ~~or~~ partnership, trust, joint venture, or  
13 common entity thereof, to engage in business as, or serve in the  
14 capacity of, or act as a new motor vehicle dealer, powersports  
15 dealer, or manufacturer or distributor of new motor vehicles or  
16 powersports vehicles, or factory branch, distributor branch or  
17 factory representative or distributor representative, as defined in  
18 Section 562 of this title, in this state without first obtaining a  
19 license therefor as provided for by law. Any person, firm,  
20 association, corporation, ~~or~~ partnership, trust, joint venture, or  
21 common entity thereof, engaging in more than one of such capacities  
22 or having more than one place where such business is carried on or  
23 conducted in this state shall be required to obtain and hold a  
24 current license for each thereof. Provided that, a new motor

1 vehicle dealer's license shall authorize one person to sell in the  
2 event such person shall be the owner of a proprietorship, or the  
3 person designated as principal in the dealer's franchise or the  
4 managing officer or one partner if no principal person is named in  
5 the franchise. It is further provided that a factory ~~or an entity~~  
6 ~~affiliated by any ownership or control by the factory~~ shall not be  
7 permitted to engage in the activities of a new motor vehicle dealer  
8 as defined in Section 562 of this title or be licensed as a new  
9 motor vehicle dealer in this state, except as provided by  
10 subparagraph b of paragraph 12 of Section 565 of this title.

11 B. Applications for licenses required to be obtained under the  
12 provisions of Section 561 et seq. of this title shall be verified by  
13 the oath or affirmation of the applicant and shall be on forms  
14 prescribed by the Oklahoma New Motor Vehicle Commission and  
15 furnished to the applicants, and shall contain information as the  
16 Commission deems necessary to enable it to fully determine the  
17 qualifications and eligibility of the several applicants to receive  
18 the license or licenses applied for. The Commission shall require  
19 in such application, or otherwise, information relating to the  
20 applicant's current financial standing, the applicant's business  
21 integrity, whether the applicant has an established place of  
22 business and is primarily engaged in the pursuit, avocation, or  
23 business for which a license, or licenses, are applied for, and  
24 whether the applicant is able to properly conduct the business for

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

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

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

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

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

9        4. For each new motor vehicle dealer, except powersports  
10 vehicle dealers, initial fee of Three Hundred Dollars (\$300.00) per  
11 franchise sold at each location licensed, with an annual renewal fee  
12 of One Hundred Dollars (\$100.00) per franchise sold at each location  
13 licensed per year; and

14       5. For each powersports vehicle dealer, initial fee of Three  
15 Hundred Dollars (\$300.00) per manufacturer represented by the dealer  
16 at each location licensed, with an annual renewal fee of One Hundred  
17 Dollars (\$100.00) per manufacturer represented by the dealer at each  
18 location licensed per year.

19       D. The licenses issued to each new motor vehicle dealer, new  
20 powersports vehicle dealer, manufacturer, distributor, factory  
21 branch, or distributor branch shall specify the location of the  
22 factory, office, or branch thereof. In case such location is  
23 changed, the Commission may endorse the change of location on the  
24 license without charge unless the change of address triggers a

1 relocation of a new motor vehicle dealer or new powersports vehicle  
2 dealer pursuant to the provisions of Section 578.1 of this title.

3 The licenses of each new vehicle dealer shall be posted in a  
4 conspicuous place in the dealer's place or places of business.

5 Every motor vehicle factory representative or distributor  
6 representative shall physically possess the license when engaged in  
7 business and shall display such upon request. The name of the  
8 employer of such factory representative or distributor  
9 representative shall be stated on the license.

10 E. The new powersports dealer license shall only allow the sale  
11 of the specific types of powersports vehicles authorized by the  
12 manufacturer and agreed to by the powersports dealer.

13 SECTION 3. AMENDATORY Section 1, Chapter 29, O.S.L. 2023  
14 (47 O.S. Supp. 2024, Section 564.3), is amended to read as follows:

15 Section 564.3. A. As used in this section:

16 1. "Access fee" means a requirement to pay money for access to  
17 protected dealer data that is in addition to an amount specified in  
18 a written and executed contract for goods and services;

19 2. "Authorized integrator" means a person who a dealer has a  
20 contractual relationship with or the dealer otherwise gives express  
21 written authorization to have access to protected dealer data stored  
22 on a dealer data system or to write protected dealer data to the  
23 dealer data system for the purpose of performing a specific function  
24 for the dealer;

1       3. "Dealer data system" means software, hardware, or firmware  
2 that a dealer leases or rents from a dealer management system  
3 provider for the purpose of storing protected dealer data;

4       4. "Dealer management system provider" means a person who, for  
5 compensation, maintains and provides access to a dealer data system  
6 in which a dealer stores protected dealer data;

7       5. "Protected dealer data" means:

8           a. consumer data that a dealer generated or that the  
9 consumer provided to the dealer that is not otherwise  
10 publicly available and the consumer has not otherwise  
11 provided consent or acknowledgment to share the  
12 information, and

13          b. any other dealer data in connection with the dealer's  
14 daily business operations in which a dealer has rights  
15 in a dealer data system; and

16       6. Authorized integrator and dealer management system provider  
17 do not include:

18           a. a ~~manufacturer, distributor, importer,~~ factory or any  
19 entity that ~~is a subsidiary or affiliate of,~~ or acts  
20 on behalf of, a ~~manufacturer, distributor, or importer~~  
21 factory, including any subsidiary or affiliate of a  
22 factory, or

1           b.    a governmental body or other person that is acting in  
2                   accordance with federal, state, or local law, or a  
3                   valid court order.

4       B.   A dealer management system provider may:

5       1.   Condition access and ability of a dealer or authorized  
6   integrator to receive, share, copy, use, write, or transmit  
7   protected dealer data from or to a dealer data system on the  
8   dealer's or authorized integrator's compliance with commercially  
9   reasonable data security standards;

10   2.   Require an authorized integrator to have express written  
11   authorization from a dealer before allowing the authorized  
12   integrator to gain access to, receive, share, copy, use, or transmit  
13   protected dealer data; and

14   3.   Deny access to a dealer data system to a dealer if the  
15   dealer fails to pay an amount due to the dealer management system  
16   provider under a lease, contract, or other agreement concerning the  
17   dealer's access to or use of the dealer data system.

18   C.   Except as provided in subsection B of this section, a dealer  
19   management system provider shall not take any action that would  
20   limit or prohibit the ability of a dealer or an authorized  
21   integrator to receive, protect, store, copy, share, or use protected  
22   dealer data using means that include, but are not limited to:

23   1.   Imposing an access fee on a dealer or authorized integrator;  
24   and



1        2. Restricting a dealer or an authorized integrator from  
2 sharing protected dealer data or writing data or having access to a  
3 dealer data system. Prohibited restrictions pursuant to this  
4 paragraph include, but are not limited to:

- 5            a. limits on the scope or nature of protected dealer data  
6                    to which a dealer or authorized integrator has access  
7                    or may share or write to a dealer data system, and
- 8            b. a requirement for a dealer or authorized integrator to  
9                    provide sensitive or confidential business information  
10                    or information that a dealer or authorized integrator  
11                    uses for competitive purposes in return for access to  
12                    protected dealer data or an authorization to share or  
13                    write protected dealer data to a dealer data system.

14        D. Except as otherwise provided in this section, any term or  
15 condition of a contract with a dealer management system provider  
16 that conflicts with the requirements set forth in subsection C of  
17 this section is void and unenforceable to the extent of the  
18 conflict.

19        E. An authorized integrator shall:

- 20            1. Obtain express written authorization from a dealer before  
21 gaining access to, receiving, sharing, copying, using, writing, or  
22 transmitting protected dealer data;

1       2. Comply with security standards in gaining access to,  
2 receiving, sharing, copying, using, writing, or transmitting  
3 protected dealer data; and

4       3. Allow a dealer to withdraw, revoke, or amend any express  
5 written authorization the dealer provides under paragraph 1 of this  
6 subsection:

7           a. at the sole discretion of the dealer, if the dealer  
8 gives a thirty-day prior notice to an authorized  
9 integrator, or

10          b. immediately, for good cause.

11       F. 1. This section does not prevent a dealer, a dealer  
12 management system provider, or an authorized integrator from  
13 discharging the obligations of a dealer, dealer management system  
14 provider, or of an authorized integrator under federal, state, or  
15 local law to secure and prevent unauthorized access to protected  
16 dealer data, or from limiting the scope of the obligations, in  
17 accordance with federal, state, or local law.

18       2. A dealer management system provider is not liable for any  
19 action that a dealer takes directly with respect to securing or  
20 preventing unauthorized access to protected dealer data, or for  
21 actions that an authorized integrator takes in appropriately  
22 following the written instructions of the dealer for securing or  
23 preventing unauthorized access to protected dealer data, to the  
24 extent that the actions prevent the dealer management system

1 provider from meeting a legal obligation to secure or prevent  
2 unauthorized access to protected dealer data.

3 3. A dealer is not liable for any action that an authorized  
4 integrator takes directly with respect to securing or preventing  
5 unauthorized access to protected dealer data, or for actions that  
6 the authorized integrator takes in appropriately following the  
7 written instructions of the dealer for securing or preventing  
8 unauthorized access to protected dealer data, to the extent that the  
9 actions prevent the dealer from meeting a legal obligation to secure  
10 or prevent unauthorized access to protected dealer data.

11 4. An authorized integrator is not liable for any action that a  
12 dealer takes directly with respect to securing or preventing  
13 unauthorized access to protected dealer data, or for actions that  
14 the dealer takes in appropriately following the written instructions  
15 of the authorized integrator for securing or preventing unauthorized  
16 access to protected dealer data, to the extent that the actions  
17 prevent the authorized integrator from meeting a legal obligation to  
18 secure or prevent unauthorized access to protected dealer data.

19 5. A ~~manufacturer, distributor, importer,~~ factory or any entity  
20 that ~~is a subsidiary or affiliate of, or acts on behalf of,~~ a  
21 ~~manufacturer, distributor, or importer~~ factory, including any  
22 subsidiary or affiliate of a factory, is not liable for any action  
23 that a dealer, dealer management system provider, authorized  
24 integrator, or other third party, except for a third party who the

1 manufacturer has provided the data to as provided for in paragraph 7  
2 of this subsection, takes directly with respect to securing or  
3 preventing unauthorized access to protected dealer data or for  
4 actions that an authorized integrator, dealer management system  
5 provider, or other third party takes in appropriately following the  
6 written instructions of the dealer for securing or preventing  
7 unauthorized access to protected dealer data.

8 6. Notwithstanding any other agreement, an authorized  
9 integrator shall indemnify and hold the new motor vehicle dealer  
10 harmless from any third-party claims asserted against or damages  
11 incurred by the new motor vehicle dealer to the extent caused by  
12 access to, use of, or disclosure of consumer data in violation of  
13 this section.

14 7. Notwithstanding any other agreement, a ~~manufacturer,~~  
15 ~~distributor, importer, factory~~ or any entity that ~~is a subsidiary or~~  
16 ~~affiliate of, or acts on behalf of, a manufacturer, distributor, or~~  
17 ~~importer~~ factory, including any subsidiary or affiliate of a  
18 factory, shall indemnify the dealer for any third-party claims  
19 asserted against or damages incurred by the dealer to the extent the  
20 claims or damages are caused by the access to and unlawful  
21 disclosure of protected dealer data resulting from a breach caused  
22 by the manufacturer or distributor or a third party to which the  
23 manufacturer or distributor has provided the protected dealer data  
24

1 in violation of this section, the written consent granted by the  
2 dealer, or other applicable state or federal law.

3 G. A factory or any entity that acts on behalf of a factory  
4 shall not prohibit an authorized integrator that has satisfied, or  
5 is compliant with, commercially reasonable data security standards  
6 and that the dealer has identified as one of its authorized  
7 integrators from integrating into the dealer's dealer data system or  
8 place an unreasonable restriction on integration by an authorized  
9 integrator or other third party that the dealer wishes to be an  
10 authorized integrator. For the purposes of this subsection,  
11 "unreasonable restriction" includes:

12 1. Imposing an access fee on a dealer or authorized integrator;  
13 however, a franchisor or third party may charge a franchise or  
14 authorized integrator for actual costs associated with modifications  
15 to a franchisor's electronic systems to enable a secure interface  
16 with the authorized integrator's system and software;

17 2. An unreasonable limitation or condition on the scope or  
18 nature of the data that is shared with an authorized integrator;

19 3. An unreasonable limitation on the ability of the authorized  
20 integrator to write data to a dealer data system;

21 4. An unreasonable limitation or condition on an authorized  
22 integrator that accesses or shares protected dealer data or that  
23 writes data to a dealer data system; and  
24

1        5. Requiring unreasonable access to an authorized integrator's  
2 sensitive, competitive, or other confidential business information  
3 as a condition for accessing protected dealer data or sharing  
4 protected dealer data with an authorized integrator.

5 Notwithstanding paragraph 1 of this subsection, a factory or entity  
6 that acts on behalf of a factory, including any subsidiary or  
7 affiliate of a factory, may charge a motor vehicle dealer or  
8 authorized integrator for costs associated with modifications to a  
9 franchisor's electronic systems to enable a functional and secure  
10 interface with the authorized integrator's system and software.

11        SECTION 4.        AMENDATORY        47 O.S. 2021, Section 565, as last  
12 amended by Section 7, Chapter 240, O.S.L. 2024 (47 O.S. Supp. 2024,  
13 Section 565), is amended to read as follows:

14        Section 565. A. The Oklahoma New Motor Vehicle Commission may  
15 deny an application for a license, revoke or suspend a license, or  
16 impose a fine against any person or entity, not to exceed Ten  
17 Thousand Dollars (\$10,000.00) per occurrence, that violates any  
18 provision of Sections 561 through 567, 572, 578.1, 579, and 579.1 of  
19 this title or for any of the following reasons:

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

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

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

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

9        5. Being a new motor vehicle dealer or new powersports vehicle  
10 dealer who:

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

18            b. uses any false or misleading advertising in connection  
19 with business as a new motor vehicle dealer or new  
20 powersports vehicle dealer,

21            c. has committed any unlawful act which resulted in the  
22 revocation of any similar license in another state,  
23  
24

- 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 vehicles 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 similar product using contract forms that do not conspicuously disclose the identity of the service contract provider;

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



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

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

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

14          c. does not hold a franchise in effect with a  
15 manufacturer or distributor of new or unused vehicles  
16 for the sale of the same and is not authorized by the  
17 manufacturer or distributor to render predelivery  
18 preparation of such vehicles sold to purchasers and to  
19 perform any authorized post-sale work pursuant to the  
20 manufacturer's or distributor's warranty,

21          d. employs or utilizes the services of used motor vehicle  
22 lots or dealers or other unlicensed persons or  
23 unregistered persons in connection with the sale of  
24 new vehicles,

1 e. does not properly service a new motor vehicle or new  
2 powersports vehicle before delivery of same to the  
3 original purchaser thereof, or

4 f. fails to order and stock a reasonable number of new  
5 motor vehicles necessary to meet consumer demand for  
6 each of the new motor vehicles included in the new  
7 motor vehicle dealer's franchise agreement, unless the  
8 new motor vehicles are not readily available from the  
9 manufacturer or distributor due to limited production;

10 8. Being a factory that has:

11 a. either induced or attempted to induce by means of  
12 coercion or intimidation, any new motor vehicle dealer  
13 or powersports vehicle dealer:

14 (1) to accept delivery of any vehicle or vehicles,  
15 parts, or accessories therefor, or any other  
16 commodities including advertising material which  
17 shall not have been ordered by the new motor  
18 vehicle dealer,

19 (2) to order or accept delivery of any motor vehicle  
20 or powersports vehicle with special features,  
21 appliances, accessories, or equipment not  
22 included in the list price of the vehicles as  
23 publicly advertised by the manufacturer thereof,  
24 or

1                   (3) to order or accept delivery of any parts,  
2                   accessories, equipment, machinery, tools,  
3                   appliances, or any commodity whatsoever,  
4       b. induced under threat or discrimination by the  
5           withholding from delivery to a new motor vehicle  
6           dealer or new powersports vehicle dealer certain  
7           models of motor vehicles, changing or amending  
8           unilaterally the new motor vehicle dealer's allotment  
9           of motor vehicles, and/or withholding and delaying  
10          delivery of the vehicles out of the ordinary course of  
11          business, in order to induce by such coercion any new  
12          motor vehicle dealer or new powersports vehicle dealer  
13          to participate or contribute to any local or national  
14          advertising fund controlled directly or indirectly by  
15          the factory or for any other purposes such as contest,  
16          "giveaways", or other so-called sales promotional  
17          devices, and/or change of quotas in any sales contest;  
18          or has required new motor vehicle dealers, as a  
19          condition to receiving their vehicle allotment, to  
20          order a certain percentage of the vehicles with  
21          optional equipment not specified by the dealer;  
22          however, nothing in this section shall prohibit a  
23          factory from supporting an advertising association  
24

- which is open to all new motor vehicle dealers or new powersports vehicle dealers on the same basis,
- c. used a performance standard, sales objective, or program for measuring dealer performance that may have a material effect on a right of the dealer to vehicle allocation; or payment under any incentive or reimbursement program that is unfair, unreasonable, inequitable, and not based on accurate information,
- d. used a performance standard for measuring sales or service performance ~~of~~ that results in penalizing any new motor vehicle dealer or new powersports vehicle dealer under the terms of the franchise agreement which:
- (1) is unfair, unreasonable, arbitrary, or inequitable, ~~and~~
  - (2) does not consider the relevant and material local and state or regional criteria, including prevailing economic conditions affecting the sales or service performance of a vehicle dealer ~~or~~ and any relevant and material data and facts presented by the dealer in writing within thirty (30) days of the written notice of the manufacturer to the dealer of its intention to

cancel, terminate, or not renew the dealer's franchise agreement, and

(3) does not consider the actual vehicle allocation offered or otherwise made available to the dealer by the manufacturer or distributor, as well as the dealer's inventory levels relevant to achieve any minimum performance standards to which the manufacturer or distributor holds the dealer accountable,

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

f. failed to provide reasonable compensation to a new motor vehicle dealer substantially equivalent to the actual cost of providing a manufacturer required loaner or rental vehicle to any consumer who is having a vehicle serviced at the dealership. For purposes of this paragraph, actual cost is the average cost in the

1 new motor vehicle dealer's region for the rental of a  
2 substantially similar make and model as the vehicle  
3 being serviced, or

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

12 9. Being a factory that:

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

1 according to the agreements on file with the  
2 Commission which must be found by the Commission to be  
3 reasonable, or has failed to adequately and fairly  
4 compensate its dealers for labor, parts, and other  
5 expenses incurred by the dealer to perform under and  
6 comply with manufacturer's warranty agreements and  
7 recall repairs which shall include diagnostic work as  
8 applicable and assistance requested by a consumer  
9 whose vehicle was subjected to an over-the-air or  
10 remote change, repair, or update to any part, system,  
11 accessory, or function by the manufacturer and  
12 performed by the dealer in order to satisfy the  
13 consumer. Time allowances for the diagnosis and  
14 performance of repair work shall be reasonable and  
15 adequate for the work to be performed. Adequate and  
16 fair compensation, which under this provision shall be  
17 no less than the rates customarily charged for retail  
18 consumer repairs as calculated herein, for parts and  
19 labor for warranty and recall repairs shall, at the  
20 option of the new motor vehicle dealer, be established  
21 by the new motor vehicle dealer submitting to the  
22 manufacturer or distributor one hundred sequential  
23 nonwarranty consumer-paid service repair orders which  
24 contain warranty-like repairs, or ninety (90)

consecutive days of nonwarranty consumer-paid service repair orders which contain warranty-like repairs, whichever is less, covering repairs made no more than one hundred eighty (180) days before the submission and declaring the average percentage labor rate and/or markup rate. A motor vehicle dealer may not submit a request to establish its retail rates more than once in a twelve-month period. That request may establish a parts markup rate, labor rate, or both. The new motor vehicle dealer or new powersports vehicle dealer shall calculate its retail parts rate by determining the total charges for parts from the qualified repair orders submitted, dividing that amount by the new motor vehicle dealer's total cost of the purchase of those parts, subtracting one (1), and multiplying by one hundred (100) to produce a percentage. The new motor vehicle dealer or new powersports vehicle dealer shall calculate its retail labor rate by dividing the amount of the new vehicle dealer's total labor sales from the qualified repair orders by the total labor hours charged for those sales. When submitting repair orders to establish a retail parts and labor rate, a new motor vehicle dealer or new powersports vehicle dealer need 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 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 vehicle dealer's current warranty  
10 rates, the manufacturer or distributor may request, in  
11 writing, within forty-five (45) days after the  
12 manufacturer's or distributor's receipt of the new  
13 vehicle dealer's initial submission, all repair orders  
14 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 vehicle dealer may file  
20 a protest with the Commission not later than thirty  
21 (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 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 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 dealer for parts  
16 and labor pursuant to this section; provided, a  
17 manufacturer or distributor shall not be prohibited  
18 from increasing prices for vehicles or parts in the  
19 normal course of business or from auditing and  
20 charging back claims in accordance with this section.  
21 All claims made by dealers for compensation for  
22 delivery, preparation, warranty, or recall repair work  
23 shall be paid within thirty (30) days after approval  
24 and shall be approved or disapproved within thirty

(30) days after receipt. When any claim is disapproved, the dealer shall be notified in writing of the grounds for disapproval. The dealer's delivery, preparation, and warranty obligations as filed with the Commission shall constitute the dealer's sole responsibility for product liability as between the dealer and manufacturer. A factory may reasonably and periodically audit a new motor vehicle dealer or new powersports vehicle dealer to determine the validity of paid claims for dealer compensation or any charge-backs for warranty parts or service compensation. Except in cases of suspected fraud, audits of warranty payments shall only be for the one-year period immediately following the date of the payment. A manufacturer shall reserve the right to reasonable, periodic audits to determine the validity of paid claims for dealer compensation or any charge-backs for consumer or dealer incentives. Except in cases of suspected fraud, audits of incentive payments shall only be for a one-year period immediately following the date of the payment. A factory shall not deny a claim or charge a new motor vehicle dealer back subsequent to the payment of the claim unless the factory can show that the claim was false or

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

notice of a proposed charge-back pursuant to a  
factory's audit has the right to file a protest with  
the Commission within thirty (30) days after receipt  
of the notice of the charge-back or audit results,  
whichever is later. The factory is prohibited from  
implementing the charge-back or debiting the dealer's  
account until either the time frame for filing a  
protest has passed or a final adjudication is rendered  
by the Commission, whichever is later, unless the  
dealer has agreed to the charge-back or charge-backs,  
c. fails to compensate the new motor vehicle dealer for a  
used motor vehicle:  
(1) that is of the same make and model manufactured,  
imported, or distributed by the factory and is a  
line-make that the new motor vehicle dealer is  
franchised to sell or on which the new motor  
vehicle dealer is authorized to perform recall  
repairs,  
(2) that is subject to a stop-sale or do-not-drive  
order issued by the factory or an authorized  
governmental agency,  
(3) that is held by the new motor vehicle dealer in  
the dealer's inventory at the time the stop-sale  
or do-not-drive order is issued or that is taken

1 by the new motor vehicle dealer into the dealer's  
2 inventory after the recall notice as a result of  
3 a retail consumer trade-in or a lease return to  
4 the dealer inventory in accordance with an  
5 applicable lease contract,

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

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

18 (a) the date the recall remedy or parts are made  
19 available, or

20 (b) the date the new motor vehicle dealer sells,  
21 trades, or otherwise disposes of the  
22 affected used motor vehicle.

23 For the purposes of division (5) of this subparagraph,  
24 the value of a used vehicle shall be the average Black



1 Book value for the year, make, and model of the  
2 recalled vehicle. A factory may direct the manner and  
3 method in which a new motor vehicle dealer must  
4 demonstrate the inventory status of an affected used  
5 motor vehicle to determine eligibility under this  
6 subparagraph; provided, that the manner and method may  
7 not be unduly burdensome and may not require  
8 information that is unduly burdensome to provide. All  
9 reimbursement claims made by new motor vehicle dealers  
10 pursuant to this section for recall remedies or  
11 repairs, or for compensation where no part or repair  
12 is reasonably available and the vehicle is subject to  
13 a stop-sale or do-not-drive order, shall be subject to  
14 the same limitations and requirements as a warranty  
15 reimbursement claim made under subparagraph b of this  
16 paragraph. In the alternative, a manufacturer may  
17 compensate its franchised new motor vehicle dealers  
18 under a national recall compensation program;  
19 provided, the compensation under the program is equal  
20 to or greater than that provided under division (5) of  
21 this subparagraph, or as the manufacturer and new  
22 motor vehicle dealer otherwise agree. Nothing in this  
23 section shall require a factory to provide total  
24 compensation to a new motor vehicle dealer which would

1 exceed the total average Black Book value of the  
2 affected used motor vehicle as originally determined  
3 under division (5) of this subparagraph. Any remedy  
4 provided to a new motor vehicle dealer under this  
5 subparagraph is exclusive and may not be combined with  
6 any other state or federal compensation remedy,

7 d. unreasonably fails or refuses to offer to its same  
8 line-make franchised dealers a reasonable supply and  
9 mix of all models manufactured for that line-make, or  
10 unreasonably requires a dealer to pay any extra fee,  
11 purchase unreasonable advertising displays or other  
12 materials, or enter into a separate agreement which  
13 adversely alters the rights or obligations contained  
14 within the dealer's existing franchise agreement or  
15 which waives any right of the new motor vehicle dealer  
16 or new powersports vehicle dealer as protected by  
17 Section 561 et seq. of this title, or remodel,  
18 renovate, or recondition the dealer's existing  
19 facilities as a prerequisite to receiving a model or  
20 series of vehicles, except as may be necessary to sell  
21 or service the model or series of vehicles as provided  
22 by subparagraph e of this paragraph. It shall be a  
23 violation of this section for new vehicle allocation  
24 to be withheld subject to any requirement to purchase

1 or sell any number of used or off-lease vehicles. The  
2 failure to deliver any such new motor vehicle shall  
3 not be considered a violation of the section if the  
4 failure is not arbitrary or is due to lack of  
5 manufacturing capacity or to a strike or labor  
6 difficulty, a shortage of materials, a freight  
7 embargo, or other cause over which the manufacturer  
8 has no control. However, this subparagraph shall not  
9 apply to limited production model vehicles, a vehicle  
10 not advertised by the factory for sale in this state,  
11 vehicles that are subject to allocation affected by  
12 federal environmental laws or environmental laws of  
13 this state, or vehicles allocated in response to an  
14 unforeseen event or circumstance,

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

1 the reasonably foreseeable projections, in the new  
2 motor vehicle dealer's market and in the automotive  
3 industry. However, this subparagraph shall not apply  
4 if the new motor vehicle dealer or new powersports  
5 vehicle dealer voluntarily agrees to facility  
6 construction or renovation in exchange for money,  
7 credit, allowance, reimbursement, or additional  
8 vehicle allocation to a dealer from the factory to  
9 compensate the dealer for the cost of, or a portion of  
10 the cost of, the facility construction or renovation.  
11 Except as necessary to comply with a health or safety  
12 law, or to comply with a technology or safety  
13 requirement which is necessary to sell or service a  
14 motor vehicle or powersports vehicle that the  
15 franchised dealer is authorized or licensed by the  
16 franchisor to sell or service, a new vehicle dealer  
17 which completes a facility construction or renovation  
18 pursuant to factory requirements shall not be required  
19 to construct a new facility or renovate the existing  
20 facility if the same area of the facility or premises  
21 has been constructed or substantially altered within  
22 the last ten (10) years and the construction or  
23 alteration was approved by the manufacturer as a part  
24 of a facility upgrade program, standard, or policy.

1 For purposes of this subparagraph, "substantially  
2 altered" means to perform an alteration that  
3 substantially impacts the architectural features,  
4 characteristics, or integrity of a structure or lot.  
5 The term shall not include routine maintenance  
6 reasonably necessary to maintain a dealership in  
7 attractive condition. If a facility upgrade program,  
8 standard, or policy under which the dealer completed a  
9 facility construction or substantial alteration does  
10 not contain a specific time period during which the  
11 manufacturer or distributor shall provide payments or  
12 benefits to a participating dealer, or the time frame  
13 specified under the program is reduced or canceled  
14 prematurely in the unilateral discretion of the  
15 manufacturer or distributor, the manufacturer or  
16 distributor shall not deny the participating dealer  
17 any payment or benefit under the terms of the program,  
18 standard, or policy as it existed when the dealer  
19 began to perform under the program, standard, or  
20 policy for the balance of the ten-year period,  
21 regardless of whether the manufacturer's or  
22 distributor's program, standard, or policy has been  
23 changed or canceled, unless the manufacturer and  
24

1 dealer agree, in writing, to the change in payment or  
2 benefit,

3 f. requires a new motor vehicle dealer or new powersports  
4 vehicle dealer to establish an exclusive facility,  
5 unless supported by reasonable business, market, and  
6 economic considerations; provided, that this section  
7 shall not restrict the terms of any agreement for such  
8 exclusive facility voluntarily entered into and  
9 supported by valuable consideration separate from the  
10 new motor vehicle dealer's right to sell and service  
11 motor vehicles for the franchisor,

12 g. requires a new motor vehicle dealer or new powersports  
13 vehicle dealer to enter into a site-control agreement  
14 covering any or all of the new motor vehicle dealer's  
15 facilities or premises; provided, that this section  
16 shall not restrict the terms of any site-control  
17 agreement voluntarily entered into and supported by  
18 valuable consideration separate from the new motor  
19 vehicle dealer's right to sell and service motor  
20 vehicles for the franchisor. Notwithstanding the  
21 foregoing or the terms of any site-control agreement,  
22 a site-control agreement automatically extinguishes if  
23 all of the factory's franchises that operated from the  
24 location that are the subject of the site-control

1 agreement are terminated by the factory as part of the  
2 discontinuance of a product line,

3 h. refuses to pay, or claims reimbursement from, a new  
4 motor vehicle dealer or new powersports vehicle dealer  
5 for sales, incentives, or other payments related to a  
6 vehicle sold by the dealer because the purchaser of  
7 the new vehicle exported or resold the vehicle in  
8 violation of the policy of the factory unless the  
9 factory can show that, at the time of the sale, the  
10 new vehicle dealer knew or reasonably should have  
11 known of the purchaser's intention to export or resell  
12 the vehicle. There is a rebuttable presumption that  
13 the new vehicle dealer did not know or could not have  
14 known that the vehicle would be exported if the  
15 vehicle is titled and registered in any state of the  
16 United States, or

17 i. (1) notwithstanding the terms of a franchise  
18 agreement or other agreement except as provided  
19 in this subsection, requires a new motor vehicle  
20 dealer or new powersports vehicle dealer to  
21 purchase or utilize goods or services, or  
22 contract with any vendor, identified, selected,  
23 or designated by the factory for the:

1           (a) operation of the dealership, including  
2           electronic services such as websites, data  
3           management or storage systems, digital  
4           retail platforms, software, or other digital  
5           services or platforms, or

6           (b) construction, renovation, or improvement of  
7           the new dealer's facility ~~from a vendor~~  
8           ~~chosen by the factory if.~~

9           If goods or services available from ~~other sources~~  
10          a vendor that the new motor vehicle dealer  
11          chooses are of substantially similar quality,  
12          function, and design and comply with all  
13          applicable laws; provided, however, that such  
14          goods are not subject to the factory's  
15          intellectual property or trademark rights and the  
16          new vehicle dealer has received the factory's  
17          approval, which approval may not be unreasonably  
18          withheld. Nothing in this subparagraph may be  
19          construed to allow a new motor vehicle dealer or  
20          new powersports vehicle dealer to impair or  
21          eliminate a factory's intellectual property,  
22          trademark rights, or trade dress usage  
23          guidelines. Nothing in this ~~section~~ subparagraph  
24          prohibits the enforcement of a voluntary



1 agreement between the factory and the new vehicle  
2 dealer where separate and valuable consideration  
3 has been offered and accepted.

4 It is a violation of this subparagraph for a  
5 factory, or any entity that operates on behalf of  
6 a factory, to coerce a new motor vehicle dealer  
7 to purchase or utilize certain goods or services  
8 by withholding vehicle allocation that the new  
9 motor vehicle dealer is otherwise eligible to  
10 receive, and

11 (2) for the purposes of this subparagraph, "goods and  
12 services" do not include:

13 (a) moveable displays, brochures, promotional  
14 materials, or electronic or digital media  
15 containing material subject to the  
16 intellectual property rights of a factory or  
17 parts to be used in repairs under warranty  
18 obligations of a factory, or

19 (b) special tools or training required by the  
20 factory to perform warranty or recall  
21 related repairs;

22 10. Being a factory that:

23 a. establishes a system of motor vehicle allocation or  
24 distribution which is unfair, inequitable, or

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

- 8           b.   changes an established plan or system of new motor  
9           vehicle or new powersports vehicle distribution. A  
10          new motor vehicle dealer or new powersports vehicle  
11          dealer franchise agreement shall continue in full  
12          force and operation notwithstanding a change, in whole  
13          or in part, of an established plan or system of  
14          distribution of the motor vehicles or new powersports  
15          vehicles offered or previously offered for sale under  
16          the franchise agreement. The appointment of a new  
17          importer or distributor for motor vehicles or new  
18          powersports vehicle offered for sale under the  
19          franchise agreement shall be deemed to be a change of  
20          an established plan or system of distribution. The  
21          discontinuation of a line-make shall not be deemed to  
22          be a change of an established plan or system of motor  
23          vehicle or new powersports vehicle distribution. The  
24          creation of a line-make shall not be deemed to be a

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

21 11. Being a factory that sells directly or indirectly new motor  
22 vehicles or new powersports vehicles to any retail consumer in the  
23 state except through a new motor vehicle dealer or new powersports  
24 vehicle dealer holding a franchise for the line-make that includes

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

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

13 (1) owns any ownership interest or has any financial  
14 interest in a new motor vehicle dealer or new  
15 powersports vehicle dealer or any person who  
16 sells products or services pursuant to the terms  
17 of the franchise agreement,

18 (2) operates or controls a new motor vehicle dealer  
19 or new powersports vehicle dealer, or

20 (3) acts in the capacity of a new motor vehicle  
21 dealer or new powersports vehicle dealer.

22 b. (1) This paragraph does not prohibit a factory from  
23 owning or controlling a new motor vehicle dealer  
24 or new powersports vehicle dealer while in a bona

1 fide relationship with a dealer development  
2 candidate who has made a substantial initial  
3 investment in the franchise and whose initial  
4 investment is subject to potential loss. The  
5 dealer development candidate can reasonably  
6 expect to acquire full ownership of a new vehicle  
7 dealer within a reasonable period of time not to  
8 exceed ten (10) years and on reasonable terms and  
9 conditions. The ten-year acquisition period may  
10 be expanded for good cause shown.

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

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

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

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

18 (b) all of the franchise agreements of the  
19 manufacturer confer rights on the dealer of  
20 the line-make to develop and operate, within  
21 a defined geographic territory or area, as  
22 many dealership facilities as the dealer and  
23 manufacturer shall agree are appropriate,  
24

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

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

17 (e) prior to January 1, 2000, the factory shall  
18 have furnished or made available to  
19 prospective new vehicle dealers an offering  
20 circular in accordance with the Trade  
21 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 or new powersports  
7   vehicle dealer, other than in composite form to new vehicle dealers  
8   in the same line-make or in response to a subpoena or order of the  
9   Commission or a court.   Proprietary information includes, but is not  
10  limited to, information:

11           a.   derived from monthly financial statements provided to  
12               the factory, and

13           b.   regarding any aspect of the profitability of a  
14               particular new motor vehicle dealer or new powersports  
15               vehicle dealer;

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

20       15.   Being a factory which used the consumer list of a new motor  
21   vehicle dealer or new powersports vehicle dealer for the purpose of  
22   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 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 dealer had ordered for retail  
5 consumers and notified the factory prior to the dealer's receipt of  
6 the written official price increase notification. A sales contract  
7 signed by a retail consumer accompanied with proof of order  
8 submission to the factory shall constitute evidence of each such  
9 order, provided that the vehicle is in fact delivered to the  
10 consumer. Price differences applicable to new models or series  
11 motor vehicles at the time of the introduction of new models or  
12 series shall not be considered a price increase for purposes of this  
13 paragraph. Price changes caused by any of the following shall not  
14 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 dealer, which consent shall not be  
4 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 dealer for any lawful purpose, unless otherwise permitted  
8 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 dealer's performance under the franchise  
18 based on the sale of extended service contracts,  
19 extended maintenance plans, or similar products  
20 offered, endorsed, or sponsored by the manufacturer or  
21 distributor;

22 22. Being a factory that requires or coerces a new motor  
23 vehicle dealer in this state to purchase or lease any electric  
24 vehicle charging stations at the new motor vehicle dealer's expense

1 unless the franchise agreement, including any related addendums,  
2 with the new motor vehicle dealer identifies electric vehicle models  
3 among the vehicles available for sale under the dealer's franchised  
4 line-make, or the new motor vehicle dealer has notified the  
5 manufacturer or distributor of the new motor vehicle dealer's  
6 intention to begin selling and servicing electric vehicles  
7 manufactured or distributed by that factory. If the new motor  
8 vehicle dealer's franchise identifies electric vehicle models or the  
9 dealer is actually offering for sale to the public or providing  
10 warranty service on electric vehicles manufactured or distributed by  
11 that factory, the new motor vehicle dealer may not be required to  
12 purchase or lease, at the new motor vehicle dealer's expense:

13 a. more than the number and type of electric vehicle  
14 charging stations based upon the reasonable estimate  
15 of the sales and service volume for the vehicles in  
16 the dealer's market, or

17 b. to make electric vehicle charging stations located at  
18 the new motor vehicle dealership available for use by  
19 the general public. Nothing in this paragraph shall  
20 prohibit a factory from offering financial assistance  
21 through a lump-sum payment to new motor vehicle  
22 dealers that purchase or install electric charging  
23 stations; and

1        23. Being a factory that withdraws all or a material part of  
2 its stated electric vehicle distribution plan and fails or refuses,  
3 at the written request of the new motor vehicle dealer, to accept  
4 the return or otherwise fully reimburse a new motor vehicle dealer  
5 for the cost of parts, tools, equipment, chargers, and other  
6 returnable items required as a part of that distribution plan,  
7 program, policy, or other initiative related to the sale or service  
8 of electric motor vehicles; provided, that:

9            a. the dealer demonstrates that the volume of electric  
10 motor vehicles sales or service is no longer adequate  
11 to allow the dealer to realize a positive return on  
12 the investment over the useful life of the parts,  
13 tools, equipment, chargers, or other returnable items,  
14 and

15           b. the dealer submits its request to the manufacturer or  
16 distributor in writing and within twenty-four (24)  
17 months of the dealer's receipt of the parts, tools,  
18 equipment, chargers, or other returnable items.

19        B. Notwithstanding the terms of any franchise agreement, in the  
20 event of a proposed sale or transfer of a dealership, the  
21 manufacturer or distributor shall be permitted to exercise a right  
22 of first refusal to acquire the assets or ownership interest of the  
23 dealer of the new motor vehicle or new powersports vehicle  
24 dealership, if such sale or transfer is conditioned upon the

1 manufacturer or dealer entering into a dealer agreement with the  
2 proposed new owner or transferee, only if all the following  
3 requirements are met:

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

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

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

17 4. The factory agrees to pay the reasonable expenses, including  
18 attorney fees which do not exceed the usual, customary, and  
19 reasonable fees charged for similar work done for other clients  
20 incurred by the proposed new owner and transferee prior to the  
21 exercise by the factory of its right of first refusal in negotiating  
22 and implementing the contract for the proposed sale or transfer of  
23 the dealership or dealership assets. Notwithstanding the foregoing,  
24 no payment of expenses and attorney fees shall be required if the

1 proposed new dealer or transferee has not submitted or caused to be  
2 submitted an accounting of those expenses within thirty (30) days of  
3 receipt of the written request of the factory for such an  
4 accounting. The accounting may be requested by a factory before  
5 exercising its right of first refusal.

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

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

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

22 b. warranty repairs performed by that person on motor  
23 vehicles or powersports vehicles are limited to those  
24

1 vehicles that the person owns, previously owned, or  
2 takes in trade, and

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

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

10 D. As used in this section:

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

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

19 ~~E. Nothing in this section shall prohibit a manufacturer or~~  
20 ~~distributor from requiring a dealer to be in compliance with the~~  
21 ~~franchise agreement and authorized to sell a make and model based on~~  
22 ~~applicable reasonable standards and requirements that include but~~  
23 ~~are not limited to any facility, technology, or training~~  
24 ~~requirements necessary to sell or service a vehicle, in order to be~~



~~eligible for delivery or allotment of a make or model of a new motor  
vehicle or new powersports vehicle or an incentive.~~

SECTION 5. This act shall become effective November 1, 2025.

COMMITTEE REPORT BY: OVERSIGHT COMMITTEE ON JUDICIARY AND PUBLIC  
SAFETY, dated - 04/17/2025 - DO PASS.