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dealers; modifying requirements for certain right of first refusal; requiring certain notice; outlining details and requirements for certain purchase; amending 47 O.S. 2021, Section 566, as last amended by Section 12, Chapter 240, O.S.L. 2024 (47 O.S. Supp. 2024, Section 566), which relates to denial, suspension, or revocation of license; authorizing the denial, suspension, revocation, or imposition of fine for certain registration; detailing certain procedures; amending 47 O.S. 2021, Section 578.1, as last amended by Section 15, Chapter 240, O.S.L. 2024 (47 O.S. Supp. 2024, Section 578.1), which relates to procedures for establishing or relocating new vehicle dealers; requiring certain measurement from nearest property boundary; updating statutory language; and providing an effective date.

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

SECTION 1. AMENDATORY 47 O.S. 2021, Section 561, as amended by Section 1, Chapter 240, O.S.L. 2024 (47 O.S. Supp. 2024, Section 561), is amended to read as follows:

Section 561. The Legislature finds and declares that the distribution and sale of new motor vehicles and powersport vehicles in ~~the State of Oklahoma~~ this state vitally affects the general economy of the state and the public interest and the public welfare, and that in order to promote the public interest and the public welfare, and in the exercise of its police powers, it is necessary to regulate and to license motor vehicle manufacturers, factories, distributors, and their respective representatives, new motor vehicle dealers, and powersport vehicle dealers, and to register salespersons of new motor vehicles and powersport vehicles doing

1 business in Oklahoma, in order to prevent frauds, impositions and  
2 other abuses upon its citizens and to protect and preserve the  
3 investments and properties of the citizens of this state, and in  
4 order to avoid undue control of the independent new motor vehicle  
5 dealer or powersport vehicle dealer by the new motor vehicle or  
6 powersport vehicle manufacturing and distributing organizations, and  
7 in order to foster and keep alive vigorous and healthy competition  
8 by prohibiting unfair practices by which fair and honest competition  
9 is destroyed or prevented, and to protect the public against the  
10 creation or perpetuation of monopolies and practices detrimental to  
11 the public welfare, to prevent the practice of requiring the buying  
12 of special features, appliances and equipment not desired or  
13 requested by the purchaser, to prevent false and misleading  
14 advertising, to prevent unfair practices by new motor vehicle  
15 dealers ~~or~~, powersports vehicle dealers, manufacturers, factories,  
16 and distributing organizations, to promote the public safety and  
17 prevent disruption of the franchise or dealership system of  
18 distribution of new motor vehicles ~~or~~ and powersports vehicles to  
19 the public and prevent deterioration of facilities for servicing new  
20 motor vehicles or powersport vehicles and keeping the same safe and  
21 properly functioning, and prevent bankrupting of new motor vehicle  
22 dealers and powersport dealers, who might otherwise be caused to  
23 fail because of such unfair practices.

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1       SECTION 2.       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, leases, or displays  
18 new motor vehicles and holds a bona fide contract or franchise in  
19 effect with a manufacturer or distributor authorized by the  
20 manufacturer to make predelivery preparation of such vehicles sold  
21 to purchasers and to perform post-sale work pursuant to the  
22 manufacturer's or distributor's warranty. As used herein,  
23 "authorized predelivery preparation" means the rendition by the  
24 dealer of services and safety adjustments on each new motor vehicle

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

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

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

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

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

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

22       7. "Factory branch" means any branch office maintained by a  
23       person, firm, association, corporation, or trust that manufactures  
24       or assembles motor vehicles or powersport vehicles for the sale of

1 motor vehicles or powersport vehicles to distributors, or for the  
2 sale of motor vehicles to new motor vehicle dealers, or for the sale  
3 of powersport vehicles to new powersport vehicle dealers, or for  
4 directing or supervising, in whole or in part, its representatives;

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

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

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

21 11. "Franchise" means any contract or agreement between a new  
22 motor vehicle dealer or a powersports vehicle dealer and a  
23 manufacturer of a new motor vehicle or powersports vehicle or its  
24 distributor or factory branch by which the new motor vehicle dealer

1 or new powersports vehicle dealer is authorized to engage in the  
2 activities of a new motor vehicle dealer or new powersports vehicle  
3 dealer as defined by this section;

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

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

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

22 15. "Sponsoring entity" means any person, firm, association,  
23 corporation, or trust which has control, either permanently or  
24



1 temporarily, over the real property upon which the off-premises sale  
2 or display is conducted;

3 16. "Product" means new motor vehicles and new motor vehicle  
4 parts or new powersports vehicle and new powersports vehicle parts;

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

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

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

11 20. "Factory" means a manufacturer, distributor, factory  
12 branch, distributor branch, factory representative, or distributor  
13 representative, which manufactures or distributes vehicle products,  
14 motor vehicles or powersports vehicles, or that maintains factory  
15 representatives;

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

22 22. "Powersports vehicle dealer" means any person, firm, or  
23 corporation, resident or nonresident, that is in the business of  
24

1 selling any new powersports vehicles except for retail implement  
2 dealers;

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

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

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

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

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

21 SECTION 3. AMENDATORY 47 O.S. 2021, Section 563, as last  
22 amended by Section 3, Chapter 240, O.S.L. 2024 (47 O.S. Supp. 2024,  
23 Section 563), is amended to read as follows:

24

1       Section 563. A. There is hereby created the Oklahoma New Motor  
2 Vehicle Commission, to be composed of nine (9) members. Seven of  
3 the members shall have been engaged in the manufacture,  
4 distribution, or sale of new motor vehicles and two members shall be  
5 lay members, all to be appointed by the Governor of the State of  
6 Oklahoma, with the advice and consent of the Senate. Appointments  
7 shall be made within thirty (30) days after November 1, 1985. Each  
8 of the Commissioners thus appointed shall, at the time of the  
9 appointment, be a resident in good faith of this state, shall be of  
10 good moral character, and each of the industry related Commissioners  
11 shall have been actually engaged in the manufacture, distribution,  
12 or sale of new motor vehicles, new powersport vehicles or new  
13 recreational vehicles for not less than ten (10) years preceding the  
14 appointment. The members of the Commission shall serve at the  
15 pleasure of the Governor.

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

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

- 22           a. four areas of the state shall be the northwest,  
23               northeast, southwest, and southeast sections  
24               designated by Interstate 35 dividing the state east

1                   and west and Interstate 40 dividing the state north  
2                   and south, excluding Oklahoma County and Tulsa County,  
3                   and

4               b.    two additional areas shall be Oklahoma County and  
5                   Tulsa County.

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

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

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

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

14       3.   The members appointed at large shall serve until June 30,  
15   1991.

16       Each member shall serve until a successor is appointed and  
17   qualifies.  Thereafter, the term of office of each member of the  
18   Commission shall be for six (6) years.  The term of office of any  
19   member will automatically expire if the member moves out of the  
20   geographical area from which the member was appointed.  In event of  
21   death, resignation, removal, or term automatically expiring of any  
22   person serving on the Commission, the vacancy shall be filled by  
23   appointment as provided for the unexpired portion of the term.  The  
24   Commission shall meet at Oklahoma City and complete its organization

1 immediately after the membership has been appointed and has  
2 qualified. The chair and each member of the Commission shall take  
3 and subscribe to the oath of office required of public officers.

4 D. The members of the Commission shall receive reimbursement  
5 for subsistence and traveling expenses necessarily incurred in the  
6 performance of their duties as provided by the State Travel  
7 Reimbursement Act.

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

1 all state and federal courts, and assist the Commission in any and  
2 all business or legal matters that may come before it. The attorney  
3 so representing the Commission shall discharge the duties under the  
4 direction of the Executive Director.

5 F. The Commission is hereby vested with the powers necessary to  
6 enable it to fully and effectively carry out the provisions and  
7 objects of Section 561 et seq. of this title, and is hereby  
8 authorized and empowered to make and enforce all reasonable rules  
9 and to adopt and prescribe all forms necessary to accomplish such  
10 purpose. All forms used by a new motor vehicle dealer or  
11 powersports vehicle dealer to facilitate the delivery of a vehicle  
12 pending approval of financing shall be approved by the Commission.  
13 Spot delivery agreement forms shall be required for all new motor  
14 vehicle or powersport vehicle deliveries subject to dealers finding  
15 lending institutions to purchase the retail or lease installment  
16 contracts executed by the purchasing and selling parties.

17 G. All fees, charges and fines collected under the provisions  
18 of Section 561 et seq. of this title shall be deposited by the  
19 Executive Director in the State Treasury in accordance with the  
20 depository laws of this state in a special fund to be known as the  
21 "Oklahoma New Motor Vehicle Commission Fund", which is hereby  
22 created, and except as hereinafter provided the monies in the fund  
23 shall be used by the Commission for the purpose of carrying out and  
24 enforcing the provisions of Section 561 et seq. of this title.

1 Expenditures from the fund shall be made upon vouchers approved by  
2 the Commission or its authorized officers.

3 At the close of each fiscal year, the Commission shall file with  
4 the Governor and the State Auditor and Inspector a true and correct  
5 report of all fees, fines and charges collected and received by it  
6 during the preceding fiscal year and shall at the same time pay into  
7 the General Revenue Fund of the state a sum equal to ten percent  
8 (10%) of the fees, fines, and charges collected and received.

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

21 SECTION 4. AMENDATORY 47 O.S. 2021, Section 564, as last  
22 amended by Section 4, Chapter 240, O.S.L. 2024 (47 O.S. Supp. 2024,  
23 Section 564), is amended to read as follows:

24

1       Section 564. A. It shall be unlawful for any person, firm,  
2 association, corporation, or trust to engage in business as, or  
3 serve in the capacity of, or act as a new motor vehicle dealer,  
4 powersports vehicle dealer, or new motor vehicle manufacturer, or  
5 distributor ~~of new motor vehicles or powersports vehicles, or,~~  
6 factory branch, distributor branch ~~or,~~ factory representative, or  
7 distributor representative, as defined in Section 562 of this title,  
8 in this state without first obtaining a license therefor as provided  
9 for by law. Any person, firm, association, corporation, or trust  
10 engaging in more than one of such capacities or having more than one  
11 place where such business is carried on or conducted in this state  
12 shall be required to obtain and hold a current license for each  
13 thereof. Provided that, a new motor vehicle dealer's or powersports  
14 vehicle dealer's license shall authorize one person to sell ~~in the~~  
15 ~~event~~ without the necessity of registering as a salesperson, so long  
16 as such person shall be the is an owner of ~~a proprietorship~~ the  
17 dealership, or the person designated as principal in the dealer's  
18 franchise or the managing officer or one partner if no principal  
19 person is named in the franchise. It is further provided that a  
20 factory or an entity affiliated by any ownership or control by the  
21 factory shall not be permitted to be licensed as a new motor vehicle  
22 dealer in this state, except as provided by subparagraph b of  
23 paragraph 12 of Section 565 of this title.



1       B. Applications for licenses required to be obtained under the  
2 provisions of Section 561 et seq. of this title shall be verified by  
3 the oath or affirmation of the applicant and shall be on forms  
4 prescribed by the Oklahoma New Motor Vehicle Commission and  
5 furnished to the applicants, and shall contain information as the  
6 Commission deems necessary to enable it to fully determine the  
7 qualifications and eligibility of the several applicants to receive  
8 the license or licenses applied for. The Commission shall require  
9 in such application, or otherwise, information relating to the  
10 applicant's current financial standing, the applicant's business  
11 integrity, the applicant's criminal convictions or criminal or civil  
12 court proceedings history, whether the applicant has an established  
13 place of business and is primarily engaged in the pursuit,  
14 avocation, or business for which a license, or licenses, are applied  
15 for, and whether the applicant is able to properly conduct the  
16 business for which a license, or licenses, are applied for, and such  
17 other pertinent information consistent with the safeguarding of the  
18 public interest and the public welfare. All applications for  
19 license or licenses shall be accompanied by the appropriate fee or  
20 fees therefor in accordance with the schedule thereof hereinafter  
21 set out. In the event any application is denied and the license  
22 applied for is not issued, the entire license fee shall be returned  
23 to the applicant. All licenses issued under the provisions of  
24 Section 561 et seq. of this title shall expire on June 30, following

1 the date of issue and shall be nontransferable. All applications  
2 for renewal of a license for a new motor vehicle dealer, powersports  
3 vehicle dealer, manufacturer, distributor, factory branch,  
4 distributor branch, or manufacturer's or distributor's  
5 representative shall be submitted by June 1 of each year, and such  
6 license or licenses will be issued by July 1. If applications have  
7 not been made for renewal of licenses at the times described in this  
8 subsection, it shall be illegal for any person to represent himself  
9 or herself and act as a dealer, manufacturer, distributor, or  
10 manufacturer's or distributor's representative. Service Oklahoma  
11 and licensed operators will be notified not to accept ~~such dealers'~~  
12 ~~titles~~ manufacturers' statements or certificates of origin for  
13 unlicensed dealers until such time as their licenses have been  
14 issued by the Commission.

15 C. The schedule of license fees to be charged and received by  
16 the Commission for the licenses issued hereunder shall be as  
17 follows:

18 1. For each manufacturer, distributor, factory branch, or  
19 distributor branch of new motor vehicles or powersports vehicles,  
20 Four Hundred Dollars (\$400.00) initial fee with annual renewal fee  
21 of Three Hundred Dollars (\$300.00);

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

1       ~~3.~~ For each factory representative or distributor  
2 representative, One Hundred Dollars (\$100.00) annually;

3       ~~4.~~ 3. For each new motor vehicle dealer, ~~except powersports~~  
4 ~~vehicle dealers,~~ initial fee of Three Hundred Dollars (\$300.00) per  
5 franchise sold at each location licensed, with an annual renewal fee  
6 of One Hundred Dollars (\$100.00) per franchise sold at each location  
7 licensed per year; and

8       ~~5.~~ 4. For each powersports vehicle dealer, initial fee of Three  
9 Hundred Dollars (\$300.00) per manufacturer represented by the dealer  
10 at each location licensed, with an annual renewal fee of One Hundred  
11 Dollars (\$100.00) per manufacturer represented by the dealer at each  
12 location licensed per year.

13       D. The licenses issued to each new motor vehicle dealer, new  
14 powersports vehicle dealer, manufacturer, distributor, factory  
15 branch, or distributor branch shall specify the location ~~of the~~  
16 ~~factory, office, or branch~~ thereof. In case such location is  
17 changed, the Commission may endorse the change of location on the  
18 license without charge unless the change of address triggers a  
19 relocation of a new motor vehicle dealer or new powersports vehicle  
20 dealer pursuant to the provisions of Section 578.1 of this title.  
21 The licenses ~~of each new vehicle dealer~~ shall be posted in a  
22 conspicuous place in the ~~dealer's~~ licensee's place or places of  
23 business.  
24

1 Every ~~motor vehicle~~ representative of a factory representative  
2 or distributor ~~representative~~ shall physically possess the license  
3 when engaged in business and shall display such upon request. The  
4 name of the employer ~~of such factory representative or distributor~~  
5 ~~representative~~ shall be stated on the representative's license.

6 E. The new powersports vehicle dealer license shall only allow  
7 the sale of the specific types of powersports vehicles authorized by  
8 the manufacturer and agreed to by the powersports dealer.

9 SECTION 5. AMENDATORY 47 O.S. 2021, Section 564.2, as  
10 last amended by Section 6, Chapter 240, O.S.L. 2024 (47 O.S. Supp.  
11 2024, Section 564.2), is amended to read as follows:

12 Section 564.2. It shall be punishable by an administrative fine  
13 not to exceed Five Hundred Dollars (\$500.00) for any person,  
14 resident, or nonresident to engage in business as, or serve in the  
15 capacity of, a new motor vehicle salesperson or powersports vehicle  
16 salesperson in this state without first obtaining a certificate of  
17 registration with the Oklahoma New Motor Vehicle Commission. The  
18 cost of registration for each new salesperson shall be set at  
19 Twenty-five Dollars (\$25.00) to be renewed annually. The cost of  
20 registration and any administrative fine is to be borne by the  
21 salesperson's employing entity ~~of the new salesperson~~. The  
22 Commission shall promulgate rules and procedures necessary for the  
23 implementation and creation of the registry and the issuance of  
24 certificates of registration.

1       SECTION 6.       AMENDATORY       47 O.S. 2021, Section 565, as last  
2 amended by Section 7, Chapter 240, O.S.L. 2024 (47 O.S. Supp. 2024,  
3 Section 565), is amended to read as follows:

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

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

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

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

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

21       5. Being a new motor vehicle dealer or new powersports vehicle  
22 dealer who:

23           a. has required a purchaser of a new motor vehicle or new  
24 powersports vehicle, as a condition of sale and

1 delivery thereof, to also purchase special features,  
2 appliances, accessories, or equipment not desired or  
3 requested by the purchaser and installed by the new  
4 motor vehicle dealer or new powersports vehicle  
5 dealer,

6 b. uses any false or misleading advertising in connection  
7 with business as a new motor vehicle dealer or new  
8 powersports vehicle dealer,

9 c. has committed any unlawful act which resulted in the  
10 revocation of any similar license in another state,

11 d. has failed or refused to perform any written agreement  
12 with any retail buyer involving the sale of a motor  
13 vehicle or powersports vehicle,

14 e. has been convicted of a felony crime that  
15 substantially relates to the occupation of a new motor  
16 vehicle dealer or new powersports vehicle dealer and  
17 poses a reasonable threat to public safety,

18 f. has committed a fraudulent act in selling, purchasing,  
19 or otherwise dealing in new motor vehicles or new  
20 powersports vehicles or has misrepresented the terms  
21 and conditions of a sale, purchase or contract for  
22 sale or purchase of a new motor vehicle or new  
23 powersports vehicle or any interest therein including  
24 an option to purchase such vehicle,

1           g.    has failed to meet or maintain the conditions and  
2                requirements necessary to qualify for the issuance of  
3                a license, or

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

9           6.    Being a ~~new motor~~ vehicle salesperson who is not employed as  
10           such by a licensed new motor vehicle dealer or powersports vehicle  
11           dealer;

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

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

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

- 1           c.    does not hold a franchise in effect with a  
2                   manufacturer or distributor of new or unused vehicles  
3                   for the sale of the same and is not authorized by the  
4                   manufacturer or distributor to render predelivery  
5                   preparation of such vehicles sold to purchasers and to  
6                   perform any authorized post-sale work pursuant to the  
7                   manufacturer's or distributor's warranty,
- 8           d.    employs or utilizes the services of used motor vehicle  
9                   lots or dealers or other unlicensed persons or  
10                  unregistered persons in connection with the sale of  
11                  new vehicles,
- 12           e.    does not properly service a new motor vehicle or new  
13                   powersports vehicle before delivery of same to the  
14                   original purchaser thereof, or
- 15           f.    fails to order and stock a reasonable number of new  
16                   motor vehicles necessary to meet consumer demand for  
17                   each of the new motor vehicles included in the new  
18                   motor vehicle dealer's franchise agreement, unless the  
19                   new motor vehicles are not readily available from the  
20                   manufacturer or distributor due to limited production;

21   8.   Being a factory that has:

- 22           a.    either induced or attempted to induce by means of  
23                   coercion or intimidation, any new motor vehicle dealer  
24                   or powersports vehicle dealer:



1           (1) to accept delivery of any vehicle or vehicles,  
2           parts, or accessories therefor, or any other  
3           commodities including advertising material which  
4           shall not have been ordered by the new motor  
5           vehicle dealer,

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

12          (3) to order or accept delivery of any parts,  
13          accessories, equipment, machinery, tools,  
14          appliances, or any commodity whatsoever,

15          b. induced under threat or discrimination by the  
16          withholding from delivery to a new motor vehicle  
17          dealer or new powersports vehicle dealer certain  
18          models of motor vehicles, changing or amending  
19          unilaterally the new motor vehicle dealer's allotment  
20          of motor vehicles, and/or withholding and delaying  
21          delivery of the vehicles out of the ordinary course of  
22          business, in order to induce by such coercion any new  
23          motor vehicle dealer or new powersports vehicle dealer  
24          to participate or contribute to any local or national

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

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

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

23 (1) is unfair, unreasonable, arbitrary, or  
24 inequitable, and

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

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

20       f.   failed to provide reasonable compensation to a new  
21       motor vehicle dealer substantially equivalent to the  
22       actual cost of providing a manufacturer required  
23       loaner or rental vehicle to any consumer who is having  
24       a vehicle serviced at the dealership. For purposes of

1           this paragraph, actual cost is the average cost in the  
2           new motor vehicle dealer's region for the rental of a  
3           substantially similar make and model as the vehicle  
4           being serviced, or

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

13       9.   Being a factory that:

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

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

1 contain warranty-like repairs, or ninety (90)  
2 consecutive days of nonwarranty consumer-paid service  
3 repair orders which contain warranty-like repairs,  
4 whichever is less, covering repairs made no more than  
5 one hundred eighty (180) days before the submission  
6 and declaring the average percentage labor rate and/or  
7 markup rate. A motor vehicle dealer may not submit a  
8 request to establish its retail rates more than once  
9 in a twelve-month period. That request may establish  
10 a parts markup rate, labor rate, or both. The new  
11 motor vehicle dealer or new powersports vehicle dealer  
12 shall calculate its retail parts rate by determining  
13 the total charges for parts from the qualified repair  
14 orders submitted, dividing that amount by the new  
15 motor vehicle dealer's total cost of the purchase of  
16 those parts, subtracting one (1), and multiplying by  
17 one hundred (100) to produce a percentage. The new  
18 motor vehicle dealer or new powersports vehicle dealer  
19 shall calculate its retail labor rate by dividing the  
20 amount of the new vehicle dealer's total labor sales  
21 from the qualified repair orders by the total labor  
22 hours charged for those sales. When submitting repair  
23 orders to establish a retail parts and labor rate, a  
24

1 new motor vehicle dealer or new powersports vehicle  
2 dealer need not include repairs for:

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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



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

- 20 e. except as necessary to comply with a health or safety  
21 law, or to comply with a technology requirement which  
22 is necessary to sell or service a vehicle that the  
23 franchised new motor vehicle dealer or new powersports  
24 vehicle dealer is authorized or licensed by the

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

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

1 policy for the balance of the ten-year period,  
2 regardless of whether the manufacturer's or  
3 distributor's program, standard, or policy has been  
4 changed or canceled, unless the manufacturer and  
5 dealer agree, in writing, to the change in payment or  
6 benefit,

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

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

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

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

21          i.   requires a new motor vehicle dealer or new powersports  
22          vehicle dealer to purchase goods or services for the  
23          construction, renovation, or improvement of the new  
24          dealer's facility from a vendor chosen by the factory

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

16 10. Being a factory that:

- 17 a. establishes a system of motor vehicle allocation or  
18 distribution which is unfair, inequitable, or  
19 unreasonably discriminatory. Upon the request of any  
20 new motor vehicle dealer or new powersports vehicle  
21 dealer franchised by it, a factory shall disclose in  
22 writing to the dealer the basis upon which new  
23 vehicles are allocated, scheduled, and delivered among  
24

1           the new motor vehicle dealers of the same line-make  
2           for that factory, or  
3       b.    changes an established plan or system of new motor  
4           vehicle or new powersports vehicle distribution. A  
5           new motor vehicle dealer or new powersports vehicle  
6           dealer franchise agreement shall continue in full  
7           force and operation notwithstanding a change, in whole  
8           or in part, of an established plan or system of  
9           distribution of the motor vehicles or new powersports  
10          vehicles offered or previously offered for sale under  
11          the franchise agreement. The appointment of a new  
12          importer or distributor for motor vehicles or new  
13          powersports vehicle offered for sale under the  
14          franchise agreement shall be deemed to be a change of  
15          an established plan or system of distribution. The  
16          discontinuation of a line-make shall not be deemed to  
17          be a change of an established plan or system of motor  
18          vehicle or new powersports vehicle distribution. The  
19          creation of a line-make shall not be deemed to be a  
20          change of an established plan or system of motor  
21          vehicle distribution as long as the new line-make is  
22          not selling the same, or substantially the same  
23          vehicle or vehicles previously sold through another  
24          line-make by new motor vehicle dealers or new

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

16 11. Being a factory that sells directly or indirectly new motor  
17 vehicles or new powersports vehicles to any retail consumer in the  
18 state except through a new motor vehicle dealer or new powersports  
19 vehicle dealer holding a franchise for the line-make that includes  
20 the new motor vehicle or new powersports vehicle. This paragraph  
21 does not apply to factory sales of new vehicles to its employees,  
22 family members of employees, retirees and family members of  
23 retirees, not-for-profit organizations, or the federal, state, or  
24 local governments. The provisions of this paragraph shall not



1 preclude a factory from providing information to a consumer for the  
2 purpose of marketing or facilitating a sale of a new vehicle or from  
3 establishing a program to sell or offer to sell new motor vehicles  
4 or new powersports vehicle through participating dealers subject to  
5 the limitations provided in paragraph 2 of Section 562 of this  
6 title;

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

- 8 (1) owns any ownership interest or has any financial  
9 interest in a new motor vehicle dealer or new  
10 powersports vehicle dealer or any person who  
11 sells products or services pursuant to the terms  
12 of the franchise agreement,  
13 (2) operates or controls a new motor vehicle dealer  
14 or new powersports vehicle dealer, or  
15 (3) acts in the capacity of a new motor vehicle  
16 dealer or new powersports vehicle dealer.

17 b. (1) This paragraph does not prohibit a factory from  
18 owning or controlling a new motor vehicle dealer  
19 or new powersports vehicle dealer while in a bona  
20 fide relationship with a dealer development  
21 candidate who has made a substantial initial  
22 investment in the franchise and whose initial  
23 investment is subject to potential loss. The  
24 dealer development candidate can reasonably

1 expect to acquire full ownership of a new vehicle  
2 dealer within a reasonable period of time not to  
3 exceed ten (10) years and on reasonable terms and  
4 conditions. The ten-year acquisition period may  
5 be expanded for good cause shown.

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

19 (3) This paragraph does not prohibit a factory from  
20 owning, operating, or controlling or acting in  
21 the capacity of a new motor vehicle dealer or new  
22 powersports vehicle dealer which was in operation  
23 prior to January 1, 2000.  
24

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

8           (a) all of the new motor vehicle or new  
9           powersports vehicle dealerships selling the  
10          vehicles of that manufacturer in this state  
11          trade exclusively in the line-make of that  
12          manufacturer,

13          (b) all of the franchise agreements of the  
14          manufacturer confer rights on the dealer of  
15          the line-make to develop and operate, within  
16          a defined geographic territory or area, as  
17          many dealership facilities as the dealer and  
18          manufacturer shall agree are appropriate,

19          (c) at the time the manufacturer first acquires  
20          an ownership interest or assumes operation,  
21          the distance between any dealership thus  
22          owned or operated and the nearest  
23          unaffiliated new motor vehicle or new  
24          powersports vehicle dealership trading in

1 the same line-make is not less than seventy  
2 (70) miles,

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

11 (e) prior to January 1, 2000, the factory shall  
12 have furnished or made available to  
13 prospective new vehicle dealers an offering  
14 circular in accordance with the Trade  
15 Regulation Rule on Franchising of the  
16 Federal Trade Commission, and any guidelines  
17 and exemptions issued thereunder, which  
18 disclose the possibility that the factory  
19 may from time to time seek to own or  
20 acquire, directly or indirectly, ownership  
21 interests in retail dealerships;

22 13. Being a factory which directly or indirectly makes  
23 available for public disclosure any proprietary information provided  
24 to the factory by a new motor vehicle dealer or new powersports

1 vehicle dealer, other than in composite form to new vehicle dealers  
2 in the same line-make or in response to a subpoena or order of the  
3 Commission or a court. Proprietary information includes, but is not  
4 limited to, information:

5 a. derived from monthly financial statements provided to  
6 the factory, and

7 b. regarding any aspect of the profitability of a  
8 particular new motor vehicle dealer or new powersports  
9 vehicle dealer;

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

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

17 16. Being a factory which prohibits a new motor vehicle dealer  
18 or new powersports vehicle dealer from relocating after a written  
19 request by such dealer if:

20 a. the facility and the proposed new location satisfies  
21 or meets the written reasonable guidelines of the  
22 factory. Reasonable guidelines do not include  
23 exclusivity or site control unless agreed to as set  
24

1           forth in subparagraphs f and g of paragraph 9 of this  
2           subsection,

3           b.   the proposed new location is within the area of  
4               responsibility of the new motor vehicle dealer or new  
5               powersports vehicle dealer pursuant to Section 578.1  
6               of this title, and

7           c.   the factory has sixty (60) days from receipt of the  
8               new motor vehicle dealer's or powersports vehicle  
9               dealer's relocation request to approve or deny the  
10              request. The failure to approve or deny the request  
11              within the sixty-day time frame shall constitute  
12              approval of the request;

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

21       18.   Being a factory that increases prices of new motor vehicles  
22   or new powersports vehicles which the dealer had ordered for retail  
23   consumers and notified the factory prior to the dealer's receipt of  
24   the written official price increase notification. A sales contract

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

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

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

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

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

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

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

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

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



1        1. ~~To exercise its right of first refusal, the factory~~ The  
2 manufacturer or distributor must notify the new motor vehicle dealer  
3 ~~or new powersports vehicle dealer~~ of its intent to exercise the  
4 right of first refusal in writing within sixty (60) days of receipt  
5 of the completed proposal for the proposed sale or transfer;

6        2. The exercise of the right of first refusal will result in  
7 the new motor vehicle dealer ~~or new powersports vehicle dealer~~ and  
8 the owner of the dealership receiving the same or greater  
9 consideration as they have contracted to receive in connection with  
10 the proposed change of ownership or transfer. If the proposed new  
11 motor vehicle dealership sale or transfer includes the sale,  
12 transfer, or lease of the real property and improvements thereon,  
13 then the right of first refusal shall include the same terms for the  
14 purchase or lease of the real property and all improvements thereon  
15 for not less than the consideration the new motor vehicle dealer has  
16 contracted to receive in connection with the proposed sale or  
17 transfer;

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

22        4. The factory agrees to pay the reasonable expenses, including  
23 attorney fees which do not exceed the usual, customary, and  
24 reasonable fees charged for similar work done for other clients

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

11 5. a. For the purposes of this paragraph, "multi-dealership  
12 transaction" means any proposed sale, transfer, or  
13 assignment that involves two or more new motor vehicle  
14 dealerships that are being sold as part of the same  
15 overall transaction or a series of related  
16 transactions intended by the parties to constitute a  
17 single deal.

18 b. In a multi-dealership transaction, the selling dealer  
19 may withdraw the proposed sale, transfer, or  
20 assignment of the dealership that is subject to the  
21 manufacturer's or distributor's right of first refusal  
22 in response to the manufacturer's or distributor's  
23 timely received notice of intent to exercise the right  
24 of first refusal as follows:

1           (1) the selling dealer shall provide written notice  
2           to the manufacturer or distributor within thirty  
3           (30) days of receipt of the manufacturer's or  
4           distributor's timely received notice of intent to  
5           exercise the right of first refusal, stating that  
6           either:

7           (a) the entire multi-dealership transaction has  
8           been withdrawn, or

9           (b) the specific dealership subject to the  
10           timely received notice of manufacturer's or  
11           distributor's intent to exercise the right  
12           of first refusal has been excluded from the  
13           multi-dealership transaction,

14           (2) upon the manufacturer's or distributor's receipt  
15           of the selling dealer's withdrawal notice under  
16           division (1) of this subparagraph, the proposed  
17           sale, transfer, or assignment of the dealership  
18           subject to the manufacturer's or distributor's  
19           timely received notice of intent to exercise the  
20           right of first refusal shall be deemed withdrawn,  
21           and the manufacturer's or distributor's right of  
22           first refusal with respect to that dealership  
23           shall be deemed extinguished, and  
24

1                   (3) if the selling dealer does not provide the  
2                   withdrawal notice within the thirty-day period,  
3                   the manufacturer or distributor may proceed with  
4                   exercising the right of first refusal.

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

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

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

21           b. warranty repairs performed by that person on motor  
22 vehicles or powersports vehicles are limited to those  
23 vehicles that the person owns, previously owned, or  
24 takes in trade, and

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

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

8           D.   As used in this section:

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

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

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

1       SECTION 7.       AMENDATORY       47 O.S. 2021, Section 566, as last  
2 amended by Section 12, Chapter 240, O.S.L. 2024 (47 O.S. Supp. 2024,  
3 Section 566), is amended to read as follows:

4       Section 566. The Oklahoma New Motor Vehicle Commission may deny  
5 any application for license or registration, or suspend or revoke a  
6 license or registration issued or impose a fine, only after a  
7 hearing of which the applicant, registrant, or licensee affected,  
8 shall be given at least ten (10) days' written notice specifying the  
9 reason for denying the applicant a license or registration, or, in  
10 the case of a revocation or suspension or imposition of a fine, the  
11 offenses of which the licensee or registrant is charged. The  
12 notices may be served as provided by law for the service of notices,  
13 or mailing a copy by certified mail to the last-known residence or  
14 business address of the applicant, registrant, or licensee. The  
15 hearing on the charges shall be at such time and place as the  
16 Commission may prescribe and the aforementioned notice shall further  
17 specify the time and place. If the applicant, registrant, or  
18 licensee is a salesperson, or factory ~~representative~~, or distributor  
19 representative, the Commission shall in like manner also notify the  
20 person, firm, association, corporation, or trust with whom he or she  
21 is associated, or in whose association he or she is about to enter.  
22 The Commission shall have the power to compel the production of all  
23 records, papers, and other documents which may be deemed relevant to  
24 the proceeding bearing upon the complaints. The Commission shall

1 have the power to subpoena and bring before it any person, or take  
2 testimony of any such person by deposition, with the same fees and  
3 mileage and in the same manner as prescribed in proceedings before  
4 courts of the state in civil cases. Any party to the hearing shall  
5 have the right to the attendance of witnesses on his or her behalf  
6 upon designating to the Commission the person or persons sought to  
7 be subpoenaed.

8 SECTION 8. AMENDATORY 47 O.S. 2021, Section 578.1, as  
9 last amended by Section 15, Chapter 240, O.S.L. 2024 (47 O.S. Supp.  
10 2024, Section 578.1), is amended to read as follows:

11 Section 578.1. A. Notwithstanding the terms of a franchise and  
12 notwithstanding the terms of a waiver, if a factory intends or  
13 proposes to enter into a franchise to establish an additional new  
14 motor vehicle or powersports vehicle dealer or to relocate an  
15 existing new motor vehicle or powersports vehicle dealer within or  
16 into a relevant market area in which the same line-make of motor  
17 vehicle is currently represented, the factory shall provide at least  
18 sixty (60) days advance written notice to the Commission and to each  
19 new motor vehicle or powersports vehicle dealer of the same line-  
20 make in the relevant market area, of the intention of the factory to  
21 establish an additional dealer or to relocate an existing dealer  
22 within or into the relevant market area. For purposes of this  
23 section, any mileage distance shall be measured on a straight line  
24 from the nearest property boundary points for the dealership

1 properties at issue. Further, for purposes of this section, the  
2 "relevant market area" means the area within a radius of fifteen  
3 (15) miles around the site of the proposed new motor vehicle or  
4 powersports vehicle dealership measured from the property boundary  
5 of primary dealership property. The notice shall be sent by  
6 certified mail to each party and shall include the following  
7 information:

8 1. The specific location at which the additional or relocated  
9 dealer will be established;

10 2. The date on or after which the additional or relocated  
11 dealer intends to commence business at the proposed location;

12 3. The identity of all dealers who are franchised to sell the  
13 same line-make vehicles as the proposed dealer and who have licensed  
14 locations within the relevant market area;

15 4. The names and addresses of the person intended to be  
16 franchised as the proposed additional or relocated dealership, the  
17 principal investors in the proposed additional or relocated  
18 dealership, and the proposed dealer operator of the proposed  
19 additional or relocated dealership; and

20 5. The specific grounds or reasons for the proposed  
21 establishment of an additional dealer or relocation of an existing  
22 dealer.

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



1        1. The relocation of an existing dealer is within the relevant  
2 market area of that dealer; provided, that the relocation not be at  
3 a site within ten (10) miles of a licensed dealer for the same line-  
4 make of vehicle;

5        2. A proposed additional dealer which is to be established at  
6 or within two (2) miles of a location at which a former licensed  
7 dealer for the same line-make of vehicle had ceased operating within  
8 the previous two (2) years;

9        3. The relocation of an existing dealer is within two (2) miles  
10 of the existing site of the dealership; or

11       4. The proposed site for the relocation of an existing dealer  
12 is farther away from all other dealers of the same line-make in that  
13 relevant market area.

14       C. Within thirty (30) days after receipt of the notice, or  
15 within thirty (30) days after the end of an appeal procedure  
16 provided by the factory, whichever is greater, a new motor vehicle  
17 dealer or new powersports vehicle dealer so notified or entitled to  
18 notice may file a petition with the Commission protesting the  
19 proposed establishment or relocation. The petition shall contain a  
20 short statement setting forth the reasons for the objection of the  
21 new motor vehicle dealer to the proposed establishment or  
22 relocation. Upon filing of a protest, the Commission shall promptly  
23 notify the factory that a timely protest has been filed and shall  
24 schedule a hearing, which shall be held within one hundred twenty

1 (120) days of the filing of a timely protest. The factory shall not  
2 establish or relocate the dealer until the Commission has held a  
3 hearing and has determined that there is good cause for permitting  
4 the proposed establishment or relocation. When more than one  
5 protest is filed against the establishment or relocation of the same  
6 dealer, the Commission shall consolidate the hearings to expedite  
7 disposition of the matter.

8 D. The burden of proof to establish that good cause exists for  
9 permitting the proposed establishment of a new motor vehicle or new  
10 powersports vehicle dealer or relocating an existing dealership  
11 shall be on the applicant who seeks to establish a dealership or the  
12 relocation of an existing dealership.

13 SECTION 9. This act shall become effective November 1, 2025.

14 COMMITTEE REPORT BY: COMMITTEE ON BUSINESS AND INSURANCE  
15 April 24, 2025 - DO PASS AS AMENDED BY CS  
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