

1 **SENATE FLOOR VERSION**

2 April 24, 2025

3 COMMITTEE SUBSTITUTE
4 FOR ENGROSSED
5 HOUSE BILL NO. 2160

6 By: Dobrinski of the House

7 and

8 Coleman of the Senate

9 An Act relating to motor vehicles; 47 O.S. 2021,
10 Section 561, as amended by Section 1, Chapter 240,
11 O.S.L. 2024 (47 O.S. Supp. 2024, Section 561), which
12 relates to necessity for regulation; modifying
13 legislative intent and findings; amending 47 O.S.
14 2021, Section 562, as last amended by Section 2,
15 Chapter 240, O.S.L. 2024 (47 O.S. Supp. 2024, Section
16 562), which relates to definitions; modifying
17 definitions; amending 47 O.S. 2021, Section 563, as
18 last amended by Section 3, Chapter 240, O.S.L. 2024
19 (47 O.S. Supp. 2024, Section 563), which relates to
20 the Oklahoma New Motor Vehicle Commission; requiring
21 Commission to approve certain form; amending 47 O.S.
22 2021, Section 564, as last amended by Section 4,
23 Chapter 240, O.S.L. 2024 (47 O.S. Supp. 2024, Section
24 564), which relates to licenses; requiring certain
licensure for certain persons and entities; modifying
requirements for certain applications; modifying
certain schedule of license fees; requiring certain
entities to specify location of facilities; requiring
certain posting of license; requiring physical
possession of certain license; amending 47 O.S. 2021,
Section 564.2, as last amended by Section 6, Chapter
240, O.S.L. 2024 (47 O.S. Supp. 2024, Section 564.2),
which relates to certificates of registration;
modifying list of salesperson to obtain certificate
of registration; amending 47 O.S. 2021, Section 565,
as last amended by Section 7, Chapter 240, O.S.L.
2024 (47 O.S. Supp. 2024, Section 565), which relates
to denial, revocation, or suspension of license;
requiring salespersons be employed by licensed

1 dealers; modifying requirements for certain right of
2 first refusal; requiring certain notice; outlining
3 details and requirements for certain purchase;
4 amending 47 O.S. 2021, Section 566, as last amended
5 by Section 12, Chapter 240, O.S.L. 2024 (47 O.S.
6 Supp. 2024, Section 566), which relates to denial,
7 suspension, or revocation of license; authorizing the
8 denial, suspension, revocation, or imposition of fine
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.

9

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

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

14 Section 561. The Legislature finds and declares that the
15 distribution and sale of new motor vehicles and powersport vehicles
16 in ~~the State of Oklahoma~~ this state vitally affects the general
17 economy of the state and the public interest and the public welfare,
18 and that in order to promote the public interest and the public
19 welfare, and in the exercise of its police powers, it is necessary
20 to regulate and to license motor vehicle manufacturers, factories,
21 distributors, and their respective representatives, new motor
22 vehicle dealers, and powersport vehicle dealers, and to register
23 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.

24

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:

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

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

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:

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

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.
24

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.

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) to accept delivery of any vehicle or vehicles, parts, or accessories therefor, or any other commodities including advertising material which shall not have been ordered by the new motor vehicle dealer,
 - (2) to order or accept delivery of any motor vehicle or powersports vehicle with special features, appliances, accessories, or equipment not included in the list price of the vehicles as publicly advertised by the manufacturer thereof, or
 - (3) to order or accept delivery of any parts, accessories, equipment, machinery, tools, appliances, or any commodity whatsoever, induced under threat or discrimination by the withholding from delivery to a new motor vehicle dealer or new powersports vehicle dealer certain models of motor vehicles, changing or amending unilaterally the new motor vehicle dealer's allotment of motor vehicles, and/or withholding and delaying delivery of the vehicles out of the ordinary course of business, in order to induce by such coercion any new motor vehicle dealer or new powersports vehicle dealer 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

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

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

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

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.

A manufacturer or distributor may, not later than forty-five (45) days after submission, rebut that declared retail parts and labor rate in writing by reasonably substantiating that the rate is not accurate or is incomplete pursuant to the provisions of this section. If the manufacturer or distributor determines the set of repair orders submitted by the new motor vehicle dealer or new powersports vehicle dealer pursuant to this section for a retail labor rate or retail parts markup rate is substantially higher than the new vehicle dealer's current warranty rates, the manufacturer or distributor may request, in writing, within forty-five (45) days after the manufacturer's or distributor's receipt of the new vehicle dealer's initial submission, all repair orders closed within the period of thirty (30) days immediately preceding, or thirty (30) days immediately following, the set of repair orders initially submitted by the new motor vehicle dealer. All time periods under this section shall be suspended until the supplemental repair orders are provided. If the manufacturer or distributor requests supplemental repair orders, the manufacturer or distributor may, 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,

- (3) that is held by the new motor vehicle dealer in the dealer's inventory at the time the stop-sale or do-not-drive order is issued or that is taken by the new motor vehicle dealer into the dealer's inventory after the recall notice as a result of a retail consumer trade-in or a lease return to the dealer inventory in accordance with an applicable lease contract,
 - (4) that cannot be repaired due to the unavailability, within thirty (30) days after issuance of the stop-sale or do-not-drive order, of a remedy or parts necessary for the new motor vehicle dealer to make the recall repair, and
 - (5) that is not at least in the prorated amount of one percent (1.00%) of the value of the vehicle per month beginning on the date that is thirty (30) days after the date on which the stop-sale order was provided to the new motor vehicle dealer until the earlier of either of the following:
 - (a) the date the recall remedy or parts are made available, or

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

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

franchisor to sell or service, requires a dealer to construct a new facility or substantially renovate the dealer's existing facility unless the facility construction or renovation is justified by the economic conditions existing at the time, as well as the reasonably foreseeable projections, in the new motor vehicle dealer's market and in the automotive industry. However, this subparagraph shall not apply if the new motor vehicle dealer or new powersports vehicle dealer voluntarily agrees to facility construction or renovation in exchange for money, credit, allowance, reimbursement, or additional vehicle allocation to a dealer from the factory to compensate the dealer for the cost of, or a portion of the cost of, the facility construction or renovation. Except as necessary to comply with a health or safety law, or to comply with a technology or safety requirement which is necessary to sell or service a motor vehicle or powersports vehicle that the franchised dealer is authorized or licensed by the franchisor to sell or service, a new vehicle dealer which completes a facility construction or renovation pursuant to factory requirements shall not be required 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

the new motor vehicle dealers of the same line-make
for that factory, or

b. changes an established plan or system of new motor
vehicle or new powersports vehicle distribution. A
new motor vehicle dealer or new powersports vehicle
dealer franchise agreement shall continue in full
force and operation notwithstanding a change, in whole
or in part, of an established plan or system of
distribution of the motor vehicles or new powersports
vehicles offered or previously offered for sale under
the franchise agreement. The appointment of a new
importer or distributor for motor vehicles or new
powersports vehicle offered for sale under the
franchise agreement shall be deemed to be a change of
an established plan or system of distribution. The
discontinuation of a line-make shall not be deemed to
be a change of an established plan or system of motor
vehicle or new powersports vehicle distribution. The
creation of a line-make shall not be deemed to be a
change of an established plan or system of motor
vehicle distribution as long as the new line-make is
not selling the same, or substantially the same
vehicle or vehicles previously sold through another
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.

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

- (a) all of the new motor vehicle or new powersports vehicle dealerships selling the vehicles of that manufacturer in this state trade exclusively in the line-make of that manufacturer,
- (b) all of the franchise agreements of the manufacturer confer rights on the dealer of the line-make to develop and operate, within a defined geographic territory or area, as many dealership facilities as the dealer and manufacturer shall agree are appropriate,
- (c) at the time the manufacturer first acquires an ownership interest or assumes operation, the distance between any dealership thus owned or operated and the nearest unaffiliated new motor vehicle or new powersports vehicle dealership trading in

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

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

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

13. Being a factory which directly or indirectly makes

available for public disclosure any proprietary information provided 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

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

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

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

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

18. Being a factory that increases prices of new motor vehicles or new powersports vehicles which the dealer had ordered for retail consumers and notified the factory prior to the dealer's receipt of 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

(3) if the selling dealer does not provide the withdrawal notice within the thirty-day period, the manufacturer or distributor may proceed with 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:

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

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

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
April 24, 2025 - DO PASS AS AMENDED BY CS

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