

1 ENGROSSED SENATE
2 BILL NO. 604

3 By: Gollihare of the Senate

4 and

5 Dobrinski of the House

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

18
19 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

20 SECTION 1. AMENDATORY 47 O.S. 2021, Section 562, as last
21 amended by Section 2, Chapter 240, O.S.L. 2024 (47 O.S. Supp. 2024,
22 Section 562), is amended to read as follows:
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24

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

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

- 9 a. recreational vehicles, as defined in the Recreational
10 Vehicle Franchise Act, or
11 b. powersport vehicles;

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

20 As used herein, "authorized predelivery preparation" means the
21 rendition by the dealer of services and safety adjustments on each
22 new motor vehicle in accordance with the procedure and safety
23 standards required by the manufacturer of the vehicle to be made
24 before its delivery to the purchaser. "Performance of authorized

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

- 13 a. receivers, trustees, administrators, executors,
14 guardians, or other persons appointed by or acting
15 under judgment or order of any court,
 - 16 b. public officers while performing or in operation of
17 their duties,
 - 18 c. employees of persons, corporations, or associations
19 enumerated in subparagraph a of this paragraph when
20 engaged in the specific performance of their duties as
21 such employees, or
 - 22 d. a powersports vehicle dealer;
- 23 3. "Motor vehicle salesperson" means any person, resident or
24 nonresident, who, for gain or compensation of any kind, either

1 directly or indirectly, regularly or occasionally, by any form of
2 agreement or arrangement, sells or negotiates for the sale, lease,
3 or conveyance or arranges the financing of any new motor vehicle or
4 powersports vehicle as an employee for any new motor vehicle dealer
5 or powersports dealer to any one or more third parties;

6 4. "Commission" means the Oklahoma New Motor Vehicle
7 Commission;

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

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

20 7. "Factory branch" means any branch office maintained by a
21 person, firm, association, corporation, ~~or partnership, trust, joint~~
22 venture, or common entity thereof that manufactures or assembles
23 motor vehicles or powersport vehicles for the sale of motor vehicles
24 or powersport vehicles to distributors, or for the sale of motor

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

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

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

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

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

1 activities of a new motor vehicle dealer or new powersports vehicle
2 dealer as defined by this section;

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

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

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

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

1 16. "Product" means new motor vehicles and new motor vehicle
2 parts or new powersports vehicle and new powersports vehicle parts;

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

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

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

9 20. "Factory" means a manufacturer, distributor, factory
10 branch, distributor branch; any common entity of a manufacturer,
11 distributor, factory branch, or distributor branch; or factory
12 representative, or distributor representative, which manufactures or
13 distributes vehicle products;

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

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

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

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

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

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

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

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

(1) is directly or indirectly controlled by or has more than thirty percent (30%) of its equity interest directly or indirectly owned,

1 beneficially or of record, through any form of
2 ownership structure, by a factory, manufacturer,
3 manufacturer branch, distributor, or distributor
4 branch, or

- 5 (2) has more than thirty percent (30%) of its equity
6 interest directly or indirectly controlled or
7 owned, beneficially or of record, through any
8 form of ownership structure, by one or more
9 persons who also directly or indirectly control
10 or own, beneficially or of record, more than
11 thirty percent (30%) of the equity interests of
12 the factory, manufacturer, manufacturer branch,
13 distributor, or distributor branch.

- 14 b. An entity that would otherwise be considered a common
15 entity of a distributor as provided in division 1 or 2
16 of subparagraph a of this paragraph because of its
17 relation to a distributor is not considered a common
18 entity of that distributor if:

- 19 (1) the distributor to which the entity is related
20 was a licensed distributor on March 1, 2025,
21 (2) the entity is not a common entity of a
22 manufacturer or an importer, and

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

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

7 Section 564. A. It shall be unlawful for any person, firm,
8 association, corporation, or partnership, trust, joint venture, or
9 common entity thereof, to engage in business as, or serve in the
10 capacity of, or act as a new motor vehicle dealer, powersports
11 dealer, or manufacturer or distributor of new motor vehicles or
12 powersports vehicles, or factory branch, distributor branch or
13 factory representative or distributor representative, as defined in
14 Section 562 of this title, in this state without first obtaining a
15 license therefor as provided for by law. Any person, firm,
16 association, corporation, or partnership, trust, joint venture, or
17 common entity thereof, engaging in more than one of such capacities
18 or having more than one place where such business is carried on or
19 conducted in this state shall be required to obtain and hold a
20 current license for each thereof. Provided that, a new motor
21 vehicle dealer's license shall authorize one person to sell in the
22 event such person shall be the owner of a proprietorship, or the
23 person designated as principal in the dealer's franchise or the
24 managing officer or one partner if no principal person is named in

1 the franchise. It is further provided that a factory ~~or an entity~~
2 ~~affiliated by any ownership or control by the factory~~ shall not be
3 permitted to engage in the activities of a new motor vehicle dealer
4 as defined in Section 562 of this title or be licensed as a new
5 motor vehicle dealer in this state, except as provided by
6 subparagraph b of paragraph 12 of Section 565 of this title.

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

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

18 C. The schedule of license fees to be charged and received by
19 the Commission for the licenses issued hereunder shall be as
20 follows:

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

24

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

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

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

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

16 D. The licenses issued to each new motor vehicle dealer, new
17 powersports vehicle dealer, manufacturer, distributor, factory
18 branch, or distributor branch shall specify the location of the
19 factory, office, or branch thereof. In case such location is
20 changed, the Commission may endorse the change of location on the
21 license without charge unless the change of address triggers a
22 relocation of a new motor vehicle dealer or new powersports vehicle
23 dealer pursuant to the provisions of Section 578.1 of this title.

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

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

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

11 SECTION 3. AMENDATORY Section 1, Chapter 29, O.S.L. 2023

12 (47 O.S. Supp. 2024, Section 564.3), is amended to read as follows:

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

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

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

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

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

7 5. "Protected dealer data" means:

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

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

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

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

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

4 B. A dealer management system provider may:

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

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

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

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

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

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

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

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

19 E. An authorized integrator shall:

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

1 2. Comply with security standards in gaining access to,
2 receiving, sharing, copying, using, writing, or transmitting
3 protected dealer data; and
4 3. Allow a dealer to withdraw, revoke, or amend any express
5 written authorization the dealer provides under paragraph 1 of this
6 subsection:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- 1 d. has failed or refused to perform any written agreement
2 with any retail buyer involving the sale of a motor
3 vehicle or powersports vehicle,
4 e. has been convicted of a felony crime that
5 substantially relates to the occupation of a new motor
6 vehicle dealer or new powersports vehicle dealer and
7 poses a reasonable threat to public safety,
8 f. has committed a fraudulent act in selling, purchasing,
9 or otherwise dealing in new motor vehicles or new
10 powersports vehicles or has misrepresented the terms
11 and conditions of a sale, purchase or contract for
12 sale or purchase of a new motor vehicle or new
13 powersports vehicle or any interest therein including
14 an option to purchase such vehicle,
15 g. has failed to meet or maintain the conditions and
16 requirements necessary to qualify for the issuance of
17 a license, or
18 h. completes any sale or transaction of an extended
19 service contract, extended maintenance plan, or
20 similar product using contract forms that do not
21 conspicuously disclose the identity of the service
22 contract provider;
- 23 6. Being a new motor vehicle salesperson who is not employed as
24 such by a licensed new motor vehicle dealer;

- 1 7. Being a new motor vehicle dealer or new powersports vehicle
2 dealer who:
- 3 a. does not have an established place of business,
4 b. does not provide for a suitable repair shop separate
5 from the display room with ample space to repair or
6 recondition one or more vehicles at the same time, and
7 which is staffed with properly trained and qualified
8 repair technicians and is equipped with such parts,
9 tools, and equipment as may be requisite for the
10 servicing of motor vehicles in such a manner as to
11 make them comply with the safety laws of this state
12 and to properly fulfill the dealer's or manufacturer's
13 warranty obligation,
- 14 c. does not hold a franchise in effect with a
15 manufacturer or distributor of new or unused vehicles
16 for the sale of the same and is not authorized by the
17 manufacturer or distributor to render predelivery
18 preparation of such vehicles sold to purchasers and to
19 perform any authorized post-sale work pursuant to the
20 manufacturer's or distributor's warranty,
- 21 d. employs or utilizes the services of used motor vehicle
22 lots or dealers or other unlicensed persons or
23 unregistered persons in connection with the sale of
24 new vehicles,

- 1 e. does not properly service a new motor vehicle or new
2 powersports vehicle before delivery of same to the
3 original purchaser thereof, or
4 f. fails to order and stock a reasonable number of new
5 motor vehicles necessary to meet consumer demand for
6 each of the new motor vehicles included in the new
7 motor vehicle dealer's franchise agreement, unless the
8 new motor vehicles are not readily available from the
9 manufacturer or distributor due to limited production;

10 8. Being a factory that has:

- 11 a. either induced or attempted to induce by means of
12 coercion or intimidation, any new motor vehicle dealer
13 or powersports vehicle dealer:
14 (1) to accept delivery of any vehicle or vehicles,
15 parts, or accessories therefor, or any other
16 commodities including advertising material which
17 shall not have been ordered by the new motor
18 vehicle dealer,
19 (2) to order or accept delivery of any motor vehicle
20 or powersports vehicle with special features,
21 appliances, accessories, or equipment not
22 included in the list price of the vehicles as
23 publicly advertised by the manufacturer thereof,
24 or

(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 advertising fund controlled directly or indirectly by the factory or for any other purposes such as contest, "giveaways", or other so-called sales promotional devices, and/or change of quotas in any sales contest; or has required new motor vehicle dealers, as a condition to receiving their vehicle allotment, to order a certain percentage of the vehicles with optional equipment not specified by the dealer; however, nothing in this section shall prohibit a factory from supporting an advertising association

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

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

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

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

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

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

12 9. Being a factory that:

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

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

consecutive days of nonwarranty consumer-paid service repair orders which contain warranty-like repairs, whichever is less, covering repairs made no more than one hundred eighty (180) days before the submission and declaring the average percentage labor rate and/or markup rate. A motor vehicle dealer may not submit a request to establish its retail rates more than once in a twelve-month period. That request may establish a parts markup rate, labor rate, or both. The new motor vehicle dealer or new powersports vehicle dealer shall calculate its retail parts rate by determining the total charges for parts from the qualified repair orders submitted, dividing that amount by the new motor vehicle dealer's total cost of the purchase of those parts, subtracting one (1), and multiplying by one hundred (100) to produce a percentage. The new motor vehicle dealer or new powersports vehicle dealer shall calculate its retail labor rate by dividing the amount of the new vehicle dealer's total labor sales from the qualified repair orders by the total labor hours charged for those sales. When submitting repair orders to establish a retail parts and labor rate, a new motor vehicle dealer or new powersports vehicle dealer need not include repairs for:

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

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

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

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

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

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

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

1 notice of a proposed charge-back pursuant to a
2 factory's audit has the right to file a protest with
3 the Commission within thirty (30) days after receipt
4 of the notice of the charge-back or audit results,
5 whichever is later. The factory is prohibited from
6 implementing the charge-back or debiting the dealer's
7 account until either the time frame for filing a
8 protest has passed or a final adjudication is rendered
9 by the Commission, whichever is later, unless the
10 dealer has agreed to the charge-back or charge-backs,

11 c. fails to compensate the new motor vehicle dealer for a
12 used motor vehicle:

13 (1) that is of the same make and model manufactured,
14 imported, or distributed by the factory and is a
15 line-make that the new motor vehicle dealer is
16 franchised to sell or on which the new motor
17 vehicle dealer is authorized to perform recall
18 repairs,

19 (2) that is subject to a stop-sale or do-not-drive
20 order issued by the factory or an authorized
21 governmental agency,

22 (3) that is held by the new motor vehicle dealer in
23 the dealer's inventory at the time the stop-sale
24 or do-not-drive order is issued or that is taken

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

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

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

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

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

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

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

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

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

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

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

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 facility if the same area of the facility or premises has been constructed or substantially altered within the last ten (10) years and the construction or alteration was approved by the manufacturer as a part of a facility upgrade program, standard, or policy.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

22 10. Being a factory that:

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

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

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

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

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

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

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

13. (1) owns any ownership interest or has any financial

14. interest in a new motor vehicle dealer or new

15. powersports vehicle dealer or any person who

16. sells products or services pursuant to the terms

17. of the franchise agreement,

18. (2) operates or controls a new motor vehicle dealer

19. or new powersports vehicle dealer, or

20. (3) acts in the capacity of a new motor vehicle

21. dealer or new powersports vehicle dealer.

22. b. (1) This paragraph does not prohibit a factory from

23. owning or controlling a new motor vehicle dealer

24. or new powersports vehicle dealer while in a bon-

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

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

- (3) This paragraph does not prohibit a factory from owning, operating, or controlling or acting in the capacity of a new motor vehicle dealer or new powersports vehicle dealer which was in operation 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

1 may from time to time seek to own or
2 acquire, directly or indirectly, ownership
3 interests in retail dealerships;

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

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

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

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

23
24

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

- 4 a. the facility and the proposed new location satisfies
5 or meets the written reasonable guidelines of the
6 factory. Reasonable guidelines do not include
7 exclusivity or site control unless agreed to as set
8 forth in subparagraphs f and g of paragraph 9 of this
9 subsection,
- 10 b. the proposed new location is within the area of
11 responsibility of the new motor vehicle dealer or new
12 powersports vehicle dealer pursuant to Section 578.1
13 of this title, and
- 14 c. the factory has sixty (60) days from receipt of the
15 new motor vehicle dealer's relocation request to
16 approve or deny the request. The failure to approve
17 or deny the request within the sixty-day time frame
18 shall constitute approval of the request;

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

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

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

15 a. the addition to a motor vehicle or powersports vehicle
16 of required or optional equipment pursuant to state or
17 federal law,

18 b. revaluation of the United States dollar in the case of
19 foreign-made vehicles or components, or

20 c. an increase in transportation charges due to increased
21 rates imposed by common or contract carriers;

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

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

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

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

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

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

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

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

- 13 a. more than the number and type of electric vehicle
14 charging stations based upon the reasonable estimate
15 of the sales and service volume for the vehicles in
16 the dealer's market, or
- 17 b. to make electric vehicle charging stations located at
18 the new motor vehicle dealership available for use by
19 the general public. Nothing in this paragraph shall
20 prohibit a factory from offering financial assistance
21 through a lump-sum payment to new motor vehicle
22 dealers that purchase or install electric charging
23 stations; and

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

- 9 a. the dealer demonstrates that the volume of electric
10 motor vehicles sales or service is no longer adequate
11 to allow the dealer to realize a positive return on
12 the investment over the useful life of the parts,
13 tools, equipment, chargers, or other returnable items,
14 and
- 15 b. the dealer submits its request to the manufacturer or
16 distributor in writing and within twenty-four (24)
17 months of the dealer's receipt of the parts, tools,
18 equipment, chargers, or other returnable items.

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

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

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

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

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

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

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

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

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

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

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

1 vehicles that the person owns, previously owned, or
2 takes in trade, and
3 c. motor vehicle or powersports vehicle financing
4 provided by that person to retail consumers for motor
5 vehicles or powersports vehicles is limited to used
6 vehicles sold by that person in the conduct of
7 business; or

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

10 D. As used in this section:

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

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

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

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

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

4 | Passed the Senate the 26th day of March, 2025.

5 |
6 |
7 | Presiding Officer of the Senate

8 | Passed the House of Representatives the ____ day of _____,
9 | 2025.

10 |
11 |
12 | Presiding Officer of the House
of Representatives