An Act

ENROLLED HOUSE
BILL NO. 3104

By: Dobrinski of the House

and

Thompson (Roger) of the Senate

An Act relating to franchise auto dealers; amending 47 O.S. 2021, Section 565, as last amended by Section 8, Chapter 29, O.S.L. 2023 (47 O.S. Supp. 2023, Section 565), which relates to denial, revocation, or suspension of license; modifying entity subject to license denial, revocation, suspension, or fine; modifying reasons for license denial, revocation, suspension, or fine; prohibiting certain withholding of proportionate share of vehicles; requiring certain considerations for location of dealership change; requiring purchase of dealership if certain conditions are met; setting value for purchase; setting process if parties cannot agree; requiring certain maintenance of records period of time; requiring certain written requests be received within certain time frame; requiring written requests contain certain information; amending 47 O.S. 2021, Section 565.2, as amended by Section 10, Chapter 29, O.S.L. 2023 (47 O.S. Supp. 2023, Section 565.2), which relates to termination, cancellation, or nonrenewal of new motor vehicle dealer franchise; allowing franchise to remain in full force and effect through any appeal; modifying actions required to be taken when a factory terminates, cancels, or does not renew a franchise; modifying actions required to be taken when a factory terminates, cancels, or non-renews due to a discontinuance of product line; requiring certain purchase at fair market value; setting certain valuation; setting process if parties cannot agree; allowing for certain sole ownership, possession, usage, and control of certain property; requiring payment of reasonable rent if certain conditions are met; requiring compensation for

certain pecuniary loss; requiring certain documents be provided for payment to be made; providing for appraisal process; requiring certain oath be taken; requiring certain average be taken to determine value; allowing for appointment of third appraiser to determine value if certain conditions are met; requiring appraisers make certain valuation; requiring payment within certain time frame; and providing an effective date.

SUBJECT: Franchise auto dealers

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

SECTION 1. AMENDATORY 47 O.S. 2021, Section 565, as last amended by Section 8, Chapter 29, O.S.L. 2023 (47 O.S. Supp. 2023, Section 565), is amended to read as follows:

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

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

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

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

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

5. Being a new motor vehicle dealer who:

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

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

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

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

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

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

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

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

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

7. Being a new motor vehicle dealer who:

a. does not have an established place of business,

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

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

d. employs a person without obtaining a certificate of registration for the person, or utilizes the services of used motor vehicle lots or dealers or other unlicensed persons in connection with the sale of new motor vehicles,

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

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

8. Being a factory that has:

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

(1) to accept delivery of any motor 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 with special features, appliances, accessories, or equipment not included in the list price of the motor 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,

b. induced under threat or discrimination by the withholding from delivery to a new motor 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 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 new motor vehicle dealer; however, nothing in this section shall prohibit a factory from supporting an advertising association which is open to all new motor vehicle dealers on the same basis,

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

d. used a performance standard for measuring sales or service performance of any new motor 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~~, vehicle allocation from the manufacturer, and any relevant and material data and facts presented by the dealer in writing within thirty (30) days of the written notice of the manufacturer to the dealer of its intention to cancel, terminate, or not renew the dealer's franchise agreement,

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 at the same price for a comparably equipped motor vehicle, on the same terms, with no differential in functionally available discount, allowance, credit, or bonus, except as provided in subparagraph e of paragraph 9 of this subsection,

f. failed to provide reasonable compensation to a new motor vehicle dealer substantially equivalent to the actual cost of providing a manufacturer required loaner or rental vehicle to any consumer who is having a vehicle serviced at the dealership. For purposes of this paragraph, actual cost is the average cost in the new motor vehicle dealer's region for the rental of a substantially similar make and model as the vehicle being serviced, or

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

9. Being a factory that:

a. has attempted to coerce or has coerced any new motor vehicle dealer to enter into any agreement or to cancel any agreement; has failed to act in good faith and in a fair, equitable, and nondiscriminatory manner; has directly or indirectly coerced, intimidated, threatened, or restrained any new motor vehicle dealer; has acted dishonestly; or has failed to act in accordance with the reasonable standards of fair dealing,

b. has failed to compensate its dealers for the work and services they are required to perform in connection with the dealer's delivery and preparation obligations according to the agreements on file with the Commission which must be found by the Commission to be reasonable, or has failed to adequately and fairly compensate its dealers for labor, parts, and other expenses incurred by the dealer to perform under and comply with manufacturer's warranty agreements and recall repairs which shall include diagnostic work as applicable and assistance requested by a consumer whose vehicle was subjected to an over-the-air or remote change, repair, or update to any part, system, accessory, or function by the manufacturer and performed by the dealer in order to satisfy the consumer. Time allowances for the diagnosis and performance of repair work shall be reasonable and adequate for the work to be performed. Adequate and fair compensation, which under this provision shall be no less than the rates customarily charged for retail consumer repairs as calculated herein, for parts and labor for warranty and recall repairs shall, at the option of the new motor vehicle dealer, be established by the new motor vehicle dealer submitting to the manufacturer or distributor one hundred sequential nonwarranty consumer-paid service repair orders which 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 new 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 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 shall calculate its retail labor rate by dividing the amount of the new motor 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 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 motor vehicles owned by the new motor 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 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 pursuant to this section for a retail labor rate or retail parts markup rate is substantially higher than the new motor 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 motor 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 supplemental repair orders and in accordance with the 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 does not agree with the proposed average percentage markup or labor rate, the new motor 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 motor vehicle dealer's submitted parts markup rate or labor rate was inaccurate or not complete pursuant to the provisions of this section. A manufacturer or distributor may not retaliate against any new motor vehicle dealer seeking to exercise its rights under this section. A manufacturer or distributor may require a dealer to submit repair orders in accordance with this section in order to validate the reasonableness of a dealer's retail rate for parts or labor not more often than once every twelve (12) months. A manufacturer or distributor may not otherwise recover its costs from new motor vehicle dealers within this state including a surcharge imposed on a new motor vehicle dealer solely intended to recover the cost of reimbursing a new motor vehicle dealer for parts and labor pursuant to this section; provided, a manufacturer or distributor shall not be prohibited from increasing prices for vehicles or parts in the normal course of business or from auditing and charging back claims in accordance with this section. All claims made by dealers for compensation for delivery, preparation, warranty, or recall repair work shall be paid within thirty (30) days after approval 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 to determine the validity of paid claims for new motor vehicle 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 fraudulent or that the new motor vehicle dealer failed to reasonably substantiate the claim by the written reasonable procedures of the factory. A factory shall not deny a claim or implement a charge-back against a new motor vehicle dealer after payment of a claim in the event a purchaser of a new vehicle that is the subject of a claim fails to comply with titling or registration laws of this state and is not prevented from compliance by any action of the new motor vehicle dealer; provided, that the factory may require the new motor vehicle dealer to provide, within thirty (30) days of notice of charge-back, withholding of payment, or denial of claim, the documentation to demonstrate the vehicle sale, delivery, and customer qualification for an incentive as reported, including consumer name and address and written attestation signed by the dealer operator or general manager stating the consumer was not on the export control list and the dealer did not know or have reason to know the vehicle was being exported or resold.

The factory shall provide written notice to a dealer of a proposed charge-back that is the result of an audit along with the specific audit results and proposed charge-back amount. A dealer that receives notice of a proposed charge-back pursuant to a factory's audit has the right to file a protest with the Commission within thirty (30) days after receipt of the notice of the charge-back or audit results, whichever is later. The factory is prohibited from implementing the charge-back or debiting the dealer's account until either the time frame for filing a protest has passed or a final adjudication is rendered

by the Commission, whichever is later, unless the dealer has agreed to the charge-back or charge-backs,

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

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

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

(3) that is held by the new motor vehicle dealer in the dealer's inventory at the time the stop-sale or do-not-drive order is issued or that is taken 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 to or greater than that provided under division (5) of this subparagraph, or as the manufacturer and new motor vehicle dealer otherwise agree. Nothing in this section shall require a factory to provide total compensation to a new motor vehicle dealer which would exceed the total average Black Book value of the affected used motor vehicle as originally determined under division (5) of this subparagraph. Any remedy provided to a new motor vehicle dealer under this subparagraph is exclusive and may not be combined with any other state or federal compensation remedy,

d. unreasonably fails or refuses to offer to its same line-make franchised dealers a reasonable supply and mix of all models manufactured for that line-make, or unreasonably requires a dealer to pay any extra fee, purchase unreasonable advertising displays or other materials, or enter into a separate agreement which adversely alters the rights or obligations contained within the new motor vehicle dealer’s existing

franchise agreement or which waives any right of the new motor vehicle dealer as protected by Section 561 et seq. of this title, or remodel, renovate, or recondition the new motor vehicle dealer's existing facilities as a prerequisite to receiving a model or series of vehicles, except as may be necessary to sell or service the model or series of vehicles as provided by subparagraph e of this paragraph. It shall be a violation of this section for new vehicle allocation to be withheld subject to any requirement to purchase or sell any number of used or off-lease vehicles. The failure to deliver any such new motor vehicle shall not be considered a violation of the section if the failure is not arbitrary or is due to lack of manufacturing capacity or to a strike or labor difficulty, a shortage of materials, a freight embargo, or other cause over which the manufacturer has no control. However, this subparagraph shall not apply to recreational vehicles, limited production model vehicles, a vehicle not advertised by the factory for sale in this state, vehicles that are subject to allocation affected by federal environmental laws or environmental laws of this state, or vehicles allocated in response to an unforeseen event or circumstance,

e. except as necessary to comply with a health or safety law, or to comply with a technology requirement which is necessary to sell or service a motor vehicle that the franchised new motor vehicle dealer is authorized or licensed by the franchisor to sell or service, requires a new motor vehicle dealer to construct a new facility or substantially renovate the new motor vehicle 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 voluntarily agrees to facility construction or renovation in exchange for money, credit, allowance, reimbursement, or additional vehicle allocation to a new motor vehicle dealer from the factory to compensate the new motor vehicle 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 that the franchised new motor vehicle dealer is authorized or licensed by the franchisor to sell or service, a new motor 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 dealer agree, in writing, to the change in payment or benefit. During the ten-year period following facility construction or substantial alteration, the manufacturer shall not fail to make available to the dealer a fair and proportionate share of all new vehicles distributed to dealers of the same line-make in this state, subject to the same reasonable terms, including vehicles distributed from

a common new vehicle inventory pool outside of the factory's ordinary allocation process, such as any vehicles the factory reserves to distribute on a discretionary basis,

f. requires a new motor vehicle dealer to establish an exclusive facility or to change the location of the dealership, unless supported by reasonable business, market, and economic considerations; provided, that this section shall not restrict the terms of any agreement for such exclusive facility voluntarily entered into and supported by valuable consideration separate from the new motor vehicle dealer's right to sell and service motor vehicles for the franchisor. If a dealer is required by the manufacturer or distributor to change an existing, previously approved location of the dealership and has not sold its existing dealership facility and real estate within the later of one hundred eighty (180) days of listing the property for sale or ninety (90) days after the facility relocation, then, upon the written request of the dealer, the manufacturer or distributor shall purchase the dealer's existing dealership facility and real estate as if the new motor vehicle dealership continues to operate on the property. If the factory and dealer cannot agree on the value of the dealership facilities and real estate, then the factory and dealer shall utilize the process described in paragraph 6 of subsection G of Section 565.2 of this title. If a manufacturer or distributor purchases a dealership facility and real estate, then it shall be entitled to sole ownership, possession, use, and control of any items, buildings, or property that were included in the contract to purchase,

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

automatically extinguishes if all of the factory's franchises that operated from the location that are the subject of the site-control agreement are terminated by the factory as part of the discontinuance of a product line,

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

i. requires a new motor vehicle dealer to purchase goods or services for the construction, renovation, or improvement of the new motor vehicle dealer's facility from a vendor chosen by the factory if goods or services available from other sources are of substantially similar quality and design and comply with all applicable laws; provided, however, that such goods are not subject to the factory's intellectual property or trademark rights and the new motor vehicle dealer has received the factory's approval, which approval may not be unreasonably withheld. Nothing in this subparagraph may be construed to allow a new motor vehicle dealer to impair or eliminate a factory's intellectual property, trademark rights, or trade dress usage guidelines. Nothing in this section prohibits the enforcement of a voluntary agreement between the factory and the new motor vehicle dealer where separate and valuable consideration has been offered and accepted;

10. Being a factory that:

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

unreasonably discriminatory. A manufacturer and distributor shall maintain for three (3) years records that describe its methods or formula of allocation and distribution of its motor vehicles and records of its actual allocation and distribution of motor vehicles to its motor vehicle dealers. Upon the written request of any new motor vehicle dealer franchised by ~~it~~ the manufacturer or distributor, received by the manufacturer or distributor within thirty (30) days of the manufacturer's or distributor's written notice to the dealer of its intention to cancel or terminate, or written notice from the manufacturer or distributor of a sales performance deficiency requiring the dealer to take action to cure the alleged performance deficiency, a ~~factory~~ manufacturer or distributor shall disclose in writing to the new motor vehicle dealer the basis upon which new motor vehicles are allocated, scheduled, and delivered ~~among the~~, by vehicle model, to new motor vehicle dealers of the same line-make for that ~~factory~~ manufacturer or distributor for the prior three (3) years, and the basis upon which the current allocation or distribution is being made or will be made based on existing information to such dealer, or

b. changes an established plan or system of motor vehicle distribution. A new motor 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 offered or previously offered for sale under the franchise agreement. The appointment of a new importer or distributor for motor vehicles 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 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 with an active franchise agreement for the other line-make in the

state if such new motor vehicle dealers are no longer authorized to sell the comparable vehicle previously sold through their line-make. Changing a vehicle's powertrain is not sufficient to show it is substantially different. Upon the occurrence of such change, the manufacturer or distributor shall be prohibited from obtaining a license to distribute vehicles under the new plan or system of distribution unless the manufacturer or distributor offers to each new motor vehicle dealer who is a party to the franchise agreement a new franchise agreement containing substantially the same provisions which were contained in the previous franchise agreement;

11. Being a factory that sells directly or indirectly new motor vehicles to any retail consumer in the state except through a new motor vehicle dealer holding a franchise for the line-make that includes the new motor vehicle. This paragraph does not apply to factory sales of new motor vehicles to its employees, family members of employees, retirees and family members of retirees, not-for-profit organizations, or the federal, state, or local governments. The provisions of this paragraph shall not preclude a factory from providing information to a consumer for the purpose of marketing or facilitating a sale of a new motor vehicle or from establishing a program to sell or offer to sell new motor vehicles through participating dealers subject to the limitations provided in paragraph 2 of Section 562 of this title;

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

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

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

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

b. (1) This paragraph does not prohibit a factory from owning or controlling a new motor vehicle dealer while in a bona fide relationship with a dealer development candidate who has made a substantial

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

(2) This paragraph does not prohibit a factory from owning, operating, controlling, or acting in the capacity of a new motor 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 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 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 dealerships selling the motor 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 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 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 motor 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, other than in composite form to new motor vehicle dealers in the same line-make or in response to a subpoena or order of the Commission or a court. Proprietary information includes, but is not limited to, information:

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

b. regarding any aspect of the profitability of a particular new motor vehicle dealer;

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

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

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

a. the facility and the proposed new location satisfies or meets the written reasonable guidelines of the factory. Reasonable guidelines do not include 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 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 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 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 which the new motor vehicle dealer had ordered for retail consumers and notified the factory prior to the new motor vehicle dealer's receipt of the written official price increase notification. A sales contract signed by a retail consumer accompanied with proof of order submission to the factory shall constitute evidence of each such order, provided that the vehicle is in fact delivered to the

consumer. Price differences applicable to new models or series motor vehicles at the time of the introduction of new models or series shall not be considered a price increase for purposes of this paragraph. Price changes caused by any of the following shall not be subject to the provisions of this paragraph:

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

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

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

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

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

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

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

b. by measuring the new motor vehicle dealer’s performance under the franchise based on the sale of extended service contracts, extended maintenance plans, or similar products offered, endorsed, or sponsored by the manufacturer or distributor.

B. Notwithstanding the terms of any franchise agreement, in the event of a proposed sale or transfer of a dealership, the

manufacturer or distributor shall be permitted to exercise a right of first refusal to acquire the assets or ownership interest of the dealer of the new motor vehicle dealership, if such sale or transfer is conditioned upon the manufacturer or dealer entering into a dealer agreement with the proposed new owner or transferee, only if all the following requirements are met:

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

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

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

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

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

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

construction equipment and activities incidental to that business, provided that:

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

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

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

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

D. As used in this section:

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

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

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

SECTION 2. AMENDATORY 47 O.S. 2021, Section 565.2, as amended by Section 10, Chapter 29, O.S.L. 2023 (47 O.S. Supp. 2023, Section 565.2), is amended to read as follows:

Section 565.2 A. Irrespective of the terms, provisions, or conditions of any franchise, or the terms or provisions of any waiver, no manufacturer shall terminate, cancel, or fail to renew any franchise with a licensed new motor vehicle dealer unless the manufacturer has satisfied the notice requirements as provided in this section and has good cause for cancellation, termination, or nonrenewal. The manufacturer shall not attempt to cancel or fail to renew the franchise agreement of a new motor vehicle dealer in this state unfairly and without just provocation or without due regard to the equities of the dealer or without good faith as defined herein. As used herein, "good faith" means the duty of each party to any franchise agreement to act in a fair and equitable manner toward each other, with freedom from coercion or intimidation or threats thereof from each other.

B. Irrespective of the terms, provisions, or conditions of any franchise, or the terms or provisions of any waiver, good cause shall exist for the purpose of a termination, cancellation, or nonrenewal when:

1. The new motor vehicle dealer has failed to comply with a provision of the franchise, which provision is both reasonable and of material significance to the franchise relationship, or the new motor vehicle dealer has failed to comply with reasonable performance criteria for sales or service established by the manufacturer, and the new motor vehicle dealer has been notified by written notice from the manufacturer; and

2. The new motor vehicle dealer has received written notification of failure to comply with the manufacturer's reasonable sales performance standards, capitalization requirements, facility commitments, business-related equipment acquisitions, or other such remediable failings exclusive of those reasons enumerated in paragraph 1 of subsection C of this section, and the new motor vehicle dealer has been afforded a reasonable opportunity of not less than six (6) months to comply with such a provision or criteria.

C. Irrespective of the terms, provisions, or conditions of any franchise agreement prior to the termination, cancellation, or nonrenewal of any franchise, the manufacturer shall furnish notification of such termination, cancellation, or nonrenewal to the new motor vehicle dealer and the Oklahoma New Motor Vehicle Commission as follows:

1. Not less than ninety (90) days prior to the effective date of the termination, cancellation, or nonrenewal unless for a cause described in paragraph 2 of this subsection;

2. Not less than fifteen (15) days prior to the effective date of the termination, cancellation, or nonrenewal with respect to any of the following:

a. insolvency of the new motor vehicle dealer, or the filing of any petition by or against the new motor vehicle dealer under any bankruptcy or receivership law,

b. failure of the new motor vehicle dealer to conduct its customary sales and service operations during its customary business hours for seven (7) consecutive business days, provided that such failure to conduct business shall not be due to an act of God or circumstances beyond the direct control of the new motor vehicle dealer, or

c. conviction of the new motor vehicle dealer of any felony which is punishable by imprisonment or a violation of the Federal Odometer Act; and

3. Not less than one hundred eighty (180) days prior to the effective date of the termination or cancellation where the manufacturer or distributor is discontinuing the sale of the product line.

The notification required by this subsection shall be by certified mail, return receipt requested, and shall contain a statement of intent to terminate, to cancel, or to not renew the franchise, a statement of the reasons for the termination, cancellation, or nonrenewal and the date the termination shall take effect.

D. Upon the affected new motor vehicle dealer’s receipt of the aforementioned notice of termination, cancellation, or nonrenewal, the new motor vehicle dealer shall have the right to file a protest of such threatened termination, cancellation, or nonrenewal with the Commission within thirty (30) days and request a hearing. The hearing shall be held within one hundred eighty (180) days of the date of the timely protest by the dealer and in accordance with the

provisions of the Administrative Procedures Act, Sections 250 through 323 of Title 75 of the Oklahoma Statutes, to determine if the threatened cancellation, termination, or nonrenewal of the franchise has been for good cause and if the factory has complied with its obligations pursuant to subsections A, B, and C of this section and the factory shall have the burden of proof. Either party may request an additional one-hundred-eighty-day extension of the hearing date from the Commission. Approval of the requested extension may not be unreasonably withheld or delayed. If the Commission finds that the threatened cancellation, termination, or nonrenewal of the franchise has not been for good cause or violates subsection A, B, or C of this section, then it shall issue a final order stating that the threatened termination is wrongful. A factory shall have the right to appeal such order. During the pendency of the hearing and after the decision, <u>through any appeal,</u> the franchise shall remain in full force and effect, including the right to transfer the franchise. If the Commission finds that the threatened cancellation, termination, or nonrenewal is for good cause and does not violate subsection A, B, or C of this section, the new motor vehicle dealer shall have the right to an appeal. During the pendency of the action, including the final decision or appeal, the franchise shall remain in full force and effect, including the right to transfer the franchise. If the new motor vehicle dealer prevails in the threatened termination action, the Commission shall award to the new motor vehicle dealer the attorney fees and costs incurred to defend the action.

E. If the factory prevails in an action to terminate, cancel, or not renew any franchise, the new motor vehicle dealer shall be allowed fair and reasonable compensation by the manufacturer for:

1. New, current, and previous model year vehicle inventory which has been acquired from the manufacturer, and which is unused and has not been damaged or altered while in the new motor vehicle dealer’s possession;

2. Supplies and parts which have been acquired from the manufacturer, for the purpose of this section, limited to any and all supplies and parts that are listed on the current parts price sheet available to the new motor vehicle dealer;

3. Equipment and furnishings, provided the new motor vehicle dealer purchased them from the manufacturer or its approved sources; and

4. Special tools, with such fair and reasonable compensation to be paid by the manufacturer within ninety (90) days of the effective date of the termination, cancellation, or nonrenewal, provided the new motor vehicle dealer has clear title to the inventory and other items and is in a position to convey that title to the manufacturer.

a. For the purposes of paragraph 1 of this subsection, fair and reasonable compensation shall be no less than the net acquisition price of the vehicle paid by the new motor vehicle dealer.

b. For the purposes of paragraphs 2, 3, and 4 of this subsection, fair and reasonable compensation shall be the net acquisition price paid by the new motor vehicle dealer less a twenty-percent (20%) straight-line depreciation for each year following the dealer's acquisition of the supplies, parts, equipment, furnishings, and/or special tools.

F. 1. If a factory prevails in an action to terminate, cancel, or not renew any franchise and the new motor vehicle dealer is leasing the dealership facilities, the manufacturer shall pay a reasonable rent to the lessor in accordance with and subject to the provisions of this subsection ~~G of this section~~. Nothing in this section shall be construed to relieve a new motor vehicle dealer of its duty to mitigate damages.

~~G. 1.~~ Such reasonable rental value shall be paid only to the extent the dealership premises are recognized in the franchise and only if they are:

a. used solely for performance in accordance with the franchise. If the facility is used for the operation of more than one franchise, the reasonable rent shall be paid based upon the portion of the facility utilized by the franchise being terminated, canceled, or nonrenewed, and

b. not substantially in excess of facilities recommended by the manufacturer.

2. If the facilities are owned by the new motor vehicle dealer, a related entity as defined in 26 U.S.C.A., Section 267(b), or a member, partner or shareholder of the dealership, within ninety (90) days following the effective date of the termination, cancellation,

or nonrenewal, except a termination, cancellation, or nonrenewal for a cause listed in paragraph 2 of subsection C of this section, at the dealer or related entity's written request, the manufacturer ~~will~~ shall either:

a. locate a qualified purchaser who will offer to purchase the dealership facilities at a reasonable price,

b. locate a qualified lessee who will offer to lease the premises for the remaining lease term at the rent set forth in the lease, or

c. ~~failing the foregoing,~~ lease the dealership facilities at a reasonable rental value for the portion of the facility that is recognized in the franchise agreement ~~for one (1) year~~ one and one-half (1.5) years, or

d. purchase the dealer's existing dealership facility and real estate at its fair market value. If the factory and dealer cannot agree on the fair market value of the terminated franchise or agree to a process to determine the fair market value, then the factory and dealer shall utilize the process described in paragraph 6 of subsection G of this section. If a manufacturer or distributor purchases a dealership facility and real estate, then it shall be entitled to sole ownership, possession, use, and control of any items, buildings, or property that were included in the contract to purchase.

3. If the facilities are leased by the new motor vehicle dealer from an entity other than a related entity as defined in 26 U.S.C.A., Section 267(b), or a member, partner, or shareholder of the dealership, within ninety (90) days following the effective date of the termination, cancellation, or nonrenewal the manufacturer will either:

a. locate a tenant or tenants satisfactory to the lessor, who will sublet or assume the balance of the lease,

b. arrange with the lessor for the cancellation of the lease without penalty to the new motor vehicle dealer, or

c. failing the foregoing, lease the dealership facilities at a reasonable rent for the portion of the facility that is recognized in the franchise agreement for one (1) year or the remainder of the lease, whichever is less.

4. The manufacturer shall not be obligated to provide assistance under this section if the new motor vehicle dealer:

a. fails to accept a bona fide offer from a prospective purchaser, sublessee, or assignee,

b. refuses to execute a settlement agreement with the manufacturer or lessor if such agreement with the manufacturer or lessor would be without cost to the new motor vehicle dealer, or

c. fails to make written request for assistance under this section within ninety (90) days after the effective date of the termination, cancellation, or nonrenewal.

5. The manufacturer shall be entitled to occupy and use any space for which it pays rent required by this section.

~~H.~~ G. In addition to the repurchase requirements set forth in subsections E and ~~G~~ F of this section, in the event the termination ~~or~~, cancellation, or nonrenewal is the result of a discontinuance of a product line, the manufacturer or distributor shall compensate the new motor vehicle dealer ~~in~~ as follows:

1. In an amount equivalent to the fair market value of the terminated franchise as of the date immediately preceding the manufacturer's or distributor's announcement or provide the new motor vehicle dealer with a replacement franchise on substantially similar terms and conditions as those offered to other same line-make dealers~~.~~;

2. If the facilities are owned by the new motor vehicle dealer or a related entity as defined in 26 U.S.C.A., Section 267(b), or a member, partner, or shareholder of the dealership, and the owner has not sold the existing dealership facility and real estate within the later of one hundred eighty (180) days of listing the property for sale or ninety (90) days after the effective date of the termination, then, upon the written request of the dealer, the

manufacturer or distributor shall purchase the dealer's existing dealership facility and real estate. The facility and real estate shall be valued as if a new motor vehicle dealership continues to operate on the property. If the factory and dealer cannot agree on the value of the terminated franchise or agree to a process to determine the value, then the factory and dealer shall utilize the process described in paragraph 6 of this subsection. If a manufacturer or distributor purchases a dealership facility and real estate, then it shall be entitled to sole ownership, possession, use, and control of any items, buildings, or property that were included in the contract to purchase;

3. If the facilities are leased by the new motor vehicle dealer from an entity other than a related entity as defined in 26 U.S.C.A., Section 267(b), or a member, partner or shareholder of the dealership, lease the dealership facilities at a reasonable rent for the remainder of the lease;

4. Any amount of pecuniary loss to the new motor vehicle dealership proximately caused by the discontinuation of a product line, including, but not limited to, the cost of terminating services such as the dealership management system contract;

5. The new motor vehicle dealer may immediately request payment under this section following the announcement in exchange for canceling any further franchise rights, except payments owed to the new motor vehicle dealer in the ordinary course of business, or may request payment under this section upon the final termination, cancellation, or nonrenewal of the franchise. In either case, payment under this section shall be made not later than ninety (90) days after the fair market value is determined~~.~~, or the lease agreement is provided and other reasonable documentation is provided to the manufacturer or distributor sufficient to establish other pecuniary losses, whichever is later; and

6. If the factory and new motor vehicle dealer cannot agree on the ~~fair market~~ value of the terminated franchise or real estate, or agree to a process to determine the ~~fair market~~ value, then, within thirty (30) days of a written request by dealer, the factory ~~and new motor vehicle dealer shall utilize a neutral third-party mediator to resolve the disagreement~~ shall select one appraiser, and the dealer shall select one appraiser who shall make an independent appraisal. The appraisers will be state-certified general real estate appraisers and be in good standing with the Oklahoma Real Estate Appraisal Board. Before entering upon their duties, such appraisers

shall take and subscribe an oath, before a notary public or some other person authorized to administer oaths, that they will perform their duties faithfully and impartially to the best of their ability. If the appraisals are within ten percent (10%) of each other, the average of the two appraisals shall constitute the value. If the two appraisals differ by more than ten percent (10%), the two appraisers may appoint a third appraiser who shall review the two appraisals. The third appraisal, when taken with the first two appraisals and averaged among the three, shall establish the value. The cost of the third appraiser shall be shared equally by the factory and dealer. The appraisers shall make a valuation and determine the amount of compensation to be paid by the factory to the dealer. The factory will then have ninety (90) days to complete the transaction, unless otherwise agreed to by the parties. The factory and the dealer shall each be responsible for the appraiser it retains.

SECTION 3. This act shall become effective November 1, 2024.

Passed the House of Representatives the 7th day of March, 2024.

_____
Presiding Officer of the House
of Representatives

Passed the Senate the 22nd day of April, 2024.

_____
Presiding Officer of the Senate

OFFICE OF THE GOVERNOR

Received by the Office of the Governor this _____

day of _____, 20_____, at _____ o'clock _____ M.

By: _____

Approved by the Governor of the State of Oklahoma this _____

day of _____, 20_____, at _____ o'clock _____ M.

_____
Governor of the State of Oklahoma

OFFICE OF THE SECRETARY OF STATE

Received by the Office of the Secretary of State this _____

day of _____, 20_____, at _____ o'clock _____ M.

By: _____