1	HOUSE OF REPRESENTATIVES - FLOOR VERSION		
2	STATE OF OKLAHOMA		
3	1st Session of the 57th Legislature (2019)		
4	ENGROSSED SENATE BILL NO. 716 By: Leewright of the Senate		
5			
6	and		
7	Hilbert of the House		
8			
9	An Act relating to the Used Motor Vehicle and Parts		
10	Commission; amending 47 O.S. 2011, Section 583, as last amended by Section 1, Chapter 386, O.S.L. 2015		
11	(47 O.S. Supp. 2018, Section 583), which relates to fees; providing certain fees for certain manufactured		
12	homes shipped or sited in this state; setting fee amounts; and providing an effective date.		
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15	BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:		
16	SECTION 1. AMENDATORY 47 O.S. 2011, Section 583, as last		
17	amended by Section 1, Chapter 386, O.S.L. 2015 (47 O.S. Supp. 2018,		
18	Section 583), is amended to read as follows:		
19	Section 583. A. 1. It shall be unlawful and constitute a		
20	misdemeanor for any person to engage in business as, or serve in the		
21	capacity of, or act as a used motor vehicle dealer, used motor		
22	vehicle salesperson, wholesale used motor vehicle dealer,		
23	manufactured home dealer, restricted manufactured home park dealer,		
24	manufactured home salesperson, manufactured home installer, or		

1 manufactured home manufacturer selling directly to a licensed 2 manufactured home dealer in this state without first obtaining a 3 license or following other requirements therefor as provided in this 4 section.

5 2. Any person engaging, acting, or serving in the a. capacity of a used motor vehicle dealer and/or a used 6 7 motor vehicle salesperson, a manufactured home dealer, restricted manufactured home park dealer, manufactured 8 9 home salesperson, a manufactured home installer, or a 10 manufactured home manufacturer, or having more than 11 one place where any such business, or combination of 12 businesses, is carried on or conducted shall be 13 required to obtain and hold a current license for each such business, in which engaged. 14

- b. A used motor vehicle dealer's license shall authorize
 one person to sell without a salesperson's license in
 the event such person shall be the owner of a
 proprietorship, or the person designated as principal
 in the dealer's franchise or the managing officer or
 one partner if no principal person is named in the
 franchise.
- c. If after a hearing in accordance with the provisions
 of Section 585 of this title, the Oklahoma Used Motor
 Vehicle and Parts Commission shall find any person

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1 installing a mobile or manufactured home to be in 2 violation of any of the provisions of this act, such 3 person may be subject to an administrative fine of not more than Five Hundred Dollars (\$500.00) for each 4 5 violation. Each day a person is in violation of this 6 act may constitute a separate violation. All administrative fines collected pursuant to the 7 provisions of this subparagraph shall be deposited in 8 9 the fund established in Section 582 of this title. 10 Administrative fines imposed pursuant to this 11 subparagraph may be enforceable in the district courts 12 of this state.

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 A salesperson's license may not be issued under a wholesale used motor vehicle dealer's license.

15 3. Any person except persons penalized by administrative fine violating the provisions of this section shall, upon conviction, be 16 17 fined not to exceed Five Hundred Dollars (\$500.00). A second or subsequent conviction shall be punished by a fine not to exceed One 18 Thousand Dollars (\$1,000.00); provided that each day such unlicensed 19 person violates this section shall constitute a separate offense, 20 and any vehicle involved in a violation of this subsection shall be 21 considered a separate offense. 22

B. 1. Applications for licenses required to be obtained underthe provisions of the Oklahoma Used Motor Vehicle and Parts

1 Commission shall be verified by the oath or affirmation of the 2 applicant and shall be on forms prescribed by the Commission and 3 furnished to the applicants, and shall contain such information as 4 the Commission deems necessary to enable it to fully determine the 5 qualifications and eligibility of the several applicants to receive 6 the license or licenses applied for. The Commission shall require 7 in the application, or otherwise, information relating to:

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- a. the applicant's financial standing,
- 9 b. the applicant's business integrity,
- 10 c. whether the applicant has an established place of 11 business and is engaged in the pursuit, avocation, or 12 business for which a license, or licenses, is applied 13 for,
- d. whether the applicant is able to properly conduct the
 business for which a license, or licenses, is applied
 for, and
- e. such other pertinent information consistent with the
 safeguarding of the public interest and the public
 welfare.

2. All applications for license or licenses shall be
 accompanied by the appropriate fee or fees in accordance with the
 schedule hereinafter provided. In the event any application is
 denied and the license applied for is not issued, the entire license
 fee shall be returned to the applicant.

1 3. All bonds and licenses issued under the provisions of this act shall expire on December 31, following the date of issue and 2 3 shall be nontransferable. All applications for renewal of licenses shall be submitted by November 1 of each year of expiration, and 4 5 licenses for completed renewals received by November 1 shall be issued by January 10. If applications have not been made for 6 renewal of licenses, such licenses shall expire on December 31 and 7 it shall be illegal for any person to represent himself or herself 8 9 and act as a dealer thereafter. Tag agents shall be notified not to 10 accept dealers' titles until such time as licenses have been issued. 11 Beginning January 1, 2016, all licenses shall be issued for a period 12 of two (2) years and the appropriate fees shall be assessed. The 13 Commission shall adopt rules necessary to implement the two-year licensing provisions. 14

15 4. A used motor vehicle salesperson's license shall permit the 16 licensee to engage in the activities of a used motor vehicle 17 salesperson. Salespersons shall not be allowed to sell vehicles unless applications and fees are on file with the Commission and the 18 motor vehicle salesperson's or temporary salesperson's license 19 issued. A temporary salesperson's license, salesperson's renewal or 20 reissue of salesperson's license shall be deemed to have been issued 21 when the appropriate application and fee have been properly 22 addressed and mailed to the Commission. 23

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Dealers' payrolls and other evidence will be checked to
 ascertain that all salespersons for such dealers are licensed.

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

1. For each used motor vehicle dealer's license and each 6 7 wholesale used motor vehicle dealer's license, Six Hundred Dollars (\$600.00). If a used motor vehicle dealer or a wholesale used motor 8 9 vehicle dealer has once been licensed by the Commission in the 10 classification for which he or she applies for a renewal of the 11 license, the fee for each subsequent renewal shall be Three Hundred 12 Dollars (\$300.00); provided, if an applicant holds a license to 13 conduct business as an automotive dismantler and parts recycler issued pursuant to Section 591.1 et seq. of this title, the initial 14 15 fee shall be Two Hundred Dollars (\$200.00) and the renewal fee shall be Two Hundred Dollars (\$200.00). If an applicant is applying 16 simultaneously for a license under this paragraph and a license 17 under paragraph 1 of Section 591.5 of this title, the initial 18 application fee shall be Four Hundred Dollars (\$400.00). For the 19 reinstatement of a used motor vehicle dealer's license after 20 revocation for cancellation or expiration of insurance pursuant to 21 subsection F of this section, the fee shall be Two Hundred Dollars 22 (\$200.00); 23

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2. For a used motor vehicle dealer's license, for each place of
 business in addition to the principal place of business, Two Hundred
 3 Dollars (\$200.00);

3. For each used motor vehicle salesperson's license and
renewal, Fifty Dollars (\$50.00), and for a transfer, Fifty Dollars
(\$50.00);

For each holder who possesses a valid new motor vehicle
dealer's license from the Oklahoma Motor Vehicle Commission, Two
Hundred Dollars (\$200.00) shall be the initial fee for a used motor
vehicle license and the fee for each subsequent renewal shall be Two
Hundred Dollars (\$200.00);

For each manufactured home dealer's license or a 12 5. a. restricted manufactured home park dealer's license, 13 Six Hundred Dollars (\$600.00), and for each place of 14 15 business in addition to the principal place of business, Four Hundred Dollars (\$400.00), and 16 b. For each renewal of a manufactured home dealer's 17 license or a restricted manufactured home park 18 dealer's license, and renewal for each place of 19 business in addition to the principal place of 20 business, Three Hundred Dollars (\$300.00); 21 6. For each manufactured home installer's license, Four 22 a. Hundred Dollars (\$400.00), and 23

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1	b.	For each renewal of a manufactured home installer's
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2		license, Four Hundred Dollars (\$400.00);
3	7. a.	For each manufactured home manufacturer selling
4		directly to a licensed manufactured home dealer in
5		this state, One Thousand Five Hundred Dollars
6		(\$1,500.00), and
7	b.	For each renewal of a manufactured home manufacturer's
8		license, One Thousand Five Hundred Dollars
9		(\$1,500.00); and
10	8. For e	each manufactured home salesperson's license or renewal
11	thereof, Fift	ty Dollars (\$50.00), and for each transfer, Fifty
12	Dollars (\$50	.00) <u>;</u>
13	<u>9. Any r</u>	manufactured home manufacturer who sells a new
13 14		manufactured home manufacturer who sells a new home to be shipped to or sited in the State of Oklahoma
	manufactured	
14	manufactured shall pay an	home to be shipped to or sited in the State of Oklahoma
14 15	manufactured shall pay an (\$75.00) for	home to be shipped to or sited in the State of Oklahoma installation inspection fee of Seventy-five Dollars
14 15 16	manufactured shall pay an (\$75.00) for	home to be shipped to or sited in the State of Oklahoma installation inspection fee of Seventy-five Dollars each new single-wide manufactured home and One Hundred
14 15 16 17	<pre>manufactured shall pay an (\$75.00) for Twenty-five I home; and</pre>	home to be shipped to or sited in the State of Oklahoma installation inspection fee of Seventy-five Dollars each new single-wide manufactured home and One Hundred
14 15 16 17 18	<u>manufactured</u> <u>shall pay an</u> <u>(\$75.00) for</u> <u>Twenty-five I</u> <u>home; and</u> <u>10. A us</u>	home to be shipped to or sited in the State of Oklahoma installation inspection fee of Seventy-five Dollars each new single-wide manufactured home and One Hundred Dollars (\$125.00) for each new multi-floor manufactured
14 15 16 17 18 19	<pre>manufactured shall pay an (\$75.00) for Twenty-five I home; and <u>10. A us</u> Dollars (\$75</pre>	home to be shipped to or sited in the State of Oklahoma installation inspection fee of Seventy-five Dollars each new single-wide manufactured home and One Hundred Dollars (\$125.00) for each new multi-floor manufactured
14 15 16 17 18 19 20	<u>manufactured</u> <u>shall pay an</u> <u>(\$75.00) for</u> <u>Twenty-five I</u> <u>home; and</u> <u>10. A us</u> <u>Dollars (\$75</u> <u>time of insta</u>	home to be shipped to or sited in the State of Oklahoma installation inspection fee of Seventy-five Dollars each new single-wide manufactured home and One Hundred Dollars (\$125.00) for each new multi-floor manufactured sed manufactured home inspection fee of Seventy-five .00) shall be paid by the installer at or before the
14 15 16 17 18 19 20 21	<pre>manufactured shall pay an (\$75.00) for Twenty-five I home; and 10. A us Dollars (\$75 time of insta installed in</pre>	home to be shipped to or sited in the State of Oklahoma installation inspection fee of Seventy-five Dollars each new single-wide manufactured home and One Hundred Dollars (\$125.00) for each new multi-floor manufactured sed manufactured home inspection fee of Seventy-five .00) shall be paid by the installer at or before the allation of any used manufactured home sited and

1 manufactured home park dealer and each manufactured home dealer 2 shall specify the location of the place of business. If the 3 business location is changed, the Oklahoma Used Motor Vehicle and Parts Commission shall be notified immediately of the change and the 4 5 Commission may endorse the change of location on the license. The fee for a change of location shall be One Hundred Dollars (\$100.00), 6 7 and the fee for a change of name, Twenty-five Dollars (\$25.00). The license of each licensee shall be posted in a conspicuous place in 8 9 the place or places of business of the licensee.

10 2. The license issued to each manufactured home installer, and 11 each manufactured home manufacturer shall specify the location of 12 the place of business. If the business location is changed, the 13 Oklahoma Used Motor Vehicle and Parts Commission shall be notified immediately of the change and the Commission may endorse the change 14 15 of location on the license without charge. The license of each 16 licensee shall be posted in a conspicuous place in the place or places of business of the licensee. 17

3. Every used motor vehicle salesperson shall have the license upon his or her person when engaged in business, and shall display same upon request. The name of the employer of the salesperson shall be stated on the license and if there is a change of employer, the license holder shall immediately mail the license to the Commission for its endorsement of the change thereon. There shall be no penalty for not having a license upon his or her person. 4. Every manufactured home installer shall have the license
 available for inspection at the primary place of business of the
 licensee. This license shall be valid for the licensee and all of
 the employees of the licensee. Any person who is not an employee of
 the licensee must obtain a separate manufactured home installer
 license regardless of whether such person is acting in the capacity
 of a contractor or subcontractor.

E. 1. a. Each applicant for a used motor vehicle dealer's 8 9 license shall procure and file with the Commission a 10 good and sufficient bond in the amount of Twenty-five 11 Thousand Dollars (\$25,000.00). Each new applicant for 12 a used motor vehicle dealer's license for the purpose 13 of conducting a used motor vehicle auction shall procure and file with the Commission a good and 14 sufficient bond in the amount of Fifty Thousand 15 Dollars (\$50,000.00). An applicant who intends to 16 conduct a used motor vehicle auction who provides 17 proof that the applicant has check and title insurance 18 in an amount not less than Fifty Thousand Dollars 19 (\$50,000.00) shall only be required to have a bond in 20 the amount of Twenty-five Thousand Dollars 21 (\$25,000.00). 22

23 b. Each new applicant for a used motor vehicle dealer24 license for the purpose of conducting a used motor

vehicle business which will consist primarily of nonauction consignment sales which are projected to equal Five Hundred Thousand Dollars (\$500,000.00) or more in gross annual sales shall procure and file with the Commission a good and sufficient bond in the amount of Fifty Thousand Dollars (\$50,000.00). The Commission shall prescribe by rule the method of operation of the non-auction consignment dealer in order to properly protect the interests of all parties to the transaction and to provide sanctions against dealers who fail to comply with the rules.

- 12 c. Each applicant for a wholesale used motor vehicle
 13 dealer's license shall procure and file with the
 14 Commission a good and sufficient bond in the amount of
 15 Twenty-five Thousand Dollars (\$25,000.00).
- Any used motor vehicle dealer who, for the purpose of 16 d. being a rebuilder, applies for a rebuilder 17 certificate, as provided in Section 591.5 of this 18 title, whether as a new application or renewal, shall 19 procure and file with the Commission a good and 20 sufficient bond in the amount of Fifteen Thousand 21 Dollars (\$15,000.00), in addition to any other bonds 22 required. 23
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- e. Each applicant for a manufactured home dealer's
 license or a restricted manufactured home park
 dealer's license shall procure and file with the
 Commission a good and sufficient bond in the amount of
 Thirty Thousand Dollars (\$30,000.00).
- f. Each manufactured home manufacturing facility selling 6 directly to a licensed manufactured home dealer in 7 this state shall procure and file with the Commission 8 9 a good and sufficient bond in the amount of Thirty 10 Thousand Dollars (\$30,000.00). In addition to all other conditions and requirements set forth herein, 11 12 the bond shall require the availability of prompt and 13 full warranty service by the manufacturer to comply with all warranties expressed or implied in connection 14 with each manufactured home which is manufactured for 15 16 resale in this state. A manufacturer may not sell, exchange, or lease-purchase a manufactured home to a 17 person in this state who is not a licensed 18 manufactured home dealer. 19
- g. The bond shall be approved as to form by the Attorney
 General and conditioned that the applicant shall not
 practice fraud, make any fraudulent representation, or
 violate any of the provisions of this act in the
 conduct of the business for which the applicant is

licensed. One of the purposes of the bond is to provide reimbursement for any loss or damage suffered by any person by reason of issuance of a certificate of title by a used motor vehicle dealer, a wholesale used motor vehicle dealer, a restricted manufactured home park dealer or a manufactured home dealer.

7 2. The bonds as required by this section shall be maintained
8 throughout the period of licensure. Should the bond be canceled for
9 any reason, the license shall be revoked as of the date of
10 cancellation unless a new bond is furnished prior to such date.

F. Any used motor vehicle dealer or wholesale used motor vehicle dealer is required to furnish and keep in force a minimum of Twenty-five Thousand Dollars (\$25,000.00) of single liability insurance coverage on all vehicles offered for sale or used in any other capacity in demonstrating or utilizing the streets and roadways in accordance with the financial responsibility laws of this state.

G. Any manufactured home dealer or restricted manufactured home park dealer is required to furnish and keep in force a minimum of One Hundred Thousand Dollars (\$100,000.00) of garage liability or general liability with products and completed operations insurance coverage.

H. Any manufactured home installer is required to furnish and
keep in force a minimum of Twenty-five Thousand Dollars (\$25,000.00)

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1	of general liability with products and completed operations		
2	insurance coverage.		
3	SECTION 2. This act shall become effective November 1, 2019.		
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5	COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS AND BUDGET, dated		
6	03/28/2019 - DO PASS.		
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