

AN ACT

relating to the security requirement for the issuance or renewal of a motor vehicle dealer general distinguishing number or a wholesale motor vehicle auction general distinguishing number.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 503.033, Transportation Code, is amended by amending Subsections (a), (d), and (g) and adding Subsections (h) and (i) to read as follows:

(a) The department may not issue or renew a motor vehicle dealer general distinguishing number or a wholesale motor vehicle auction general distinguishing number unless the applicant provides to the department

~~[(1)]~~ satisfactory proof that the applicant has purchased a properly executed surety bond in the amount of \$50,000 ~~[\$25,000]~~ with a good and sufficient surety approved by the department ~~[, or~~

~~[(2) other security under Subsection (c)]~~.

(d) A person may recover against a surety bond ~~[or other security]~~ if the person obtains against a person issued a motor vehicle dealer general distinguishing number or a wholesale motor vehicle auction general distinguishing number a judgment assessing damages and reasonable attorney's fees based on an act or omission on which the bond is conditioned that occurred during the term for which the general distinguishing number was valid.

1 (g) A dealer shall post, adjacent to and in the same manner
2 as the dealer's general distinguishing number is posted, notice of
3 the surety bond and the procedure by which a claimant may recover
4 against the surety bond. The department by rule may prescribe the
5 form of the notice required under this subsection.

6 (h) The department shall publish on the department's
7 Internet website:

8 (1) the procedure by which a claimant may recover
9 against a surety bond; and

10 (2) the department's contact information.

11 (i) This section does not apply to a person licensed as a
12 franchised motor vehicle dealer by the department.

13 SECTION 2. Section 503.033(a), Transportation Code, as
14 amended by this Act, applies only to an application for the issuance
15 or renewal of a motor vehicle dealer general distinguishing number
16 or a wholesale motor vehicle auction general distinguishing number
17 submitted on or after the effective date of this Act. An
18 application submitted before the effective date of this Act is
19 governed by the law in effect on the date the application was
20 submitted, and the former law is continued in effect for that
21 purpose.

22 SECTION 3. This Act takes effect September 1, 2021.

President of the Senate

Speaker of the House

I certify that H.B. No. 3533 was passed by the House on May 14, 2021, by the following vote: Yeas 124, Nays 21, 2 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 3533 was passed by the Senate on May 21, 2021, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

APPROVED: _____

Date

Governor