

By: Martinez

H.B. No. 3533

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to the security requirement for the issuance or renewal of  
3 a motor vehicle dealer general distinguishing number or a wholesale  
4 motor vehicle auction general distinguishing number.

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

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

9 (a) The department may not issue or renew a motor vehicle  
10 dealer general distinguishing number or a wholesale motor vehicle  
11 auction general distinguishing number unless the applicant  
12 provides to the department[+]

13 [~~(1)~~] satisfactory proof that the applicant has  
14 purchased a properly executed surety bond in the amount of \$50,000  
15 [~~\$25,000~~] with a good and sufficient surety approved by the  
16 department[~~, or~~

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

18 (d) A person may recover against a surety bond [~~or other~~  
19 ~~security~~] if the person obtains against a person issued a motor  
20 vehicle dealer general distinguishing number or a wholesale motor  
21 vehicle auction general distinguishing number a judgment assessing  
22 damages and reasonable attorney's fees based on an act or omission  
23 on which the bond is conditioned that occurred during the term for  
24 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 license is posted, notice of the surety bond and the  
3 procedure by which a claimant may recover against the surety bond.  
4 The department by rule may prescribe the form of the notice required  
5 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.