

1-1 By: Martinez (Senate Sponsor - Seliger) H.B. No. 3533
 1-2 (In the Senate - Received from the House May 17, 2021;
 1-3 May 17, 2021, read first time and referred to Committee on
 1-4 Transportation; May 19, 2021, reported favorably by the following
 1-5 vote: Yeas 9, Nays 0; May 19, 2021, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7				
1-8	X			
1-9	X			
1-10	X			
1-11	X			
1-12	X			
1-13	X			
1-14	X			
1-15	X			
1-16	X			

1-17 A BILL TO BE ENTITLED
 1-18 AN ACT

1-19 relating to the security requirement for the issuance or renewal of
 1-20 a motor vehicle dealer general distinguishing number or a wholesale
 1-21 motor vehicle auction general distinguishing number.

1-22 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-23 SECTION 1. Section 503.033, Transportation Code, is amended
 1-24 by amending Subsections (a), (d), and (g) and adding Subsections
 1-25 (h) and (i) to read as follows:

1-26 (a) The department may not issue or renew a motor vehicle
 1-27 dealer general distinguishing number or a wholesale motor vehicle
 1-28 auction general distinguishing number unless the applicant
 1-29 provides to the department[+]

1-30 [~~(1)~~] satisfactory proof that the applicant has
 1-31 purchased a properly executed surety bond in the amount of \$50,000
 1-32 [~~\$25,000~~] with a good and sufficient surety approved by the
 1-33 department[~~, or~~

1-34 [~~(2) other security under Subsection (c)~~].

1-35 (d) A person may recover against a surety bond [~~or other~~
 1-36 ~~security~~] if the person obtains against a person issued a motor
 1-37 vehicle dealer general distinguishing number or a wholesale motor
 1-38 vehicle auction general distinguishing number a judgment assessing
 1-39 damages and reasonable attorney's fees based on an act or omission
 1-40 on which the bond is conditioned that occurred during the term for
 1-41 which the general distinguishing number was valid.

1-42 (g) A dealer shall post, adjacent to and in the same manner
 1-43 as the dealer's general distinguishing number is posted, notice of
 1-44 the surety bond and the procedure by which a claimant may recover
 1-45 against the surety bond. The department by rule may prescribe the
 1-46 form of the notice required under this subsection.

1-47 (h) The department shall publish on the department's
 1-48 Internet website:

1-49 (1) the procedure by which a claimant may recover
 1-50 against a surety bond; and

1-51 (2) the department's contact information.

1-52 (i) This section does not apply to a person licensed as a
 1-53 franchised motor vehicle dealer by the department.

1-54 SECTION 2. Section 503.033(a), Transportation Code, as
 1-55 amended by this Act, applies only to an application for the issuance
 1-56 or renewal of a motor vehicle dealer general distinguishing number
 1-57 or a wholesale motor vehicle auction general distinguishing number
 1-58 submitted on or after the effective date of this Act. An
 1-59 application submitted before the effective date of this Act is
 1-60 governed by the law in effect on the date the application was
 1-61 submitted, and the former law is continued in effect for that

2-1 purpose.

2-2 SECTION 3. This Act takes effect September 1, 2021.

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