

BILL ANALYSIS

C.S.H.B. 78
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Agriculture & Livestock
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Chapter 19, of the Business & Commerce Code, addresses dealer agreements with suppliers (manufacturers, assemblers, or wholesalers) of farm, industrial, off-road construction, forestry harvesting equipment, and outdoor power equipment. Texas dealers frequently find themselves in contract arrangements which require that suits between suppliers and dealers be tried in a state other than Texas, most frequently in which the supplier resides. This often puts Texas dealers at a disadvantage. C.S.H.B. 78 requires that an action or proceeding brought by a supplier against a Texas dealer must be brought in an appropriate court in this state.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.H.B. 78 amends Chapter 19, Business & Commerce Code, to require actions or proceedings brought by a supplier to a dealer agreement against a dealer to be brought in an appropriate forum in this state and that the law of this state applies to the action or proceeding.

EFFECTIVE DATE

Upon passage, or, if the Act does not receive the necessary vote, the Act takes effect on the 91st day after the last day of the legislative session.

COMPARISON OF ORIGINAL TO SUBSTITUTE

The original states that an action brought by a "party" to a dealer must occur in Texas. The substitute version replaces the word "party" with the word "supplier".