

BILL ANALYSIS

C.S.H.B. 2677
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Transportation
Committee Report (Substituted)

BACKGROUND AND PURPOSE

C.S.H.B. 2677 is a bill that amends the portion of the Occupations Code that regulates motor vehicle dealers, manufacturers, and distributors, and the relations between and among them. The agency charged with the regulation is the Texas Motor Vehicle Board. The primary objective of the bill is to provide clarification and conforming amendments to help streamline the regulation of these entities by the board.

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

(a) provides clear statutory demarcation between and among ambulance manufacturers, fire-fighting vehicle manufacturers, and converters. All though these have all been regulated by the board, the statutory underpinning for that regulation lacked clear distinctions.

(b) resolves a conflict in the law as to whether or not a vehicle must be "titled" in order to qualify as a "motor vehicle" or a "towable recreational vehicle" for purposes of the regulatory structure of this law. The bill resolves the issue by stating that a vehicle does not have to be "titled", but only must be "titleable" under the rules of the board.

(c) makes clear that the board may accept gifts.

(d) creates a method by which a dealer may operate his or her business temporarily, prior to the issuance of a license.

(e) provides for the synchronization of a dealer license and the dealer's general distinguishing number

(f) clarifies that a rental car company that also owns a general distinguishing number may freely sell the vehicles it owns or takes in trade.

(g) conforms state law to requirements of international law in the context of requirements for giving notice to a person who resides outside the United States.

(h) resolves an internal conflict in the law by making clear that a person who wishes to initiate a hearing on a statutory stay by which the person affected is not required to file a new action.

EFFECTIVE DATE

September 1, 2003

COMPARISON OF ORIGINAL TO SUBSTITUTE

The committee substitute to the filed bill does two things:

(1) the substitute puts the bill into Legislative Council draft

(2) conforms the bill to a request of the staff of the Motor Vehicle Board. Under the bill as introduced, a dealer could operate a license while awaiting the issuance of a license in two situations:

(a) a relocation;

(b) a purchase of a dealership

The substitute would remove the first option because of the regulatory difficulty of enforcing a provision that would allow a dealer to open a relocated store prior to the issuance of the license.