

BILL ANALYSIS

C.S.S.B. 1504
By: Harris
Transportation
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Chapter 2301 of the Occupations Code imposes licensing requirements on, and regulates the relations between and among, motor vehicle manufacturers, distributors, dealers, lessors, and lease facilitators. C.S.S.B. 1504 provides conforming and corrective amendments to Chapter 2301, Occupations Code.

This bill is a committee substitute of Senator Harris' S.B. 1504, which was amended in committee by the request of the staff of the Motor Vehicle Board. Under the bill as introduced, a dealer could operate a dealership while awaiting the issuance of a license in two situations: (a) a relocation; or (b) a purchase of a dealership. The amendment removed 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 a license.

The House Committee substitute adds Section 2301.161 "confidentiality of information relating to license holders and applicants.

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) Subchapter D, Chapter 2301, Occupations Code, is amended by adding Section 2301.161 which is "confidentiality of information relating to license holders and applicants".

(f) 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.

(i) Allows for the dealer to operate a dealership while awaiting the issuance of a license.

EFFECTIVE DATE

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EFFECTIVE DATE

This bill takes effect September 1, 2003.

COMPARISON OF ORIGINAL TO SUBSTITUTE

The substitute differs from the original on page 5, lines 5-14: SECTION 5. Subchapter D, Chapter 2301, Occupations Code, is amended in the substitute by adding Section 2301.161 which is “confidentiality of information relating to license holders and applicants”.

This language was included due to the possibility of exposing sensitive information to the public. For example, Enterprise Rent a Car is owned by a family trust in St. Louis, and to subject the trust to public record would necessitate the release of sensitive information of the family’s beneficiaries. However, in a judicial or administrative proceeding, this information would be disclosed in accordance with a lawful subpoena.

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