

By: Averitt

S.B. No. 1757

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to manufacturer or distributor ownership of certain motor  
3 vehicle dealerships.

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

5 SECTION 1. Section 2301.476, Occupations Code, is amended  
6 by adding Subsections (j) and (k) to read as follows:

7 (j) Except as provided by Subsection (k), a manufacturer or  
8 distributor may have an ownership interest of less than 50 percent  
9 in an entity that holds a general distinguishing number if the  
10 entity:

11 (1) operates as a dealer for motor vehicles that:

12 (A) have a gross vehicle weight of at least  
13 17,500 pounds; and

14 (B) are of a size and type commonly designed to  
15 carry at least 17 seated passengers, regardless of whether all  
16 particular models of the motor vehicle are actually devoted to such  
17 seating;

18 (2) is the exclusive seller in the United States for  
19 the motor vehicle; and

20 (3) is not operated or controlled by the manufacturer  
21 or distributor.

22 (k) The restrictions in Subsection (j) do not apply to a  
23 dealer entity that purchases or sells a motor vehicle described by  
24 Subsection (j) that is taken in on trade or purchased on the open

1 market for resale.

2 SECTION 2. This Act takes effect September 1, 2005.