

BILL ANALYSIS

Senate Research Center

C.S.S.B. 174
By: Shapiro
Transportation & Homeland Security
5/10/2007
Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Texas mobility motor vehicle dealers (dealers) are small independent companies dedicated to providing vehicles specifically modified to accommodate the transportation needs of Texans with physical disabilities. Dealers are not currently recognized individually under any Texas law and the current licenses under which a dealer may operate do not allow them to inventory, display, or sell new motor vehicles adapted for disabled persons.

C.S.S.B. 174 authorizes a dealer to inventory, display, or sell new motor vehicles adapted for disabled Texans and represents a compromise reached between mobility dealers and the Texas Automobile Dealers Association. C.S.S.B. 174 creates a new license specifically recognizing the business practices of Texas mobility dealers and the demands of their customers with disabilities. The independent mobility motor vehicle dealer license would allow the mobility dealer to purchase new motor vehicles from franchised dealers, inventory the new motor vehicles, display the modified motor vehicles to people with disabilities for purposes of fitting and equipping, advertise specifically modified new motor vehicles to people with disabilities, and resell the specially modified new motor vehicle to people with disabilities. Under the committee substitute, the sale transaction must go through a franchise dealer, the independent mobility motor vehicle dealer is required to obtain a general distinguishing number and a converter's license, and the mobility dealer must meet certain requirements to ensure proper training.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 2301.002, Occupations Code, by amending Subdivision (25) and adding Subdivisions (17-a), (20-a), and (23-a), to define "independent mobility motor vehicle dealer," "mobility motor vehicle," and "new mobility motor vehicle," and to redefine "nonfranchised dealer."

SECTION 2. Amends Subchapter H, Chapter 2301, Occupations Code, by adding Section 2301.361, as follows:

Sec. 2301.361. INDEPENDENT MOBILITY MOTOR VEHICLE DEALER. (a) Sets forth certain conditions relating to the acquisition, display, and selling of a new mobility motor vehicle in which an independent mobility motor vehicle dealer is authorized to engage, notwithstanding any other law or rule.

(b) Prohibits an independent mobility dealer from advertising a newly acquired motor vehicle for sale until the vehicle has been fitted or equipped as a mobility motor vehicle.

(c) Prohibits an independent mobility dealer from selling or offering to sell a new motor vehicle other than a new mobility motor vehicle.

SECTION 3. Amends Section 503.001, Transportation Code, by amending Subdivisions (4) and (9) and adding Subdivision (8-a), to redefine "dealer," and "independent motor vehicle dealer" and to define "independent mobility motor vehicle dealer."

SECTION 4. Amends Section 503.021, Transportation Code, to make a conforming change.

SECTION 5. Amends Section 503.029(a), Transportation Code, to include independent mobility dealer as a category on an application form for an original or renewal dealer general distinguishing number. Makes conforming changes.

SECTION 6. Amends Subchapter B, Chapter 503, Transportation Code, by adding Section 503.0295, as follows:

Sec. 503.0295. INDEPENDENT MOBILITY MOTOR VEHICLE DEALERS. Requires an independent motor vehicle dealer to provide with each application for a general distinguishing number and each renewal application a written statement that the dealer agrees to maintain certain records and comply with certain laws, and proof that the person has certain insurance policies, certifications, and registrations.

SECTION 7. Amends Section 503.036(b), Transportation Code, to authorize the holder of an independent mobility dealer's general distinguishing number, in addition to an independent motor vehicle dealer's general distinguishing number, to reassign a certificate of title or basic evidence of ownership of any vehicle the dealer is legally allowed to sell.

SECTION 8. Effective date: upon passage or September 1, 2007.