

1-1 By: Krusee (Senate Sponsor - Carona) H.B. No. 733
1-2 (In the Senate - Received from the House March 28, 2007;
1-3 April 3, 2007, read first time and referred to Committee on
1-4 Transportation and Homeland Security; April 24, 2007, reported
1-5 adversely, with favorable Committee Substitute by the following
1-6 vote: Yeas 9, Nays 0; April 24, 2007, sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR H.B. No. 733 By: Carona

1-8 A BILL TO BE ENTITLED
1-9 AN ACT

1-10 relating to the sale of certain used trucks; providing penalties.
1-11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:
1-12 SECTION 1. Section 2301.476, Occupations Code, is amended
1-13 by adding Subsections (j) through (o) to read as follows:
1-14 (j) This section does not prohibit a manufacturer or
1-15 distributor that owned, on or before January 1, 2007, an interest in
1-16 a motor vehicle dealer engaged in the sale of used motor vehicles,
1-17 and that has not agreed to or been ordered by a court order or ruling
1-18 to comply with Subsection (c), from continuing to directly or
1-19 indirectly own an interest in the motor vehicle dealer if the
1-20 manufacturer's or distributor's ownership and control of the motor
1-21 vehicle dealer does not increase after January 1, 2007. The
1-22 exception provided by this subsection:
1-23 (1) applies if the motor vehicle dealer is engaged in
1-24 the business of selling or offering for sale only used trucks that
1-25 have a gross vehicle weight rating of 16,000 pounds or more;
1-26 (2) does not apply if the motor vehicle dealer sells a
1-27 new motor vehicle;
1-28 (3) does not permit an increase in the manufacturer's
1-29 or distributor's ownership interest in the motor vehicle dealer;
1-30 (4) does not grant an exception to this chapter other
1-31 than the exception expressly provided by this subsection;
1-32 (5) applies regardless of whether there is a transfer
1-33 or relocation of the motor vehicle dealer required by:
1-34 (A) an act of God;
1-35 (B) the exercise of eminent domain authority; or
1-36 (C) another reason approved by the division after
1-37 a hearing conducted in the same manner as a contested case under
1-38 Subchapter O; and
1-39 (6) does not apply if the manufacturer or distributor
1-40 no longer owns the interest in the motor vehicle dealer that the
1-41 manufacturer or distributor owned on or before January 1, 2007.
1-42 (k) A motor vehicle dealer under Subsection (j) violates
1-43 that subsection if the dealer:
1-44 (1) sells or offers for sale a motor vehicle with a
1-45 gross vehicle weight rating of less than 16,000 pounds, other than a
1-46 motor vehicle the dealer has acquired as a trade-in in a transaction
1-47 involving the retail sale of a motor vehicle with a gross vehicle
1-48 weight rating of 16,000 pounds or more and if the trade-in motor
1-49 vehicle will be sold or offered for sale only to a person who holds a
1-50 general distinguishing number issued in the category described by
1-51 Section 503.029(a)(6)(C), Transportation Code;
1-52 (2) performs or offers to perform new motor vehicle
1-53 warranty repair; or
1-54 (3) sells or offers for sale a new motor vehicle.
1-55 (l) A manufacturer or distributor described by Subsection
1-56 (j) violates that subsection if the manufacturer or distributor:
1-57 (1) sells, assigns, or otherwise transfers an interest
1-58 in the motor vehicle dealer or a portion of its interest in the
1-59 motor vehicle dealer to an unaffiliated manufacturer or
1-60 distributor; or
1-61 (2) increases its ownership interest in the motor
1-62 vehicle dealer.
1-63 (m) A person who violates Subsection (j), (k), or (l) is

2-1 subject to:
2-2 (1) a civil penalty under Section 2301.801;
2-3 (2) a suit for injunctive relief under Section
2-4 2301.804; and
2-5 (3) denial, revocation, or suspension of a license
2-6 under Section 2301.651.
2-7 (n) For purposes of Subsections (j), (k), and (l), a
2-8 reference to a motor vehicle dealer includes the physical premises,
2-9 business facilities, and operations where motor vehicle sales
2-10 occur.
2-11 (o) This subsection, Subsections (j) through (n), and the
2-12 exception provided by Subsection (j) expire September 1, 2013.
2-13 SECTION 2. This Act takes effect September 1, 2008.

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