

By: Harless

H.B. No. 2651

A BILL TO BE ENTITLED

AN ACT

relating to the terms of certain motor vehicle dealer licenses,  
motor vehicle license plates, and general distinguishing numbers.

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

SECTION 1. Section 2301.257(b), Occupations Code, is  
amended to read as follows:

(b) If a material change occurs in the information included  
in an application for a dealer's license, the dealer shall notify  
the board of the change within a reasonable time [~~but not later than~~  
~~the next annual renewal~~]. The board shall prescribe a form for the  
disclosure of the change.

SECTION 2. Section 2301.264, Occupations Code, is amended  
to read as follows:

Sec. 2301.264. LICENSE FEES. (a) The annual rates of the  
fees for a license issued under this chapter are:

(1) \$900 for a manufacturer or distributor, plus \$20  
for each dealer franchised by the manufacturer or distributor;

(2) for a franchised dealer:

(A) \$175, if the dealer sold fewer than 201 new  
motor vehicles during the preceding calendar year;

(B) \$275, if the dealer sold more than 200 but  
fewer than 401 new motor vehicles during the preceding calendar  
year;

(C) \$400, if the dealer sold more than 400 but

1 fewer than 801 new motor vehicles during the preceding calendar  
2 year;

3 (D) \$500, if the dealer sold more than 800 but  
4 fewer than 1,201 new motor vehicles during the preceding calendar  
5 year;

6 (E) \$625, if the dealer sold more than 1,200 but  
7 fewer than 1,601 new motor vehicles during the preceding calendar  
8 year;

9 (F) \$750, if the dealer sold more than 1,600 new  
10 motor vehicles during the preceding calendar year; and

11 (G) \$100 for each location separate from the  
12 dealership at which the dealer does not offer motor vehicles for  
13 sale but performs warranty service work on vehicles the dealer is  
14 franchised and licensed to sell;

15 (3) [~~\$25 for an amendment to a license,~~

16 [~~(4)~~] \$100 for a representative;

17 (4) [~~(5)~~] \$375 for a converter;

18 (5) [~~(6)~~] for a vehicle lessor:

19 (A) \$175, if the lessor leased 200 or fewer motor  
20 vehicles during the preceding calendar year;

21 (B) \$275, if the lessor leased more than 200 but  
22 fewer than 401 motor vehicles during the preceding calendar year;

23 (C) \$400, if the lessor leased more than 400 but  
24 fewer than 801 motor vehicles during the preceding calendar year;

25 (D) \$500, if the lessor leased more than 800 but  
26 fewer than 1,201 motor vehicles during the preceding calendar year;

27 (E) \$625, if the lessor leased more than 1,200

1 but fewer than 1,601 motor vehicles during the preceding calendar  
2 year; and

3 (F) \$750, if the lessor leased more than 1,600  
4 motor vehicles during the preceding calendar year; and

5 (6) [~~(7)~~] \$375 for a vehicle lease facilitator [~~and~~  
6 ~~(8)~~ ~~\$50 for a duplicate license~~].

7 (b) The fee for an amendment to a license issued under this  
8 chapter is \$25. The fee for a duplicate license is \$50.

9 (c) A person who fails to apply for a license required under  
10 this chapter or fails to pay a fee within the required time must pay  
11 a penalty equal to 50 percent of the amount of the fee for each 30  
12 days after the date the license is required or the fee is due.

13 (d) [~~(c)~~] The board may prorate the fee for a  
14 representative's license to allow the representative's license and  
15 the license of the manufacturer or distributor who employs the  
16 representative to expire on the same day.

17 (e) [~~(d)~~] The board may refund from funds appropriated to  
18 the board for that purpose a fee collected under this chapter that  
19 is not due or that exceeds the amount due.

20 SECTION 3. Section 2301.301, Occupations Code, is amended  
21 to read as follows:

22 Sec. 2301.301. LICENSE TERM; [~~ANNUAL~~] RENEWAL [~~REQUIRED~~].

23 (a) A license issued under this chapter is valid for the period set  
24 by the department [~~expires on the first anniversary of the date the~~  
25 ~~license is issued~~].

26 (b) The department [~~board~~] may issue a license for a term of  
27 less than the period set under Subsection (a) [~~one year~~] to

1 coordinate the expiration dates of licenses held by a person that is  
2 required to obtain more than one license to perform activities  
3 under this chapter.

4 (c) The department [~~board by rule~~] may implement a system  
5 under which licenses expire on various dates during the year.

6 (d) If a license is issued or renewed for a term that is less  
7 than the period set under Subsection (a), the department shall  
8 prorate the fee [~~For a year in which a license expiration date is~~  
9 ~~changed, the fee for the license shall be prorated~~] so that the  
10 license holder pays only that portion of the fee that is allocable  
11 to the number of months during which the license is valid. On  
12 renewal of the license on the new expiration date, the entire  
13 license renewal fee is payable.

14 (e) [~~(d)~~] A license renewal may be administratively granted  
15 unless a protest is made to the department [~~board~~].

16 SECTION 4. Section 2301.303, Occupations Code, is amended  
17 to read as follows:

18 Sec. 2301.303. RENEWAL OF DEALER'S LICENSE. A dealer shall  
19 renew the dealer's license [~~annually~~] on an application prescribed  
20 by the board. The board shall include in the renewal application a  
21 request for disclosure of material changes described by Section  
22 2301.257.

23 SECTION 5. Section 503.007, Transportation Code, is amended  
24 to read as follows:

25 Sec. 503.007. FEES FOR GENERAL DISTINGUISHING NUMBER. (a)  
26 The rate of the fee for an original general distinguishing number is  
27 \$500 for the first year and \$200 for each subsequent year of

1 validity.

2 (b) The rate of the fee for the renewal of a general  
3 distinguishing number is \$200 a year.

4 (c) The rate of the registration fee for a drive-a-way  
5 in-transit license is \$50 a year.

6 (d) Money [~~A fee~~] collected for a fee to which [~~under~~] this  
7 section applies shall be deposited to the credit of the state  
8 highway fund.

9 SECTION 6. Section 503.008, Transportation Code, is amended  
10 to read as follows:

11 Sec. 503.008. FEES FOR LICENSE PLATES. (a) The rate of the  
12 fee for a metal dealer's license plate is \$20 a year.

13 (b) The rate of the fee for a manufacturer's license plate  
14 is \$40 a year.

15 (c) The rate of the fee for an additional set of drive-a-way  
16 in-transit license plates is \$5 a year.

17 (d) Money [~~A fee~~] collected for a fee to which [~~under~~] this  
18 section applies shall be deposited to the credit of the state  
19 highway fund.

20 SECTION 7. Subchapter A, Chapter 503, Transportation Code,  
21 is amended by adding Sections 503.010 and 503.011 to read as  
22 follows:

23 Sec. 503.010. TERM OF GENERAL DISTINGUISHING NUMBER,  
24 LICENSE, OR LICENSE PLATE. A general distinguishing number,  
25 license, or license plate issued under this chapter is valid for the  
26 period set by the department.

27 Sec. 503.011. COLLECTED FUNDS. Money received by the

1 department and deposited to the credit of the state highway fund in  
2 accordance with this chapter is exempt from the application of  
3 Section 403.095, Government Code.

4 SECTION 8. Section 503.032, Transportation Code, is amended  
5 to read as follows:

6 Sec. 503.032. ESTABLISHED AND PERMANENT PLACE OF BUSINESS.

7 (a) An applicant for a dealer general distinguishing number or  
8 wholesale motor vehicle auction general distinguishing number must  
9 demonstrate that the location for which the applicant requests the  
10 number is an established and permanent place of business. A  
11 location is considered to be an established and permanent place of  
12 business if the applicant:

13 (1) owns the real property on which the business is  
14 situated or has a written lease for the property that has a term of  
15 not less than the term of the license ~~[one year]~~;

16 (2) maintains on the location:

17 (A) a permanent furnished office that is equipped  
18 as required by the department for the sale of the vehicles of the  
19 type specified in the application; and

20 (B) a conspicuous sign with letters at least six  
21 inches high showing the name of the applicant's business; and

22 (3) has sufficient space on the location to display at  
23 least five vehicles of the type specified in the application.

24 (b) An applicant for a general distinguishing number as a  
25 wholesale motor vehicle dealer is not required to maintain display  
26 space in accordance with Subsection (a)(3).

27 (c) The applicant must demonstrate that:

1           (1) the applicant intends to remain regularly and  
2 actively engaged in the business specified in the application for  
3 at least the term of the license [~~one year~~] at the location  
4 specified in the application; and

5           (2) the applicant or a bona fide employee of the  
6 applicant will be:

7                   (A) at the location to buy, sell, lease, or  
8 exchange vehicles; and

9                   (B) available to the public or the department at  
10 that location during reasonable and lawful business hours.

11       SECTION 9. Section 503.035, Transportation Code, is amended  
12 to read as follows:

13       Sec. 503.035. ISSUANCE AND RENEWAL OF DRIVE-A-WAY  
14 IN-TRANSIT LICENSE. The department shall issue to an applicant on  
15 the filing of the application and the payment of the fee a [~~an~~  
16 ~~annual~~] drive-a-way in-transit license and in-transit license  
17 plates.

18       SECTION 10. Section 503.0615(c), Transportation Code, is  
19 amended to read as follows:

20           (c) The annual rate of the fee for personalized prestige  
21 dealer's license plates is \$40, in addition to any fee otherwise  
22 prescribed by this chapter.

23       SECTION 11. Section 503.0618(c), Transportation Code, is  
24 amended to read as follows:

25           (c) The rate of the fee for a metal converter's license  
26 plate is \$20 a year.

27       SECTION 12. Section 503.066(d), Transportation Code, is

1 amended to read as follows:

2 (d) A metal license plate issued under this chapter expires  
3 on the same date as the expiration of the [~~dealer~~] license under  
4 [~~to~~] which it is issued.

5 SECTION 13. This Act takes effect immediately if it  
6 receives a vote of two-thirds of all the members elected to each  
7 house, as provided by Section 39, Article III, Texas Constitution.  
8 If this Act does not receive the vote necessary for immediate  
9 effect, this Act takes effect September 1, 2007.