

By: Harless (Senate Sponsor - Ellis) H.B. No. 2651  
(In the Senate - Received from the House May 9, 2007;  
May 10, 2007, read first time and referred to Committee on  
Transportation and Homeland Security; May 16, 2007, reported  
favorably by the following vote: Yeas 8, Nays 0; May 16, 2007, sent  
to printer.)

A BILL TO BE ENTITLED  
AN ACT

relating to the issuance and renewal 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 director ~~[board]~~ of the change within a reasonable time ~~[but not  
later than the next annual renewal]~~. The director ~~[board]~~ shall  
prescribe a form for the disclosure of the change.

SECTION 2. Section 2301.264, Occupations Code, is amended  
by amending Subsection (a) and adding Subsections (e) and (f) to  
read as follows:

(a) The annual 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  
fewer than 801 new motor vehicles during the preceding calendar  
year;

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

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

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

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

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

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

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

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

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

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

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

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

(E) \$625, if the lessor leased more than 1,200  
but fewer than 1,601 motor vehicles during the preceding calendar  
year; and

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

(6) ~~[(7)]~~ \$375 for a vehicle lease facilitator~~[-, and~~  
~~[(8)]~~ \$50 for a duplicate license].  
 (e) The fee for an amendment to a license under this chapter is \$25.

(f) The fee for a duplicate license under this chapter is \$50.

SECTION 3. The heading to Section 2301.301, Occupations Code, is amended to read as follows:

Sec. 2301.301. LICENSE TERM AND [ANNUAL] RENEWAL [REQUIRED].

SECTION 4. Section 2301.301, Occupations Code, is amended by amending Subsections (a), (b), and (c) and adding Subsection (e) to read as follows:

(a) Licenses [A license] issued under this chapter are valid for the period prescribed by the commission [expires on the first anniversary of the date the license is issued].

(b) The director [board] may issue a license for a term of less than the period prescribed under Subsection (a) [one year] to coordinate the expiration dates of licenses held by a person that is required to obtain more than one license to perform activities under this chapter.

(c) The commission [board] by rule may implement a system under which licenses expire on various dates during the year. If a license is issued or renewed for a term that is less than the period set under Subsection (a) [For a year in which a license expiration date is changed], the fee for the license shall be prorated so that the license holder pays only that portion of the fee that is allocable to the number of months during which the license is valid. On renewal of the license on the new expiration date, the entire license renewal fee is payable.

(e) If the commission prescribes the term of a license under this chapter for a period other than one year, the commission shall prorate the applicable annual fee required under this chapter as necessary to reflect the term of the license.

SECTION 5. Section 2301.303, Occupations Code, is amended to read as follows:

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

SECTION 6. Sections 503.007(a), (b), and (c), Transportation Code, are amended to read as follows:

(a) The fee for an original general distinguishing number is \$500 for the first year and \$200 for each subsequent year for which the number is valid.

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

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

SECTION 7. Sections 503.008(a), (b), and (c), Transportation Code, are amended to read as follows:

(a) The fee for a metal dealer's license plate is \$20 a year.

(b) The fee for a manufacturer's license plate is \$40 a year.

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

SECTION 8. Subchapter A, Chapter 503, Transportation Code, is amended by adding Sections 503.010, 503.011, and 503.012 to read as follows:

Sec. 503.010. TERM OF GENERAL DISTINGUISHING NUMBER, LICENSE, OR LICENSE PLATE. Each general distinguishing number, license, or license plate issued under this chapter is valid for the period prescribed by the commission.

Sec. 503.011. PRORATING FEES. If the commission prescribes the term of a general distinguishing number, license, or license plate under this chapter for a period other than one year, the commission shall prorate the applicable annual fee required under this chapter as necessary to reflect the term of the number,

license, or license plate.

Sec. 503.012. COLLECTED MONEY. Section 403.095, Government Code, does not apply to money received by the department and deposited to the credit of the state highway fund in accordance with this chapter.

SECTION 9. Sections 503.032(a) and (c), Transportation Code, are amended to read as follows:

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

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

(2) maintains on the location:

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

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

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

(c) The applicant must demonstrate that:

(1) the applicant intends to remain regularly and actively engaged in the business specified in the application for a time equal to at least the term of the general distinguishing number ~~[one year]~~ at the location specified in the application; and

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

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

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

SECTION 10. Section 503.035, Transportation Code, is amended to read as follows:

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

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

(c) The fee for a metal converter's license plate is \$20 a year.

SECTION 12. Section 503.066(d), Transportation Code, is amended to read as follows:

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

SECTION 13. The changes in law made by this Act to the issuance and renewal of a license under Chapter 2301, Occupations Code, and a license, general distinguishing number, or license plate under Chapter 503, Transportation Code, apply only to a license, general distinguishing number, or license plate that is originally issued or is renewed on or after the effective date of this Act. A license, general distinguishing number, or license plate that is issued or renewed before that date is governed by the law in effect on the date of issuance or renewal, and the former law is continued in effect for that purpose.

SECTION 14. This Act takes effect September 1, 2007.

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