

House Bill 733
Senate Amendments
Section-by-Section Analysis

HOUSE VERSION

SECTION 1. Section 2301.476, Occupations Code, is amended by adding Subsections (j) through (o) to read as follows:

(j) This section does not prohibit a manufacturer or distributor that owned, on or before January 1, 2007, an interest in a motor vehicle dealer engaged in the sale of used motor vehicles, and that has not agreed to or been ordered by a court order or ruling to comply with Subsection (c), from continuing to directly or indirectly own an interest in the motor vehicle dealer if the manufacturer's or distributor's ownership and control of the motor vehicle dealer does not increase after January 1, 2007. The exception provided by this subsection:

(1) applies if the motor vehicle dealer is engaged in the business of selling or offering for sale only used trucks that have a gross vehicle weight rating of 16,000 pounds or more;

(2) does not apply if the motor vehicle dealer sells a new motor vehicle;

(3) does not permit an increase in the manufacturer's or distributor's ownership interest in the motor vehicle dealer;

(4) does not grant an exception to this chapter other than the exception expressly provided by this subsection;

(5) applies regardless of whether there is a transfer or relocation of the motor vehicle dealer required by:

(A) an act of God;

(B) the exercise of eminent domain authority; or

(C) another reason approved by the division after a hearing conducted in the same manner as a contested

SENATE VERSION

Same as House version. (The committee substitute changed an expiration date, and the floor amendment restored it to the date in the House version.)

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case under Subchapter O; and

(6) does not apply if the manufacturer or distributor no longer owns the interest in the motor vehicle dealer that the manufacturer or distributor owned on or before January 1, 2007.

(k) A motor vehicle dealer under Subsection (j) violates that subsection if the dealer:

(1) sells or offers for sale a motor vehicle with a gross vehicle weight rating of less than 16,000 pounds, other than a motor vehicle the dealer has acquired as a trade-in in a transaction involving the retail sale of a motor vehicle with a gross vehicle weight rating of 16,000 pounds or more and if the trade-in motor vehicle will be sold or offered for sale only to a person who holds a general distinguishing number issued in the category described by Section 503.029(a)(6)(C), Transportation Code;

(2) performs or offers to perform new motor vehicle warranty repair; or

(3) sells or offers for sale a new motor vehicle.

(l) A manufacturer or distributor described by Subsection (j) violates that subsection if the manufacturer or distributor:

(1) sells, assigns, or otherwise transfers an interest in the motor vehicle dealer or a portion of its interest in the motor vehicle dealer to an unaffiliated manufacturer or distributor; or

(2) increases its ownership interest in the motor vehicle dealer.

(m) A person who violates Subsection (j), (k), or (l) is

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subject to:

(1) a civil penalty under Section 2301.801;

(2) a suit for injunctive relief under Section 2301.804;

and

(3) denial, revocation, or suspension of a license under Section 2301.651.

(n) For purposes of Subsections (j), (k), and (l), a reference to a motor vehicle dealer includes the physical premises, business facilities, and operations where motor vehicle sales occur.

(o) This subsection, Subsections (j) through (n), and the exception provided by Subsection (j) expire September 1, 2023.

SECTION 2. This Act takes effect September 1, 2008.

Same as House version.