

## **BILL ANALYSIS**

S.B. 520  
By: Harris  
Transportation  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

Currently, individuals going into used car sales are having to build their knowledge of the business from the ground up and individuals purchasing vehicles from these dealers may be subject to questionable business practices. To obtain an independent dealer's license in Texas a person is required only to fill out the proper forms and pay the required fees.

S.B. 520 requires an applicant for an original dealer general distinguishing number to complete a dealer education course approved by the Texas Department of Transportation.

### **RULEMAKING AUTHORITY**

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

### **ANALYSIS**

SECTION 1. Amends Section 503.029, Transportation Code, by adding Subsections (d), (e), and (f), as follows:

(d) Requires an applicant for an original dealer general distinguishing number, who proposes to be an independent motor vehicle dealer, as specified under Subsection (a)(6)(B) (relating to a written application on a form that specifies whether the applicant proposes to be an independent motor vehicle dealer), and who does not hold a general distinguishing number as a franchised motor vehicle dealer or independent motor vehicle dealer, as specified under Subsection (a)(6)(A) or (B) (relating to a written application on a form that specifies whether the applicant proposes to be a franchised motor vehicle dealer), to submit to the Texas Department of Transportation (TxDOT) evidence that the applicant completed a dealer education course (course), approved by TxDOT, in the 12-month period preceding the date the application is filed. Requires that the course be at least eight hours and not more than 12 hours in length. Requires that the course, if the applicant is an entity, be completed by one individual listed on the application as an owner.

(e) Authorizes TxDOT to approve a course under Subsection (d) only if the provider of the course is a business with experience providing compliance education to independent motor vehicle dealers, provides online and CD-ROM versions of the course in English and in Spanish with assessment and verification capabilities, provides ongoing educational support by telephone or the Internet for one year at no additional cost to persons who have completed a course, provides at least one instructor-led course each month, including at least one instructor-led course each year in or near certain cities in Texas, and has a curriculum review panel for the course that consists of at least four independent motor vehicle dealers who hold dealer general distinguishing numbers.

(f) Provides that an applicant is not required to comply with Subsection (d) if, at the time the application is submitted, a course is not currently approved by TxDOT.

SECTION 2. Makes application of Section 503.029(d), Transportation Code, as added by this Act prospective to September 1, 2010.

SECTION 3. Requires TxDOT, not later than January 1, 2010, to begin to approve or reject applications from providers of dealer education courses under Sections 503.029(d) and (e), Transportation Code, as added by this Act.

SECTION 4. Effective date: September 1, 2009.

**EFFECTIVE DATE**

September 1, 2009