

By: Kuempel

H.B. No. 1504

A BILL TO BE ENTITLED

AN ACT

relating to the selection by motor vehicle dealers of materials and vendors for motor vehicle dealership upgrades and improvements.

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

SECTION 1. Subchapter J, Chapter 2301, Occupations Code, is amended by adding Section 2301.483 to read as follows:

Sec. 2301.483. SELECTION BY DEALER OF VENDOR OR MATERIALS FOR DEALERSHIP IMPROVEMENT. (a) Except as provided by Subsection (b), a manufacturer or distributor may not:

(1) require a dealer to purchase or use specific materials or to purchase goods or services from a specific vendor when making an upgrade or improvement to the dealer's dealership; or

(2) directly or indirectly take an adverse financial or other action against a dealer who chooses materials or a vendor as provided by this section.

(b) If a manufacturer or distributor provides money directly or indirectly to a dealer to compensate the dealer for a specific upgrade or improvement, the dealer may select the materials and vendors for upgrade or improvement but shall select materials and vendors that are of like kind and quality to those specified by the manufacturer or distributor, if any.

SECTION 2. The changes in law made by this Act apply to a manufacturer, distributor, and dealer regardless of the date the

1 person's license is issued or renewed under Chapter 2301,
2 Occupations Code, and regardless of the date a franchise agreement
3 is entered into or renewed.

4 SECTION 3. This Act takes effect September 1, 2013.