

A BILL TO BE ENTITLED

AN ACT

relating to the regulation of motor vehicle dealers, manufacturers, distributors, and representatives.

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. PROPERTY USE AGREEMENTS RELATED TO PROPERTY OWNED BY MANUFACTURER, DISTRIBUTOR, OR REPRESENTATIVE. (a) Notwithstanding Sections 2301.4671, 2301.481, and 2301.482, and subject to this section, a dealer may enter into a property use agreement for a franchise in which the manufacturer, distributor, or representative has purchased any necessary real estate for the dealership.

(b) A property use agreement under this section may include provisions that:

(1) limit the franchised dealer's ability to add a line-make;

(2) prohibit the sale or transfer of the dealership property to any transferee that will not continue to engage in the business of buying, selling, or exchanging new motor vehicles or servicing or repairing motor vehicles under a manufacturer's warranty under a franchise in effect with the manufacturer or distributor that purchased or funded any part of the dealership property; and

1 (3) bind a franchised dealer's successor.

2 (c) A property use agreement under this section expires on
3 the earlier of:

4 (1) the date provided by the property use agreement;
5 or

6 (2) the termination of the franchise between the
7 parties to the property use agreement.

8 (d) This section applies to a subsidiary of, or a person
9 controlled by, a manufacturer, distributor, or representative.

10 SECTION 2. Section 2301.6521(d), Occupations Code, is
11 amended to read as follows:

12 (d) A franchised dealer may not protest an application to
13 relocate a dealership under this section if the proposed relocation
14 site is not:

15 (1) more than two miles [~~or less~~] from the dealership's
16 current location; or

17 (2) closer to the franchised dealer than the site from
18 which the dealership is being relocated.

19 SECTION 3. Section 2301.483, Occupations Code, as added by
20 this Act, applies only to an agreement entered into or renewed under
21 Chapter 2301, Occupations Code, on or after the effective date of
22 this Act. An agreement entered into or renewed before that date is
23 governed by the law in effect on the date the agreement was entered
24 into or renewed, and the former law is continued in effect for that
25 purpose.

26 SECTION 4. Section 2301.6521(d), Occupations Code, as
27 amended by this Act, applies only to an application to relocate a

1 dealership that is made on or after the effective date of this Act.
2 An application made before that date is governed by the law in
3 effect on the date the application was made, and the former law is
4 continued in effect for that purpose.

5 SECTION 5. This Act takes effect immediately if it receives
6 a vote of two-thirds of all the members elected to each house, as
7 provided by Section 39, Article III, Texas Constitution. If this
8 Act does not receive the vote necessary for immediate effect, this
9 Act takes effect September 1, 2013.