

By: Hancock

S.B. No. 639

A BILL TO BE ENTITLED

AN ACT

relating to the ownership or operation of a motor vehicle dealership by certain manufacturers or distributors.

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

SECTION 1. Section 2301.252(a), Occupations Code, is amended to read as follows:

(a) A person may not engage in the business of buying, selling, or exchanging new motor vehicles unless the person:

(1) holds a franchised dealer's license issued under this chapter for the make of new motor vehicle being bought, sold, or exchanged~~[+]~~ or

~~[(2)]~~ is a bona fide employee of the holder of a franchised dealer's license; or

(2) is a manufacturer or distributor described by Section 2301.476(i-1) or is a bona fide employee of the manufacturer or distributor.

SECTION 2. Section 2301.476, Occupations Code, is amended by adding Subsection (i-1) to read as follows:

(i-1) Notwithstanding any other provision of this chapter, a manufacturer or distributor may own or operate a dealership, may own, operate, or otherwise act in the capacity of a dealer, and may obtain a dealer general distinguishing number if:

(1) the manufacturer or distributor does not own or operate more than 12 dealers or dealership locations in this state;

1 and

2 (2) the manufacturer's line-make has never been sold
3 in this state through an independent franchised new motor vehicle
4 dealership.

5 SECTION 3. Section 503.029(a), Transportation Code, is
6 amended to read as follows:

7 (a) An applicant for an original or renewal dealer general
8 distinguishing number must submit to the department a written
9 application on a form that:

10 (1) is provided by the department;

11 (2) contains the information required by the
12 department;

13 (3) contains information that demonstrates the person
14 meets the requirements prescribed by Section 503.032;

15 (4) contains information that demonstrates the
16 applicant has complied with all applicable state laws and municipal
17 ordinances;

18 (5) states that the applicant agrees to allow the
19 department to examine during working hours the ownership papers for
20 each registered or unregistered vehicle in the applicant's
21 possession or control; and

22 (6) specifies whether the applicant proposes to be a:

23 (A) franchised motor vehicle dealer;

24 (B) independent motor vehicle dealer;

25 (C) wholesale motor vehicle dealer;

26 (D) motorcycle dealer;

27 (E) house trailer dealer;

- 1 (F) trailer or semitrailer dealer; [~~or~~]
2 (G) independent mobility motor vehicle dealer;
3 or
4 (H) manufacturer or distributor described by
5 Section 2301.476(i-1), Occupations Code.

6 SECTION 4. This Act takes effect immediately if it receives
7 a vote of two-thirds of all the members elected to each house, as
8 provided by Section 39, Article III, Texas Constitution. If this
9 Act does not receive the vote necessary for immediate effect, this
10 Act takes effect September 1, 2015.