

By: Isaac

H.B. No. 4236

A BILL TO BE ENTITLED

AN ACT

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

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

SECTION 1. Section 503.001, Transportation Code, is amended  
by amending Subdivisions (4) and (9) and adding Subdivision (10-a)  
to read as follows:

(4) "Dealer" means a person who regularly and actively  
buys, sells, or exchanges vehicles at an established and permanent  
location. The term includes a franchised motor vehicle dealer, an  
independent motor vehicle dealer, an independent mobility motor  
vehicle dealer, ~~[and]~~ a wholesale motor vehicle dealer, and a  
manufacturer motor vehicle dealer.

(9) "Independent motor vehicle dealer" means a dealer  
other than a franchised motor vehicle dealer, an independent  
mobility motor vehicle dealer, ~~[or]~~ a wholesale motor vehicle  
dealer, or a manufacturer motor vehicle dealer.

(10-a) "Manufacturer motor vehicle dealer" means a  
manufacturer who, at an established and permanent location,  
regularly and actively buys, sells, or exchanges motor vehicles of  
a line make the manufacturer manufactures, distributes, or  
assembles.

SECTION 2. Section 503.029(a), Transportation Code, is  
amended to read as follows:



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

4                   (1) is provided by the department;

5                   (2) contains the information required by the  
6 department;

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

9                   (4) contains information that demonstrates the  
10 applicant has complied with all applicable state laws and municipal  
11 ordinances;

12                   (5) states that the applicant agrees to allow the  
13 department to examine during working hours the ownership papers for  
14 each registered or unregistered vehicle in the applicant's  
15 possession or control; and

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

17                           (A) franchised motor vehicle dealer;

18                           (B) independent motor vehicle dealer;

19                           (C) wholesale motor vehicle dealer;

20                           (D) motorcycle dealer;

21                           (E) house trailer dealer;

22                           (F) trailer or semitrailer dealer; ~~[or]~~

23                           (G) independent mobility motor vehicle dealer;

24 or

25                           (H) manufacturer motor vehicle dealer.

26           SECTION 3. Section 503.036(a), Transportation Code, is  
27 amended to read as follows:



1           (a) The holder of a franchised motor vehicle dealer's  
2 general distinguishing number or manufacturer motor vehicle  
3 dealer's general distinguishing number may buy, sell, or exchange  
4 new or used motor vehicles and reassign a manufacturer's  
5 certificate of origin, certificate of title, or other basic  
6 evidence of ownership of any type of vehicle owned by the dealer  
7 that the dealer is not otherwise prohibited by law from selling or  
8 offering for sale.

9           SECTION 4. Section 2301.002(25), Occupations Code, is  
10 amended to read as follows:

11           (25) "Nonfranchised dealer" means a person who holds  
12 an independent motor vehicle dealer's general distinguishing  
13 number, an independent mobility motor vehicle dealer's general  
14 distinguishing number, ~~[or]~~ a wholesale motor vehicle dealer's  
15 general distinguishing number, or a manufacturer motor vehicle  
16 dealer's general distinguishing number issued by the board under  
17 Chapter 503, Transportation Code.

18           SECTION 5. Section 2301.252(a), Occupations Code, is  
19 amended to read as follows:

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

22           (1) holds a franchised dealer's license issued under  
23 this chapter for the make of new motor vehicle being bought, sold,  
24 or exchanged;

25           (2) holds a manufacturer motor vehicle dealer's  
26 general distinguishing number issued by the board under Chapter  
27 503, Transportation Code; or



1           (3) [~~(2)~~] is a bona fide employee of:  
2                   (A) the holder of a franchised dealer's license;  
3   or  
4                   (B) the holder of a manufacturer motor vehicle  
5 dealer's general distinguishing number issued by the board under  
6 Chapter 503, Transportation Code.

7           SECTION 6. Section 2301.476, Occupations Code, is repealed.

8           SECTION 7. This Act takes effect September 1, 2017.