

By: Hancock

S.B. No. 2279

A BILL TO BE ENTITLED

AN ACT

relating to the ownership, control, or operation of a franchised or nonfranchised dealer or dealership by certain manufacturers.

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

SECTION 1. Section 2301.476, Occupations Code, is amended by adding Subsection (a-1) and amending Subsection (c) to read as follows:

(a-1) For purposes of this section, "type of motor vehicle" means:

(1) a passenger car that is a motor vehicle or a light-duty truck in Class 1, 2, or 3, other than a motorcycle or motor-driven cycle, primarily used to transport persons and designed to accommodate 10 or fewer passengers, including the operator;

(2) a motorcycle or motor-driven cycle as defined by Section 541.201, Transportation Code;

(3) an engine, transmission, or rear axle described by Section 2301.002(23)(C);

(4) a truck, including a medium-duty or heavy-duty truck that is in Class 4, 5, 6, 7, or 8;

(5) a bus that is a motor vehicle used to transport persons and designed to accommodate more than 10 passengers, including the operator;

(6) a road tractor or truck tractor as defined by

1 Section 541.201, Transportation Code;

2 (7) a fire-fighting vehicle; or

3 (8) a recreational vehicle, including a motor home, a
4 towable recreational vehicle, or a travel trailer or house trailer
5 as defined by Section 501.002, Transportation Code.

6 (c) Except as provided by this section, a manufacturer or
7 distributor may not directly or indirectly:

8 (1) own an interest in a franchised or nonfranchised
9 dealer or dealership that sells or services the same type of motor
10 vehicle that it manufactures or distributes;

11 (2) operate or control:

12 (A) a [~~franchised or nonfranchised~~] dealer or
13 dealership franchised to sell or service the same type of motor
14 vehicle that it manufactures or distributes; or

15 (B) a nonfranchised dealer or dealership; or

16 (3) act in the capacity of:

17 (A) a [~~franchised or nonfranchised~~] dealer or
18 dealership franchised to sell or service the same type of motor
19 vehicle that it manufactures or distributes; or

20 (B) a nonfranchised dealer.

21 SECTION 2. This Act takes effect September 1, 2017.