By:  Guillen H.B. No. 4405

A BILL TO BE ENTITLED

AN ACT

relating to the requirement that certain applicants for a vehicle dealer general distinguishing number complete a dealer education course.

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

SECTION 1.  Section 503.029, Transportation Code, is amended by adding Subsections (d), (e), and (f) to read as follows:

(d)  An applicant for an original dealer general distinguishing number who proposes to be an independent motor vehicle dealer and who does not hold a general distinguishing number as a franchised motor vehicle dealer or independent motor vehicle dealer shall submit to the department evidence that the applicant completed, in the 24-month period before the date the application is filed, a dealer education course approved by the department. The course must be not less than 8 hours and not more than 12 hours in length. If the applicant is an entity, the course must be completed by one individual listed on the application as an owner, manager, officer, or director of the entity.

(e)  The department may approve a dealer education course under Subsection (d) only if:

(1)  the provider of the course is:

(A)  an institution of higher education as defined by Section 61.003, Education Code; or

(B)  a professional or trade association in the field of motor vehicle sales domiciled in this state that:

(i)  has been in business for at least five years; and

(ii)  has, as a majority of its membership, members who are motor vehicle dealers licensed in this state;

(2)  the course curriculum, materials, and instructors satisfy any applicable department requirements;

(3)  the course includes instruction in federal and state laws and department rules applicable to independent motor vehicle dealers;

(4)  the cost per course participant does not exceed:

(A)  $150 for a course offered online; or

(B)  $200 for a course offered through classroom instruction; and

(5)  on successful completion of the course, a course participant receives a certificate of completion from the course provider.

(f)  An applicant is not required to comply with Subsection (d) if, at the time the application is submitted, an online dealer education course is not currently approved by the department.

SECTION 2.  Section 503.029(d), Transportation Code, as added by this Act, applies only to an application for an original dealer general distinguishing number filed with the Texas Department of Motor Vehicles on or after September 1, 2020. An application filed before that date is governed by the law in effect immediately before the effective date of this Act, and the former law is continued in effect for that purpose.

SECTION 3.  Not later than January 1, 2020, the Texas Department of Motor Vehicles shall begin accepting applications for approval from providers of dealer education courses in accordance with Sections 503.029(d) and (e), Transportation Code, as added by this Act.

SECTION 4.  This Act takes effect September 1, 2019.