S.B. No. 1415

AN ACT

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

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

SECTION 1.  Sections 2301.476(a), (b), and (c), Occupations Code, are amended to read as follows:

(a)  In this section:

(1)  "Manufacturer"[~~, "manufacturer"~~] includes:

(A) [~~(1)~~]  a representative; or

(B) [~~(2)~~]  a person who:

(i) [~~(A)~~]  is affiliated with a manufacturer or representative; or

(ii) [~~(B)~~]  directly or indirectly through an intermediary, is controlled by, or is under common control with, a manufacturer.

(2)  "Type of motor vehicle" means the classification of a motor vehicle as one of the following:

(A)  a passenger car or a truck, including a pickup truck, van, panel delivery truck, or a carryall truck, with a gross vehicle weight rating of 14,000 pounds or less that is used primarily to transport persons or property;

(B)  a motorcycle or motor-driven cycle, which includes:

(i)  an all-terrain vehicle, as defined by Section 502.001, Transportation Code;

(ii)  a recreational off-highway vehicle, as defined by Section 502.001, Transportation Code;

(iii)  an autocycle, as defined by Section 501.008, Transportation Code;

(iv)  a moped, as defined by Section 541.201, Transportation Code;

(v)  a motorcycle, as defined by Section 541.201, Transportation Code; or

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

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

(D)  a medium-duty or heavy-duty truck with a gross vehicle weight rating of more than 14,000 pounds;

(E)  a bus, as defined by Section 541.201, Transportation Code;

(F)  a road tractor or truck tractor, as defined by Section 541.201, Transportation Code;

(G)  a firefighting vehicle; or

(H)  a recreational vehicle, which includes:

(i)  a motor home;

(ii)  a towable recreational vehicle;

(iii)  a travel trailer, as defined by Section 501.002, Transportation Code; or

(iv)  a house trailer, as defined by Section 501.002, Transportation Code.

(b)  For purposes of Subsection (a)(1)(B)(ii) [~~(a)(2)(B)~~], a person is controlled by a manufacturer if the manufacturer is directly or indirectly authorized, by law or by agreement of the parties, to direct or influence the person's management and policies.

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

(1)  own an interest in:

(A)  a franchised dealer or dealership, as defined by Sections 2301.002(16) and (8), respectively, for the same type of motor vehicle that:

(i)  the manufacturer manufactures or distributes; or

(ii)  the distributor distributes; or

(B)  a nonfranchised dealer or dealership;

(2)  operate or control:

(A)  a franchised dealer or dealership, as defined by Sections 2301.002(16) and (8), respectively, for the same type of motor vehicle that:

(i)  the manufacturer manufactures or distributes; or

(ii)  the distributor distributes; or

(B)  a nonfranchised dealer or dealership; or

(3)  act in the capacity of:

(A)  a franchised dealer or dealership, as defined by Sections 2301.002(16) and (8), respectively, for the same type of motor vehicle that:

(i)  the manufacturer manufactures or distributes; or

(ii)  the distributor distributes; or

(B)  a nonfranchised dealer.

SECTION 2.  This Act takes effect September 1, 2019.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_President of the Senate             Speaker of the House

I hereby certify that S.B. No. 1415 passed the Senate on April 23, 2019, by the following vote:  Yeas 30, Nays 1.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_    Secretary of the Senate

I hereby certify that S.B. No. 1415 passed the House on May 17, 2019, by the following vote:  Yeas 142, Nays 0, two present not voting.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_    Chief Clerk of the House

Approved:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_             Date\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_           Governor