

By: Geren

H.B. No. 2940

Substitute the following for H.B. No. 2940:

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C.S.H.B. No. 2940

A BILL TO BE ENTITLED

1 AN ACT

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

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

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

8 (a) In this section:

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

10 (A) [~~(1)~~] a representative; or

11 (B) [~~(2)~~] a person who:

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

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

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

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

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

- 1                   (i) an all-terrain vehicle, as defined by  
2 Section 502.001, Transportation Code;
- 3                   (ii) a recreational off-highway vehicle, as  
4 defined by Section 502.001, Transportation Code;
- 5                   (iii) an autocycle, as defined by Section  
6 501.008, Transportation Code;
- 7                   (iv) a moped, as defined by Section  
8 541.201, Transportation Code;
- 9                   (v) a motorcycle, as defined by Section  
10 541.201, Transportation Code; or
- 11                   (vi) a motor-driven cycle, as defined by  
12 Section 541.201, Transportation Code;
- 13                   (C) an engine, transmission, or rear axle, as  
14 described by Section 2301.002(23)(C);
- 15                   (D) a medium-duty or heavy-duty truck with a  
16 gross vehicle weight rating of more than 14,000 pounds;
- 17                   (E) a bus, as defined by Section 541.201,  
18 Transportation Code;
- 19                   (F) a road tractor or truck tractor, as defined  
20 by Section 541.201, Transportation Code;
- 21                   (G) a firefighting vehicle; or
- 22                   (H) a recreational vehicle, which includes:
- 23                         (i) a motor home;
- 24                         (ii) a towable recreational vehicle;
- 25                         (iii) a travel trailer, as defined by  
26 Section 501.002, Transportation Code; or
- 27                         (iv) a house trailer, as defined by Section

1 501.002, Transportation Code.

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

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

9 (1) own an interest in:

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

13 (i) the manufacturer manufactures or  
14 distributes; or

15 (ii) the distributor distributes; or

16 (B) a nonfranchised dealer or dealership;

17 (2) operate or control:

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

21 (i) the manufacturer manufactures or  
22 distributes; or

23 (ii) the distributor distributes; or

24 (B) a nonfranchised dealer or dealership; or

25 (3) act in the capacity of:

26 (A) a franchised dealer or dealership, as defined  
27 by Sections 2301.002(16) and (8), respectively, for the same type

1 of motor vehicle that:

2 (i) the manufacturer manufactures or  
3 distributes; or

4 (ii) the distributor distributes; or

5 (B) a nonfranchised dealer.

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