

By: Guillen

H.B. No. 4405

A BILL TO BE ENTITLED

1 AN ACT

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

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

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

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

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

21 (1) the provider of the course is:

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

24 (B) a professional or trade association in the

1 field of motor vehicle sales domiciled in this state that:

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

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

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

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

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

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

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

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

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

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

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

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