

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:

- 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.

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