87R14418 TYPED

By:  Harris H.B. No. 4379

A BILL TO BE ENTITLED

AN ACT

relating to the ownership or operation of a motor vehicle dealership by a manufacturer or distributor of motor vehicles

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

SECTION 1.  Section 2301.252(a), Occupations Code, is amended to read as follows:

(a)  A person may not engage in the business of buying, selling, or exchanging new motor vehicles unless the person:

(1)  holds a franchised dealer's license issued under this chapter for the make of new motor vehicle being bought, sold, or exchanged[~~;~~] or

[~~(2)~~]  is a bona fide employee of the holder of a franchised dealer's license; or

(2)  is a manufacturer or distributor described by Section 2301.476(i-1) or is a bona fide employee of the manufacturer or distributor.

SECTION 2.  Section 2301.476, Occupations Code, is amended by adding Subsection (i-1) to read as follows:

(i-1)  Notwithstanding any other provision of this chapter, a manufacturer or distributor may own or operate a dealership, may own, operate, or otherwise act in the capacity of a dealer, and may obtain a dealer general distinguishing number if:

(1)  the manufacturer or distributor manufactures or distributes motor vehicles powered only by electricity or battery; and

(2)  the manufacturer's line-make has never been sold in this state through an independent franchised new motor vehicle dealership.

SECTION 3.  Section 503.029(a), Transportation Code, is amended to read as follows:

(a)  An applicant for an original or renewal dealer general distinguishing number must submit to the department a written application on a form that:

(1)  is provided by the department;

(2)  contains the information required by the department;

(3)  contains information that demonstrates the person meets the requirements prescribed by Section 503.032;

(4)  contains information that demonstrates the applicant has complied with all applicable state laws and municipal ordinances;

(5)  states that the applicant agrees to allow the department to examine during working hours the ownership papers for each registered or unregistered vehicle in the applicant's possession or control; and

(6)  specifies whether the applicant proposes to be a:

(A)  franchised motor vehicle dealer;

(B)  independent motor vehicle dealer;

(C)  wholesale motor vehicle dealer;

(D)  motorcycle dealer;

(E)  house trailer dealer;

(F)  trailer or semitrailer dealer; [~~or~~]

(G)  independent mobility motor vehicle dealer; or

(H)  manufacturer or distributor described by Section 2301.476(i-1), Occupations Code.

SECTION 4.  This Act takes effect September 1, 2021.