

By: Hughes

S.B. No. 1584

A BILL TO BE ENTITLED

1 AN ACT
2 relating to the ownership, control, or operation of certain used
3 motor vehicle dealers by certain motor vehicle manufacturers and
4 distributors.

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

6 SECTION 1. Section 2301.476(j), Occupations Code, is
7 amended to read as follows:

8 (j) This section does not prohibit a manufacturer or
9 distributor that owned, on or before January 1, 2007, an interest in
10 a motor vehicle dealer engaged in the sale of used motor vehicles,
11 and that has not agreed to or been ordered by a court order or ruling
12 to comply with Subsection (c), from continuing to directly or
13 indirectly own an interest in the motor vehicle dealer if the
14 manufacturer's or distributor's ownership and control of the motor
15 vehicle dealer does not increase after January 1, 2007. The
16 exception provided by this subsection:

17 (1) applies if the motor vehicle dealer is engaged in
18 the business of selling or offering for sale only used trucks that
19 have a gross vehicle weight rating of 16,000 pounds or more;

20 (2) does not apply if the motor vehicle dealer sells a
21 new motor vehicle;

22 (3) does not permit an increase in the manufacturer's
23 or distributor's ownership interest in the motor vehicle dealer;

24 (4) does not grant an exception to this chapter other

1 than the exception expressly provided by this subsection;

2 (5) allows for the addition of not more than four new
3 dealership locations in this state [~~applies regardless of whether~~
4 ~~there is a transfer or relocation of the motor vehicle dealer~~
5 ~~required by:~~

6 [(A) ~~an act of God,~~

7 [(B) ~~the exercise of eminent domain authority, or~~

8 [(C) ~~another reason approved by the division~~

9 ~~after a hearing conducted in the same manner as a contested case~~
10 ~~under Subchapter O]; and~~

11 (6) does not apply if the manufacturer or distributor
12 no longer owns the interest in the motor vehicle dealer that the
13 manufacturer or distributor owned on or before January 1, 2007.

14 SECTION 2. Section [2301.476\(o\)](#), Occupations Code, is
15 repealed.

16 SECTION 3. This Act takes effect September 1, 2021.