

## **BILL ANALYSIS**

Senate Research Center  
89R1347 SRA-D

S.B. 229  
By: West  
Business & Commerce  
4/29/2025  
As Filed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Existing law today does not contain any provisions that restrict new car dealerships from declining buyers who intend to purchase new cars using financing of their own choice. However, an increasing number of Texas residents have raised complaints concerning new car dealerships for refusing to accept cash payments, or financing from banks of their choice, since these dealerships have incentive agreements with finance companies that are associated with vehicle manufacturers. The purpose of the proposed bill is to prevent new car dealerships from declining financing preferred by purchasers and cash payments during the process of purchasing a new car.

S.B. 1464 would amend Texas's Finance Code by adding Section 348.415, which would prohibit retail sellers of new motor vehicles from imposing certain restrictions on the purchase of a new motor vehicle. Specifically, a retail seller may not increase the cash price of a motor vehicle for a buyer who purchases the vehicle with their own money or a loan from a third-party lender. Additionally, a retail seller may not prohibit a prospective buyer from paying the cash price at the time of sale with their own money or a loan from a third-party lender. The retail seller is also prohibited from making a false or misleading representation that is inconsistent with this section.

As proposed, S.B. 229 amends current law relating to prohibiting a retail seller of motor vehicles from imposing certain restrictions on the purchase of a motor vehicle.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Subchapter E, Chapter 348, Finance Code, by adding Section 348.415, as follows:

Sec. 348.415. RESTRICTIONS ON MOTOR VEHICLE PURCHASES FUNDED OR FINANCED USING PROSPECTIVE BUYER'S OWN MONEY OR THIRD-PARTY FINANCING PROHIBITED. (a) Prohibits a retail seller from increasing the sale price of a motor vehicle for a prospective buyer who purchases a motor vehicle with:

(1) the prospective buyer's own money; or

(2) a loan from a third-party lender who is neither the retail seller nor affiliated with the retail seller.

(b) Prohibits a retail seller from prohibiting a prospective buyer from paying the sale price at the time of the sale with:

(1) the prospective buyer's own money; or

(2) a loan from a third-party lender who is neither the retail seller nor affiliated with the retail seller.

(c) Prohibits a retail seller from making a false or misleading representation that is inconsistent with this section.

SECTION 2. Makes application of this Act prospective.

SECTION 3. Effective date: September 1, 2025.