

**BILL ANALYSIS**

C.S.H.B. 3163  
By: Button  
Licensing & Administrative Procedures  
Committee Report (Substituted)

**BACKGROUND AND PURPOSE**

Interested parties contend that requiring a vehicle lessor to own a vehicle that is leased or offered for lease under a lease agreement makes it difficult for the lessor to obtain vehicle financing because the bank would own the vehicle during the term of the lease. Additionally, the parties assert that federal rules allow a person to lease a vehicle without owning the vehicle. C.S.H.B. 3163 seeks to address this situation by redefining "vehicle lessor" for purposes of statutory provisions relating to the sale or lease of motor vehicles and clarifying the role of a licensed vehicle lease facilitator.

**CRIMINAL JUSTICE IMPACT**

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

**RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

**ANALYSIS**

C.S.H.B. 3163 amends the Occupations Code to redefine "vehicle lessor" as a person who leases or offers to lease a motor vehicle to another person under a lease agreement for purposes of statutory provisions relating to the sale or lease of motor vehicles. The bill authorizes a licensed vehicle lease facilitator to sign a vehicle lease agreement as a vehicle lessor before the vehicle lease is assigned, transferred, or conveyed to an ultimate lessor.

**EFFECTIVE DATE**

On passage, or, if the bill does not receive the necessary vote, September 1, 2017.

**COMPARISON OF ORIGINAL AND SUBSTITUTE**

While C.S.H.B. 3163 may differ from the original in minor or nonsubstantive ways, the following comparison is organized and formatted in a manner that indicates the substantial differences between the introduced and committee substitute versions of the bill.

INTRODUCED

SECTION 1. Section 2301.002(36), Occupations Code, is amended to read as follows:

HOUSE COMMITTEE SUBSTITUTE

SECTION 1. Section 2301.002(36), Occupations Code, is amended to read as follows:

85R 27867

17.122.834

Substitute Document Number: 85R 24986

(36) "Vehicle lessor" means a person who, as the lessor, leases or offers to lease a motor vehicle~~[, under a lease, transfers]~~ to another person under a lease agreement ~~[the right to possession and use of a motor vehicle titled in the name of the lessor].~~

No equivalent provision.

SECTION 2. This Act takes effect September 1, 2017.

(36) "Vehicle lessor" means a person who leases or offers to lease a motor vehicle~~[, under a lease, transfers]~~ to another person under a lease agreement ~~[the right to possession and use of a motor vehicle titled in the name of the lessor].~~

SECTION 2. Subchapter L, Chapter 2301, Occupations Code, is amended by adding Section 2301.5555 to read as follows:

Sec. 2301.5555. AUTHORITY TO SIGN VEHICLE LEASE AS LESSOR. Notwithstanding Section 2301.251, a licensed vehicle lease facilitator may sign a vehicle lease agreement as a vehicle lessor before the vehicle lease is assigned, transferred, or conveyed to an ultimate lessor.

SECTION 3. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2017.