

**SUBJECT:** Removing a licensure exemption for certain motor vehicle dealers

**COMMITTEE:** Licensing and Administrative Procedures — committee substitute recommended

**VOTE:** 10 ayes — T. King, Goldman, Geren, Guillen, Harless, Hernandez, K. King, Kuempel, Paddie, S. Thompson

0 nays

1 absent — Herrero

**WITNESSES:** For — None

Against — None

On — (*Registered, but did not testify:* Corrie Thompson, Texas Department of Motor Vehicles)

**BACKGROUND:** Transportation Code sec. 503.027(a) allows licensed motor vehicle dealers to sell up to five vehicles per year from a consignment location other than their licensed premises for which the dealer holds a general distinguishing number.

Interested parties note that allowing dealers to sell from locations other than their licensed premises could create confusion among consumers.

**DIGEST:** CSHB 3842 would remove an exception that allowed motor vehicle dealers to sell up to five vehicles in a calendar year from a consignment location other than their licensed premises. Any motor vehicle dealer would be required to obtain a general distinguishing number for a consignment location, unless the consignment location was a wholesale motor vehicle auction.

The bill would take effect September 1, 2019.