

BILL ANALYSIS

Senate Research Center
76R8999 DWS-D

S.B. 1146
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State Affairs
4/19/1999
As Filed

DIGEST

Currently, the Motor Vehicle Commission Code (Article 4413(36), V.T.C.S.) requires any business acting as a motor vehicle dealer in Texas to obtain a dealers' license, and prohibits a manufacturer from acting as a dealer. Under a broad, literal interpretation, an out-of-state bus manufacturer which sells buses to cities and transit systems in Texas, could be subject to the licensing requirements of the code even though it does not act as a dealer in Texas. The maximum civil penalty for violating the code is \$10,000 for each day of violation and for each act of violation. This bill would exempt an out-of-state, licensed manufacturer of buses which sells buses to cities and transit systems, but does not act as a dealer in Texas, from the dealer licensing requirements of the code.

PURPOSE

As proposed, S.B. 1146 exempts certain bus manufacturers from certain regulations.

RULEMAKING AUTHORITY

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

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 503.024(a), Transportation Code, to provide that a person who sells buses manufactured by the person outside this state to municipalities, transit authorities, and other governmental entities in this state, is not required to obtain a dealer general distinguishing number.

SECTION 2. Amends Section 4.01, Article 4413(36), V.T.C.S. (Texas Motor Vehicle Commission Code), by adding Subsection (e), to provide that this Act does not apply to a person who sells buses manufactured by the person outside this state to municipalities, transit authorities, and other governmental entities in this state. Effective date: 90 days after adjournment.