

## **BILL ANALYSIS**

Senate Research Center

S.B. 1775  
By: Estes  
Business & Commerce  
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### **DIGEST AND PURPOSE**

Currently, the Texas Parks and Wildlife Marine Theft Special Investigation Unit has discovered that only 1,102 of 1,577 active, licensed dealers in Texas reported payment of sales tax between 2000 and 2001. This represents lost revenue to the state. As proposed, S.B. 1775 requires dealers, distributors, and manufacturers to obtain a license for each business location and establishes the structure governing the required fee, display, and duration of the license. This bill also establishes the primacy of the Parks and Wildlife Commission's proclamations over conflicting provisions in the chapter. S.B. 1775 requires that employees of the Parks and Wildlife Department or a peace officer to be allowed to perform certain inspections of a vessel at a dealer's, distributor's, or manufacturer's place of business during business hours.

### **RULEMAKING AUTHORITY**

Rulemaking authority is expressly granted to the Parks and Wildlife Commission in SECTION 2 (Section 31.041, Parks and Wildlife Code) of this bill.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 31.003, Parks and Wildlife Code, to redefine "dealer" and define "distributor."

SECTION 2. Amends Section 31.041, Parks and Wildlife Code, as follows:

**Sec. 31.041. DEALER'S, DISTRIBUTOR'S, AND MANUFACTURER'S LICENSE.**

(a) Prohibits a person from engaging in business as a dealer, distributor, or manufacturer, directly or indirectly, without a license for each location from which the person engages in business. Requires the Texas Parks and Wildlife Department (TPWD) to prescribe the form and manner of displaying the license.

(b) Requires TPWD to issue a dealer, distributor, or manufacturer number, patterned as prescribed by Section 31.031(b) (Numbering Pattern), to each dealer, distributor, or manufacturer licensed under the authority of Section 31.041(a) of this code.

(c) Redesignates this subsection from Subsection (a). Includes distributor, in addition to dealer and manufacturer, as an authorized entity to use, rather than obtain, a dealer's, distributor's, or, rather than and, manufacture's number for vessels the dealer, distributor, or manufacturer wishes to show, demonstrate, or test on the water of this state, instead of securing a certificate number for each vessel. Provides that show, demonstrate, or test does not include the use of a vessel for recreational purposes, or participation in a contest or event. Makes a conforming change.

(d) Redesignates this subsection from Subsection (b). Increases the amount of the two-year fee for a dealer's, distributor's, or manufacturer's number from \$45 to \$500, or an amount set by the Parks and Wildlife Commission (commission). Makes conforming changes.

(e) Redesignates this subsection from Subsection (c). Makes conforming changes.

(f) Redesignates this subsection from Subsection (d). Makes conforming changes.

(g) Prohibits any person from refusing to allow an authorized TPWD employee or peace officer to inspect a vessel, outboard motor, or records relating to the possession, origination, ownership, or transfer of a vessel or outboard motor at a dealership, distributor, or manufacturer's place of business during normal business hours.

(h) Authorizes the commission to adopt rules for the administration of this chapter, relating to dealers, distributors, or manufacturers.

(i) Provides that a proclamation of the commission under this section prevails over any conflicting provision of this chapter, to the extent of the conflict.

SECTION 3. Amends Chapter 31, Parks and Wildlife Code, by adding Section 31.0411, as follows:

Sec. 31.0411. EXPIRATION AND TRANSFER OF LICENSES. (a) Provides that all licenses issued under the authority of Section 31.041 of this code are valid for two years from the date of issuance.

(b) Prohibits all licenses issued under the authority of Section 31.041 of this code from being transferred to another person, except in certain circumstances.

(c) Authorizes the commission, by regulation, to prescribe requirements necessary to clarify license transfer procedures and to prescribe, by regulation, forms to be used and fees to be charged for transfer of license issued under the authority of Section 31.041 of this code, and for replacement licenses.

SECTION 4. Amends Section 31.021, Parks and Wildlife Code, to delete text referring to undocumented vessels and requiring the identifying number to be set forth in the certificate to be displayed as required by this chapter.

SECTION 5. Amends Section 31.032, Parks and Wildlife Code, as follows:

Sec. 31.032. NUMBERING ON BOW. (a) Creates this subsection from existing text.

(b) Exempts a vessel documented by the United States Coast Guard and required to be numbered by this chapter from attaching the identification number near the bow. Requires the owner to attach the validation decal in a manner prescribed by TPWD.

SECTION 6. Amends Section 31.042, Parks and Wildlife Code, to delete Subdivision (3) and redesignate Subdivisions (4) - (6) as Subdivisions (3) - (5).

SECTION 7. Amends Section 31.127, Parks and Wildlife Code, to include failing to comply with a proclamation of the commission entered under this chapter in the list of infractions that constitute a Class C Parks and Wildlife Code misdemeanor.

[There is no provision for this bill to take effect, as drafted. Thus, the effective date is 91 days after adjournment.]