

BILL ANALYSIS

Senate Research Center
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C.S.S.B. 1632
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Transportation & Homeland Security
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Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Current law has been interpreted to restrict licensed Texas franchise and independent automobile dealers from using the Internet to advertise and sell vehicles to buyers who choose not to visit the dealership's licensed and established place of business. As a result, legitimate dealers fearing civil or criminal sanctions may be reluctant to adopt competitive online marketing or sales strategies.

C.S.S.B. 1632 authorizes a dealer to sell or offer to sell a motor vehicle from an established place of business approved by the Motor Vehicle Division of the Texas Department of Transportation and provides that licensed dealers are exempt from the prohibition of off-site sales for sales and offers of sale that are made through the Internet who never visit the dealer's licensed place of business.

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 H, Chapter 2301, Occupations Code, by adding Section 2301.361, as follows:

Sec. 2301.361. OFFSITE SALES. (a) Authorizes a dealer to sell or offer to sell a motor vehicle only from an established, permanent place of business that is approved by the Motor Vehicle Division of the Texas Department of Transportation and for which a general distinguishing number has been issued, except as provided by Subsection (b).

(b) Authorizes a dealer to sell or offer to sell a motor vehicle online through an advertisement on the Internet to a buyer who never personally appears at the dealer's established and permanent place of business.

SECTION 2. Effective date: upon passage or September 1, 2007.