

BILL ANALYSIS

Senate Research Center
84R22395 EES-D

C.S.S.B. 1982
By: Kolkhorst
Transportation
4/16/2015
Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Currently, wholesale auto auctions are conducted in Texas by licensed auctioneers who buy and sell cars from and to licensed auto dealers. Auctioneers are licensed by the Texas Department of Licensing and Regulation (TDLR), while wholesale auto auctions must obtain a license from the Texas Department of Motor Vehicles (TxDMV).

Following an interim study last year by the House Committee on Licensing and Administrative Procedures and a public hearing held by TDLR, it became apparent that wholesale auto auctions are regulated by both TDLR and TxDMV. During the interim hearing and TDLR meeting, no opposition was raised.

Under Chapter 1802 (Auctioneers) of the Occupations Code, there are a list of exemptions from regulation/licensure by TDLR. C.S.S.B. 1982 adds another exemption from the TDLR auction law for the sale of motor vehicles at auction by a wholesale automobile auctioneer who already holds a license from TxDMV. The goal is to end the dual state agency regulation of the wholesale auto auction industry. Such regulation wastes state resources and possibly could create regulatory conflicts between the two agencies.

C.S.S.B. 1982 amends current law relating to the regulation of certain motor vehicle auctions.

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 Section 1802.002(a), Occupations Code, as follows:

(a) Provides that this chapter does not apply to:

(1)-(10) Makes no change to these subdivisions;

(11) and (12) Makes nonsubstantive changes.

(13) a sale of motor vehicles at auction by a person licensed under Chapter 2301 (Sale or Lease of Motor Vehicles) or 2302 (Salvage Vehicle Dealers); or

(14) a sale of motor vehicles at auction by a person who holds a wholesale motor vehicle auction general distinguishing number or an independent motor vehicle general distinguishing number issued by the Texas Department of Motor Vehicles (TxDMV).

SECTION 2. Amends Section 1802.051, Occupations Code, by amending Subsection (c) and adding Subsection (d), as follows:

(c) Prohibits an individual who is licensed under this chapter, except as provided by Subsection (d), from acting as an auctioneer for an entity unless the entity:

(1) Makes a nonsubstantive change; or

(2) Redesignates Subdivision (3) as Subdivision (2) and makes no further change.

Deletes existing Subdivision (2) prohibiting an individual who is licensed under this chapter from acting as an auctioneer for an entity unless the entity holds a dealer general distinguishing number issued under Subchapter B, Chapter 503, Transportation Code, and the auction is for the purpose of auctioning vehicles as defined by Section 503.001, Transportation Code.

(d) Authorizes an individual who is licensed under this chapter to conduct an auction to sell motor vehicles as defined by Section 501.002 (Definitions) or 502.001 (Definitions), Transportation Code, if the individual conducts the auction for a person who holds a dealer general distinguishing number or wholesale motor vehicle auction general distinguishing number issued under Subchapter B (General Distinguishing Number), Chapter 503, Transportation Code, or a license issued under Subchapter C (License Requirements), Chapter 2302, of this code.

SECTION 3. Effective date: upon passage or September 1, 2015.