

1-1 By: Kolkhorst S.B. No. 1982  
 1-2 (In the Senate - Filed March 13, 2015; March 25, 2015, read  
 1-3 first time and referred to Committee on Transportation;  
 1-4 April 20, 2015, reported adversely, with favorable Committee  
 1-5 Substitute by the following vote: Yeas 7, Nays 0; April 20, 2015,  
 1-6 sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8	X			
1-9	X			
1-10	X			
1-11	X			
1-12			X	
1-13	X			
1-14			X	
1-15	X			
1-16	X			
1-17	X			

1-18 COMMITTEE SUBSTITUTE FOR S.B. No. 1982 By: Kolkhorst

1-19 A BILL TO BE ENTITLED  
 1-20 AN ACT

1-21 relating to the regulation of certain motor vehicle auctions.  
 1-22 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:  
 1-23 SECTION 1. Section 1802.002(a), Occupations Code, is  
 1-24 amended to read as follows:  
 1-25 (a) This chapter does not apply to:  
 1-26 (1) a sale conducted by order of a United States court  
 1-27 under Title 11, United States Code;  
 1-28 (2) a sale conducted by an employee of the United  
 1-29 States, this state, or a political subdivision of this state in the  
 1-30 course and scope of employment;  
 1-31 (3) a sale conducted by a charitable, religious, or  
 1-32 civic organization, including an organization having a tax exempt  
 1-33 status under Section 501(c), Internal Revenue Code of 1986, or  
 1-34 organized as a nonprofit entity, if the person organizing,  
 1-35 arranging, or conducting the auction receives no compensation;  
 1-36 (4) a sale conducted by any person of the person's  
 1-37 property if the person is not engaged in the business of selling  
 1-38 property at auction on a recurring basis;  
 1-39 (5) a foreclosure sale of real property personally  
 1-40 conducted by a trustee under a deed of trust;  
 1-41 (6) a foreclosure sale of personal property personally  
 1-42 conducted by:  
 1-43 (A) a person who holds a security interest in the  
 1-44 property, including a mortgage; or  
 1-45 (B) an employee or agent of a person described by  
 1-46 Paragraph (A) acting in the course and scope of employment, if:  
 1-47 (i) the employee or agent is not otherwise  
 1-48 engaged in the auction business; and  
 1-49 (ii) all property for sale in the auction is  
 1-50 subject to a security agreement;  
 1-51 (7) a sale conducted by sealed bid without the option  
 1-52 of increasing or decreasing the amount of a bid;  
 1-53 (8) an auction conducted only for student training  
 1-54 purposes as part of a course of study approved by the department;  
 1-55 (9) an auction conducted by a posted stockyard or  
 1-56 market agency as defined by the federal Packers and Stockyards Act  
 1-57 (7 U.S.C. Section 181 et seq.), as amended;  
 1-58 (10) an auction of livestock conducted by a nonprofit  
 1-59 livestock trade association chartered in this state, if the auction  
 1-60 involves only the sale of livestock owned by members of the trade

- 2-1 association;
- 2-2 (11) an auction conducted by a charitable or nonprofit
- 2-3 organization chartered in this state, if the auction:
- 2-4 (A) is part of a fair that is organized under
- 2-5 state, county, or municipal authority; and
- 2-6 (B) involves only the sale of property owned by
- 2-7 the organization's members; ~~[or]~~
- 2-8 (12) a sale or auction conducted outside of this
- 2-9 state;
- 2-10 (13) a sale of motor vehicles at auction by a person
- 2-11 licensed under Chapter 2301 or 2302; or
- 2-12 (14) a sale of motor vehicles at auction by a person
- 2-13 who holds a wholesale motor vehicle auction general distinguishing
- 2-14 number or an independent motor vehicle general distinguishing
- 2-15 number issued by the Texas Department of Motor Vehicles.

2-16 SECTION 2. Section 1802.051, Occupations Code, is amended  
 2-17 by amending Subsection (c) and adding Subsection (d) to read as  
 2-18 follows:

2-19 (c) Except as provided by Subsection (d), an [An] individual  
 2-20 who is licensed under this chapter may not act as an auctioneer for  
 2-21 an entity unless the entity:

2-22 (1) is an auction company owned or operated by an  
 2-23 individual who is licensed under this chapter; or

2-24 (2) ~~[holds a dealer general distinguishing number~~  
 2-25 ~~issued under Subchapter B, Chapter 503, Transportation Code, and~~  
 2-26 ~~the auction is for the purpose of auctioning vehicles as defined by~~  
 2-27 ~~Section 503.001, Transportation Code; or~~

2-28 [~~3~~] is a real estate brokerage firm that is operated  
 2-29 by a broker licensed by the Texas Real Estate Commission.

2-30 (d) An individual who is licensed under this chapter may  
 2-31 conduct an auction to sell motor vehicles, as defined by Section  
 2-32 501.002 or 502.001, Transportation Code, if the individual conducts  
 2-33 the auction for a person who holds a dealer general distinguishing  
 2-34 number or wholesale motor vehicle auction general distinguishing  
 2-35 number issued under Subchapter B, Chapter 503, Transportation Code,  
 2-36 or a license issued under Subchapter C, Chapter 2302, of this code.

2-37 SECTION 3. This Act takes effect immediately if it receives  
 2-38 a vote of two-thirds of all the members elected to each house, as  
 2-39 provided by Section 39, Article III, Texas Constitution. If this  
 2-40 Act does not receive the vote necessary for immediate effect, this  
 2-41 Act takes effect September 1, 2015.

2-42 \* \* \* \* \*