

1-1 By: Hancock S.B. No. 1415  
 1-2 (In the Senate - Filed March 1, 2019; March 14, 2019, read  
 1-3 first time and referred to Committee on Business & Commerce;  
 1-4 April 11, 2019, reported adversely, with favorable Committee  
 1-5 Substitute by the following vote: Yeas 9, Nays 0; April 11, 2019,  
 1-6 sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8 Hancock	X			
1-9 Nichols	X			
1-10 Campbell	X			
1-11 Creighton	X			
1-12 Menéndez	X			
1-13 Paxton	X			
1-14 Schwertner	X			
1-15 Whitmire	X			
1-16 Zaffirini	X			

1-18 COMMITTEE SUBSTITUTE FOR S.B. No. 1415 By: Hancock

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

1-21 relating to the ownership, control, or operation of a franchised or  
 1-22 nonfranchised dealer or dealership by certain motor vehicle  
 1-23 manufacturers and distributors.

1-24 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-25 SECTION 1. Sections 2301.476(a), (b), and (c), Occupations  
 1-26 Code, are amended to read as follows:

1-27 (a) In this section:

1-28 (1) "Manufacturer" [~~,"manufacturer"~~] includes:

1-29 (A) [~~(1)~~] a representative; or

1-30 (B) [~~(2)~~] a person who:

1-31 (i) [~~(A)~~] is affiliated with a manufacturer  
 1-32 or representative; or

1-33 (ii) [~~(B)~~] directly or indirectly through  
 1-34 an intermediary, is controlled by, or is under common control with,  
 1-35 a manufacturer.

1-36 (2) "Type of motor vehicle" means the classification  
 1-37 of a motor vehicle as one of the following:

1-38 (A) a passenger car or a truck, including a  
 1-39 pickup truck, van, panel delivery truck, or a carryall truck, with a  
 1-40 gross vehicle weight rating of 14,000 pounds or less that is used  
 1-41 primarily to transport persons or property;

1-42 (B) a motorcycle or motor-driven cycle, which  
 1-43 includes:

1-44 (i) an all-terrain vehicle, as defined by  
 1-45 Section 502.001, Transportation Code;

1-46 (ii) a recreational off-highway vehicle, as  
 1-47 defined by Section 502.001, Transportation Code;

1-48 (iii) an autocycle, as defined by Section  
 1-49 501.008, Transportation Code;

1-50 (iv) a moped, as defined by Section  
 1-51 541.201, Transportation Code;

1-52 (v) a motorcycle, as defined by Section  
 1-53 541.201, Transportation Code; or

1-54 (vi) a motor-driven cycle, as defined by  
 1-55 Section 541.201, Transportation Code;

1-56 (C) an engine, transmission, or rear axle, as  
 1-57 described by Section 2301.002(23)(C);

1-58 (D) a medium-duty or heavy-duty truck with a  
 1-59 gross vehicle weight rating of more than 14,000 pounds;

1-60 (E) a bus, as defined by Section 541.201,

2-1 Transportation Code;  
 2-2 (F) a road tractor or truck tractor, as defined  
 2-3 by Section 541.201, Transportation Code;  
 2-4 (G) a firefighting vehicle; or  
 2-5 (H) a recreational vehicle, which includes:  
 2-6 (i) a motor home;  
 2-7 (ii) a towable recreational vehicle;  
 2-8 (iii) a travel trailer, as defined by  
 2-9 Section 501.002, Transportation Code; or  
 2-10 (iv) a house trailer, as defined by Section  
 2-11 501.002, Transportation Code.

2-12 (b) For purposes of Subsection (a)(1)(B)(ii) [~~(a)(2)(B)~~], a  
 2-13 person is controlled by a manufacturer if the manufacturer is  
 2-14 directly or indirectly authorized, by law or by agreement of the  
 2-15 parties, to direct or influence the person's management and  
 2-16 policies.

2-17 (c) Except as provided by this section, a manufacturer or  
 2-18 distributor may not directly or indirectly:

2-19 (1) own an interest in:  
 2-20 (A) a franchised dealer or dealership, as defined  
 2-21 by Sections 2301.002(16) and (8), respectively, for the same type  
 2-22 of motor vehicle that:

2-23 (i) the manufacturer manufactures or  
 2-24 distributes; or

2-25 (ii) the distributor distributes; or

2-26 (B) a nonfranchised dealer or dealership;

2-27 (2) operate or control:

2-28 (A) a franchised dealer or dealership, as defined  
 2-29 by Sections 2301.002(16) and (8), respectively, for the same type  
 2-30 of motor vehicle that:

2-31 (i) the manufacturer manufactures or  
 2-32 distributes; or

2-33 (ii) the distributor distributes; or

2-34 (B) a nonfranchised dealer or dealership; or

2-35 (3) act in the capacity of:

2-36 (A) a franchised dealer or dealership, as defined  
 2-37 by Sections 2301.002(16) and (8), respectively, for the same type  
 2-38 of motor vehicle that:

2-39 (i) the manufacturer manufactures or  
 2-40 distributes; or

2-41 (ii) the distributor distributes; or

2-42 (B) a nonfranchised dealer.

2-43 SECTION 2. This Act takes effect September 1, 2019.

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