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83rd Regular Session Review

Franchise and Structural Regulatory Issues

1. Franchise Law Exemption for Electric Motor Vehicle Manufacturers (HB 3351/SB 1659)

Description: Bill opposed by TADA that allowed certain all electric motor vehicle manufacturers to retail new motor vehicles in Texas without a franchised dealer.

Final Status: HB 3351 was approved by the House Business and Industry Committee, but the House Calendars Committee never scheduled the bill for House floor action. SB 1659 was heard by the Senate Transportation Committee, but the bill was never acted on by the committee.

2. Right of First Refusal for Motor Vehicle Manufacturers and Distributors (HB 2054)

Description: Bill opposed by TADA that provided motor vehicle manufacturers and distributors a statutory right of first refusal in the sale of a franchised dealership.

Final Status: HB 2054 was referred to the House Licensing and Administrative Procedures Committee, but the bill was never heard by the committee.

3. Saturday/Sunday Closing Law (HB 759)

Description: Bill opposed by TADA that provided for the repeal of the motor vehicle Saturday/Sunday Closing Law.

Final Status: HB 759 was referred to the House Licensing and Administrative Procedures Committee, but the bill was never heard by the committee.

4. Hearings in Certain Contested Cases (HB 1692)

Description: Shifts motor vehicle lemon law and warranty performance case hearings from the State Office of Administrative Hearings back to the Texas Department of Motor Vehicles. Bill also required that all contested cases be subject to mediation at the Department before a hearing takes place.

Effective Date: January 1, 2014.

5. Property Use Agreements (SB 854)

Description: Amends previously enacted property rights provisions to allow a manufacturer or distributor to maintain control over a piece of dealership property for up to 10 years if the manufacturer or distributor transferred the property to the dealer for the purpose of the dealership and the dealer voluntarily agreed to the property use agreement.

Effective Date: June 14, 2013.



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Texas Department of Motor Vehicles

1. Funding for the TxDMV (HB 2202)

Description: Creates a new Texas Department of Motor Vehicles Fund in the State Treasury outside the General Revenue Fund with certain monies required to be deposited to the fund and used to support the operations of the TxDMV. Bill also authorizes the DMV to collect a new fee set by board rule in addition to registration fees to cover the cost of collecting registration fees and allows the county tax assessor collector to retain a portion of this new fee as provided by board rule.

Effective Date: September 1, 2013.

2. TxDMV Clean-Up (HB 2741)

Description: Updates and amends various statutes under the jurisdiction of the Texas Department of Motor Vehicles, including a grant of rulemaking authority to allow the board of the TxDMV to set different classifications of deputies for registration and titling purposes and the various fee levels for those deputies.

Effective Date: September 1, 2013.

3. Curbstone Enforcement (HB 2690)

Description: Authorizes a peace officer to have a vehicle that is for sale by a dealer that does not have a "Dealer General Distinguishing Number" towed from the location and stored at a vehicle storage facility if certain conditions are met and there is compliance with specified notice requirements.

Effective Date: September 1, 2013.

Titling and Registration

1. Designation of Registration Year (HB 2874)

Description: Aligns the date for the motor vehicle registration month and year with the date the vehicle is sold by a motor vehicle dealer.

Effective Date: September 1, 2013.

2. Toll Road Enforcement (SB 1792)

Description: Provides remedies for the nonpayment of tolls by habitual violators for the use of toll projects. Remedies include denial of the registration of a motor vehicle, but this remedy cannot be used with regard to the registration of a motor vehicle by a dealer.

Effective Date: June 14, 2013.



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Finance Code and Related Issue

1. Debt Cancellation Agreements (HB 2459)

Description: Removes the “commercially reasonable” standard for GAP waiver products and stipulates that the amount charged for a GAP waiver may not exceed five percent of the amount financed pursuant to a motor vehicle retail installment contract.

Effective Date: September 1, 2013.

2. Automobile Clubs (HB 2462)

Description: Adds charges relating to automobile club memberships to the list of items that a consumer may finance through a motor vehicle retail installment contract provided certain disclosures are made by the retail seller including a notification if the membership includes services that are provided by the manufacturer of the vehicle as part of the motor vehicle purchase.

Effective Date: September 1, 2013.

Taxes

1. Franchise Tax Revisions (HB 500)

Description: Provides a temporary franchise tax reduction of 2.5% in 2014 and 5% in 2015 (contingent on certification by the comptroller that sufficient revenue is available) and provides a minimum deduction of \$1 million for all businesses.

Effective Date: January 1, 2014.

2. Vehicle Inventory Tax (HB 315)

Description: Allows low volume motor vehicle dealers who do not sell vehicles for transport over the public highways the option to render their vehicle inventory taxes annually rather than monthly under the special provisions for motor vehicle dealers.

Effective Date: January 1, 2014.

Transportation Funding

1. Constitutional Amendment (SJR 1-3rd Special Session)

Description: Proposes a constitutional amendment to be considered in November 2014 that would require the comptroller to allocate one-half of the amount of oil and gas production tax revenue the comptroller currently is required to transfer to the economic stabilization fund to the state highway fund for the purpose of constructing, maintaining, and acquiring rights of way for public roadways other than toll roads.

Election Date: November 4, 2014.



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2. County Registration Fee Increases (HB 1198, HB 1573, HB 3126)

Description: Collection of bills allows Bexar, Cameron, Hildago, Webb, and El Paso counties to add up to \$10 to vehicle registration fees for their county transportation needs, with Webb and Cameron given the ability to add up to \$20 if voters in the county approve.

Effective Dates: September 1, 2013.

Insurance

1. Continuation of Automobile Insurance Coverage (HB 949)

Description: Requires an insurer to cover certain motor vehicles that are acquired during the term of an insured's policy and to provide the same or similar coverage for the replaced or newly acquired vehicle for a minimum of 20 days.

Effective Date: September 1, 2013, affecting policies issued on or after January 1, 2014.

2. Named Driver's Insurance Policies (SB 1567)

Description: Requires disclosure both orally and in writing for any named driver policy that conspicuously states that individuals who reside in the household, and are not named on the policy, are not provided coverage.

Effective Date: September 1, 2013, affecting policies issued on or after January 1, 2014.

Repairs and Inspections

1. Air Bags (HB 38)

Description: Increases penalties for certain violations regarding the installation of counterfeit motor vehicle airbags, but maintains current law protections for motor vehicle sellers.

Effective Date: September 1, 2013.

2. Vehicle Inspection and Registration (HB 2305)

Description: Requires TxDPS and TxDMV to engage in rulemaking to establish a registration based system of enforcement for inspection compliance, but allows motor vehicle dealers to sell and register a used vehicle so long as it has been inspected within the 180 days prior to the date of sale.

Effective Date: Generally March 1, 2015.



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Environmental Issues

1. TERP Rebates for Alternative Fueled Vehicles (SB 1727)

Description: Makes a new light-duty motor vehicle powered by compressed natural gas, liquefied petroleum gas, or electric drives eligible for a \$2500 incentive under the TERP program and sets out the vehicle eligibility requirements.

Effective Date: June 14, 2013, with rulemaking necessary before light duty motor vehicle program is initiated.