

BILL ANALYSIS

C.S.H.B. 3842
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Licensing & Administrative Procedures
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Concerns have been raised regarding the consignment for sale of motor vehicles from a location other than a location for which a dealer is licensed. It has been suggested that ensuring dealers only sell from their licensed location is important from a consumer protection standpoint. For example, when dealers place their inventory for sale on another dealer's lot, confusion may be introduced with regard to the dealer from which the vehicle is actually being purchased. C.S.H.B. 3842 seeks to address this issue by revising the requirement for a motor vehicle dealer to obtain a general distinguishing number for a consignment location.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.H.B. 3842 amends the Transportation Code to expand to any motor vehicle dealer the applicability of the requirement for a dealer to obtain a general distinguishing number for a consignment location, unless the consignment location is a wholesale motor vehicle auction, by removing the provision limiting applicability of the requirement to a dealer who consigns for sale more than five vehicles in a calendar year from a location other than the location for which the dealer holds a general distinguishing number.

EFFECTIVE DATE

September 1, 2019.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 3842 may differ from the original in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.

The substitute does not include the repeal of the requirement but includes a provision expanding the requirement's applicability by removing the number of vehicles a dealer consigns for sale in a calendar year as an underlying condition for the requirement.