

BILL ANALYSIS

Senate Research Center

H.B. 2098
By: Uher (Cain)
State Affairs
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Engrossed

DIGEST

Currently, the Texas Motor Vehicle Commission Code requires that vehicle leasing companies and lease facilitators be licensed by the state. However, franchised dealers are prohibited from directly or indirectly paying a fee to a lessor or lease facilitator. H.B. 2098 would provide that licensed franchised dealers are not required to obtain a lessor or lease facilitator license to lease new or used motor vehicles that they are licensed to sell.

PURPOSE

As proposed, H.B. 2098 outlines provisions regarding the regulation of certain persons who engage in the leasing of motor vehicles.

RULEMAKING AUTHORITY

This bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 4.01(a), Article 4413(36), V.T.C.S. (Texas Motor Vehicle Commission Code), to provide that a franchised dealer licensed under this code is not required to obtain a lessor or lease facilitator license or pay a license fee under this code to engage in the business of leasing motor vehicles, including new motor vehicles, that the dealer is licensed to sell.

SECTION 2. Amends Section 5.01, Article 4413(36), V.T.C.S., as amended by Chapters 345 and 357, Acts of the 74th Legislature, Regular Session, 1995, to set forth actions unlawful for any franchised dealer. Makes a conforming change.

SECTION 3. Amends Section 5.03A, Article 4413(36), V.T.C.S., by adding Subsection (f), to provide that a fee under this section does not include a fee that is an element of the terms or considerations relating to the sale or assignment of a lease or leased motor vehicle by a franchised dealer to another person licensed under this code.

SECTION 4. Amends Article 4413(36), V.T.C.S., by adding Section 5.05, as follows:

Sec. 5.05. USE OF CERTAIN TERMS PROHIBITED. Sets forth instances in which a person is not prohibited from using the words "lease" or "leasing" or any variation of those words in the person's name or in the name of an entity owned by the person.

SECTION 5. Effective date: September 1, 1997.

SECTION 6. Emergency clause.