

BILL ANALYSIS

Senate Research Center
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C.S.H.B. 3215
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Business & Commerce
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Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Professionally licensed auctioneers in Texas must complete 80 hours of pre-license education, pass a state examination, and complete six hours of continuing education each year to maintain their licenses. Auctioneers are saddled with the task of marketing the personal and real assets of families, small businesses, corporations, and government entities. Texas auctioneers are trained and capable of marketing and selling grandma's pots and pans for a few dollars and the multi-million dollar family farm within minutes of one another yet are shackled from selling more than four vehicles from the same seller.

Unfortunately, Section 503.024, Transportation Code, has restricted farmers, families, small businesses, and corporations from utilizing the professional auctioneer to sell their vehicles by the auction method of marketing if their fleet contains more than four of like and kind vehicles. Section 503.024 has negatively affected the professional auctioneers of Texas through large fines, reduction of income, and lost business.

H.B. 3215 remedies this issue by amending the Transportation Code to clarify that licensed auctioneers are not engaging in business as a dealer, including acting as a motor vehicle dealer. (Original Author's / Sponsor's Statement of Intent)

C.S.H.B. 3215 amends current law relating to the authority of a person to sell property without engaging in business as a motor vehicle dealer.

RULEMAKING AUTHORITY

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

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 503.024(b) and (d), Transportation Code, as follows:

(b) Provides that, for the purposes of Section 503.021 (Dealer General Distinguishing Number), a person is not engaging in business as a dealer by taking certain actions, including selling or offering to sell, if the sale or offer is not made to avoid a requirement of this chapter (Dealer's and Manufacturer's Vehicle License Plates), a vehicle the person acquired for personal or business use to a person other than a retail buyer if not sold or offered through a licensed auctioneer or any person if the sale or offer is made through a licensed auctioneer, rather than by selling or offering to sell a vehicle the person acquired for personal or business use to a person other than a retail buyer if the sale or offer is not made to avoid a requirement of this chapter.

(d) Provides that, for the purposes of Section 503.021, a licensed auctioneer is not engaging in business as a dealer by, as a bid caller, selling or offering to sell property, including a business that holds the title to any number of vehicles, rather than selling or offering to sell property, to the highest bidder at a bona fide auction if certain conditions are met.

SECTION 2. Effective date: September 1, 2017.