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FISCAL IMPACT REPORT

SPONSOR: Varela DATE TYPED: 02/27/01 HB 564/aHBIC
 SHORT TITLE: Motor Vehicle Dealer Sales SB _____
 ANALYST: Gonzales

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY01	FY02	FY01	FY02		
		NFI			

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files
 No agencies provided an analysis of this bill.

No Response
 Taxation and Revenue Department (TRD)

SUMMARY

Synopsis of HBIC Amendment

The Business and Industry Committee Amendment changes the dates under the temporary provision specifying a motor vehicle dealer who is operating an established place of business with a supplemental license in effect December 1, 1994 and operating through March 1, 1995, may continue to operate at that established place of business until December 1999.

Synopsis of Original Bill

House bill 564 adds a new section to the Motor Vehicle Code relating to motor vehicle sales so that a motor vehicle dealer may display motor vehicles for show only, without selling, if:

1. The dealer is licensed to sell the motor vehicle is to be displayed;
2. The dealer has the written permission of the owner or the person in legal control of the real property upon which the motor vehicle is to be displayed; and
3. The dealer has notified the Taxation and Revenue Department at least three business days prior to the display show with the notice containing specific information.

Additionally, the bill prohibits the dealer from selling or completing the sale of a motor vehicle at a display show and prohibits dealership personnel or other acting in the dealership's interest from being

present at the display show unless the display show consists of recreational vehicles or manufacturing housing only unless the person references is present to move or service the vehicle.

This bill also strikes language in the current Motor Vehicle Code which required a licensed dealer or wrecker of vehicles from obtaining a supplemental license before moving any one or more of the places of business or opening any additional place of business with two exceptions.

Language is also amended into the Motor Vehicle Code so a licensed dealer may only sell vehicles for which the title or manufacturer's certificate of origin has been assigned to that dealer and may only sell or offer to sell a motor vehicle at the licensed established place of business. The additional language also limits the transfer of vehicles between vehicles within a specified time frame.

ADMINISTRATIVE IMPLICATIONS

There should be minimal administrative impact to the Taxation and Revenue Department for complying with the provisions of this bill.

JMG/ar