

## **BILL ANALYSIS**

Senate Research Center

S.B. 1659  
By: Estes  
Transportation  
3/25/2013  
As Filed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Tesla Motors is a United States-based, American-owned manufacturer of battery electronic vehicles founded in 2004. Tesla is unable to sell its vehicles directly to the public because it has no franchised dealer relationships in Texas.

S.B. 1659 amends the Occupations Code to permit United States-based manufacturers of all-electronic or all-battery powered vehicles to sell directly to Texas consumers.

As proposed, S.B. 1659 amends current law relating to manufacturers and distributors of only all electric-powered or all battery-powered motor vehicles.

### **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 2301.476, Occupations Code, by adding subsection (i-1), to provide a manufacturer of only all electric-powered or all battery-powered motor vehicles, or a distributor of only all electric-powered or all battery-powered motor vehicles, that owned and operated a new motor vehicle dealership in the United States on or before March 1, 2013, and has never sold its line make in the United States through an independent franchised new motor vehicle dealership, notwithstanding the terms of this chapter, and subject to the limitations set forth in this subsection, is authorized to own or operate a dealer or dealership, or act in the capacity of a dealer, at any location within the state and is authorized to obtain a dealer general distinguishing number under Section 503.029 (Application for Dealer General Distinguishing Number) of the Transportation Code.

SECTION 2. Amends Section 2301.252(a), Occupations Code, by adding subsection (a)(3), to prohibit a person from engaging in the business of buying, selling, or exchanging new motor vehicles unless the person is authorized as per certain guidelines, including is a bona fide employee of a manufacturer or distributor authorized to own or operate a dealer or dealership pursuant to Section 2301.476(i-1). Makes nonsubstantive changes.

SECTION 3. Effective date: upon passage, or September 1, 2013.