

BILL ANALYSIS

Senate Research Center
84R7009 EES-F

S.B. 1982
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Transportation
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Currently, wholesale auto auctions are conducted in Texas by licensed auctioneers who buy and sell cars from and to licensed auto dealers. Auctioneers are licensed by the Texas Department of Licensing and Regulation (TDLR), while wholesale auto auctions must obtain a license from the Texas Department of Motor Vehicles (TxDMV).

Following an interim study last year by the House Committee on Licensing and Administrative Procedures and a public hearing held by TDLR, it became apparent that wholesale auto auctions are regulated by both TDLR and TxDMV. During the interim hearing and TDLR meeting, no opposition was raised.

Under Chapter 1802 (Auctioneers) of the Occupations Code, there are a list of exemptions from regulation/licensure by TDLR. S.B. 1982 adds another exemption from the TDLR auction law for the sale of motor vehicles at auction by a wholesale automobile auctioneer who already holds a license from TxDMV. The goal is to end the dual state agency regulation of the wholesale auto auction industry. Such regulation wastes state resources and possibly could create regulatory conflicts between the two agencies.

As proposed, S.B. 1982 amends current law relating to the exemption from auctioneer regulation of certain motor vehicle auctions.

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 1802.002(a), Occupations Code, as follows:

- (a) Adds the sale of motor vehicles at auction by a person who holds a wholesale motor vehicle auction general distinguishing number issued by the Texas Department of Motor Vehicles to a list of sales to which this chapter does not apply. Makes a nonsubstantive change.

SECTION 2. Effective date: upon passage or September 1, 2015.