

CHAPTER 32

H.B. No. 699

AN ACT

relating to regulation of certain motor vehicle dealers and the sale, titling, and registration of certain motor vehicles.

*Be it enacted by the Legislature of the State of Texas:*

SECTION 1. Section (a)(1-A)(vii), Article 6686, Revised Statutes, is amended to read as follows:

(vii) In addition to other requirements provided by law, the Department may not issue or renew a general distinguishing number as a motor vehicle dealer or a wholesale motor vehicle auction to an applicant until the applicant shows proof satisfactory to the Department that the applicant has purchased a properly executed surety bond in the amount of \$25,000 with good and sufficient surety approved by the Department. The bond shall be

approved as to form by the attorney general and shall be conditioned on the applicant's payment of all valid bank drafts, including checks, drawn by the applicant for the purchase of motor vehicles *and* [in] the applicant's transfer of good title to each motor vehicle the applicant offers for sale. In lieu of the bond otherwise required by this subdivision, the Department may accept and receive the pledge of cash, a cash deposit, a certificate of deposit, or other instrument determined by the Department to be adequate security for the obligations of the bond. Recovery against the bond or other security may be made by a person who obtains a judgment against a dealer or wholesale motor vehicle auction assessing damages and attorney's fees for an act or omission on which the bond is conditioned if the act or omission occurred during the term for which the general distinguishing number will be valid. The requirements of this subdivision do not apply to a person licensed by the [Texas] Motor Vehicle Board of the Texas Department of Transportation [Commission].

SECTION 2. The importance of this legislation and the crowded condition of the calendars in both houses create an emergency and an imperative public necessity that the constitutional rule requiring bills to be read on three several days in each house be suspended, and this rule is hereby suspended, and that this Act take effect and be in force from and after its passage, and it is so enacted.

Passed by the House on March 10, 1993: Yeas 140, Nays 0, 1 present, not voting;  
passed by the Senate on April 5, 1993: Yeas 31, Nays 0.

Approved April 14, 1993.

Effective April 14, 1993.