1. DEFINITIONS

1.1 Key Terms. Unless the context clearly indicates otherwise, the following words as used in this manual will have the following meanings:

County Appraiser's Office - The Chief Appraiser sets the property tax rate. Copies of the Vehicle Inventory Tax (VIT) statements and declarations are filed here.

County Tax Office - The Tax Assessor-Collector's office in the county in which a dealership is located. This is where documents are submitted for title transfer. Vehicle Inventory Tax statements and Declarations are also filed with these offices.

Curbstoning - The act of selling vehicles somewhere other than licensed premises. Unlicensed dealers commonly use vacant store parking lots and other curbsides to place vehicles for sale. These are people who pose as individuals trying to sell vehicles when in fact they are in the business. Licensed dealers are also known to try to sell their less than desirable inventory off their licensed premises.

DBA (Doing Business As) – The business name used, which may or may not be the same as the name of the legal entity that owns the dealership (e.g. Auto Imports, Inc. DBA AI Cars). The DBA is also known as the "assumed name."

Franchised Dealer - A person who has a contract (franchise agreement) with a manufacturer or distributor to sell a particular line-make of new motor vehicles.

GDN (General Distinguishing Number) - The dealer's license number, commonly called the "P" number or "GDN", issued by the Texas Motor Vehicle Board is required of all dealers.

Independent Dealer - A person who holds an independent motor vehicle dealer's general distinguishing number, allowing him or her to sell used motor vehicles. See also "Wholesale Dealer."

Line-make - Line-make is not legally defined but generally refers to the various name plates or "badges" under which vehicles are marketed such as "Buick" or "Nissan." Current cases may give a legal definition to "line-make" in the next few years.

MCO (Manufacturer's Certificate of Origin) – This is the birth certificate for a motor vehicle. Manufacturers issue the MCOs to their franchised dealers for

vehicles bought from the factory. The MCO is turned in at the first retail sale for a title.

MFR (Motion for Rehearing) - This is a request for the final decision maker to reconsider their decision. Once a case has been subject to a final order, a MFR must be filed before the litigant can appeal the case to the District Court.

MSO (Manufacturer's Statement of Origin) – See "MCO." This is the same thing.

MVD (Motor Vehicle Division) - A division within the Department of Transportation tasked with the regulation of the distribution and sale of motor vehicles within the state of Texas.

New Motor Vehicle - A new motor vehicle is one that has not been subject to a retail sale to a consumer, regardless of its mileage. Payment of sales tax when purchasing a new motor vehicle does not make the vehicle a used motor vehicle. If the buyer intends to resell the vehicle for profit it is not a retail sale.

Non-franchised Dealer - See Independent dealer.

Occupations Code - As of June 1, 2003, the Texas Motor Vehicle Commission Code will be codified under Chapter 2301 of the Occupations Code. The Occupations Code can be found at
http://www.capitol.state.tx.us/statutes/oc.toc.htm

OEM – Original Equipment Manufacturer.

Person - A natural person, partnership, corporation, association, trust, estate or any other legal entity.

PFD (Proposal for Decision) - The opinion written by the Administrative Law Judge after hearing on a docketed case. The PFD outlines the facts of the case as presented in the hearing and documents the evidence presented and recommends an outcome. The PFD is presented to the Director of the Division for a final decision.

SPV (Standard Presumptive Value) - Effective October 1, 2006, Texas law changes how to calculate motor vehicle tax on private-party purchases of used motor vehicles. Dealers may be requested to provide a certified appraisal for a buyer on a private purchase to prove a value lower than the SPV.

TAC (Tax Assessor-Collector) - The local tax office that is responsible for accepting and issuing receipts for title transfers. A list of TACs can be found at
http://www.dot.state.tx.us

Texas Motor Vehicle Board – Formerly known as the Texas Motor Vehicle Commission that regulated the dealer body. The Texas Motor Vehicle Board was dissolved by law on June 14, 2005. All functions of the Board were transferred to the MVD Division Director except the rulemaking authority which is now vested in the Texas Transportation Commission.

Texas Motor Vehicle Commission Code - (TMVCC) The original law that regulated franchised dealers, but now covers both franchised and non-franchised entities. As of June 1, 2003, this code becomes the Texas Occupations Code, Title 14, Chapter 2301.

Used Motor Vehicle - A vehicle that has been sold to a retail customer for purposes other than resale and for which a certificate of title has been issued to that customer.

VIN (Vehicle Identification Number) - A number assigned exclusively to a particular vehicle by the manufacturer that contains information about the vehicle's manufacturer

Vehicle Inventory Tax (VIT) - A property tax that dealers pay on their business inventory. This is NOT a tax that is required to be paid by the consumer.

Vehicle Titles and Registration Division (VTR) - Another division of the Texas Department of Transportation that is responsible for issuing and maintaining records of titles. This division is also responsible for licensing salvage dealers and salvage lots and auctions. More information about Vehicle Titles & Registration Division can be found at http://www.dot.state.tx.us

Wholesale Dealer - A person who holds a GDN issued by the Texas Motor Vehicle Board and but is not allowed to sell to retail customers.

Wholesale Motor Vehicle Auction - Is a means of offering a motor vehicle for sale to the highest bidder during a transaction that is one of a series of regular periodic transactions that occur at a permanent location. The wholesale motor vehicle auction is open only to licensed dealers.