Motor Vehicle Division
PO Box 13044
Austin, TX 78711-3044
512/465-3000 ◆ 888/368-4689

FRANCHISED DEALER GDN/FRANCHISE LICENSE INFORMATION

PLEASE READ ALL OF THIS INFORMATION CAREFULLY BEFORE COMPLETING AND MAILING YOUR APPLICATION. INCOMPLETE OR INACCURATE INFORMATION MAY DELAY YOUR LICENSE.

THIS APPLICATION IS FOR NEW VEHICLE SALES ONLY – If you wish to sell used motor vehicles only, or new or used utility trailers/semi-trailers only, **DO NOT COMPLETE THIS APPLICATION**. Visit our website at www.txdot.gov/forms/motor_vehicle.htm.

BEGINNING SEPTEMBER 1, 2008 ALL NEW LICENSES WILL BE ISSUED FOR A TERM OF TWO YEARS.

YOU NEED BOTH A GENERAL DISTINGUISHING NUMBER (GDN, OR P-NUMBER) AND A FRANCHISE LICENSE TO ENGAGE IN THE BUSINESS OF BUYING, SELLING, OR EXCHANGING NEW MOTOR VEHICLES, INCLUDING TRAVEL TRAILERS.

THERE ARE FOUR TYPES OF GDNS. You must apply for and receive a GDN for each category of vehicle you will sell.

1. **MOTOR VEHICLE** – May buy, sell, or exchange motor vehicles, including motor homes and ATVs, but NOT including motorcycles, mopeds, or motor scooters. May use dealer's temporary tags, buyer's temporary tags, and metal dealer license plates on motor vehicles only. **You must obtain a franchise license and be licensed to sell specific lines before you may sell new motor vehicles.**
2. **MOTORCYCLE** – May buy, sell, or exchange motorcycles, motor scooters, mopeds, and ATVs. May use dealer's temporary tags, buyer's temporary tags, and metal dealer license plates only on these vehicles. **You must obtain a franchise license and be licensed to sell specific lines before you may sell new motorcycles, motor scooters, mopeds, or ATVs.**
3. **TOWABLE RV (TRAVEL TRAILER)** – May buy, sell, or exchange travel trailers, camping trailers, and pop-ups. May use dealer's temporary tags, buyer's temporary tags, and metal dealer license plates on travel trailers only. **You must obtain a franchise license and be licensed to sell specific lines before you may sell new travel trailers.**
4. **TRAILER/SEMITRAILER** – May buy, sell, or exchange new and used utility trailers and/or semi-trailers. May use dealer's temporary tags, buyer's temporary tags, and metal dealer license plates on utility trailers/semi-trailers only.

You may operate multiple locations within the same city limits under a single GDN.

FRANCHISE LICENSES: DO NOT WAIT UNTIL THE LAST MINUTE TO FILE THIS APPLICATION. FILE AS FAR AHEAD OF YOUR OPENING DATE AS POSSIBLE TO ALLEVIATE DELAYS CAUSED BY PROTEST.

1. You must obtain a franchise license prior to selling new motor vehicles, motorcycles, or towable RVs.
2. A separate franchise license is required for each separate showroom.
3. Multiple vehicle lines may be sold in one showroom without additional franchise licenses.
4. Service-only facilities are shops where warranty service is provided for new vehicles but there are no new vehicle sales at the same location.
   - **a.** These facilities may be operated only by dealers licensed to sell the line of vehicles for which warranty service is provided.
   - **b.** These facilities require a special service-only franchise license; this fee is $200.00.

DEALERSHIPS (EXCEPT TRAILER DEALERS) MAY BE OPEN SATURDAY OR SUNDAY, BUT NOT BOTH.

DEALERS MAY NOT USE THE WORD "LEASE" OR "LEASING" OR ANY VARIATION THEREOF IN THEIR NAME UNLESS THEY QUALIFY FOR AND OBTAIN, IF APPLICABLE, A LESSOR OR LEASE FACILITATOR LICENSE. FRANCHISED DEALERS ARE NOT REQUIRED TO OBTAIN A LESSOR OR LEASE FACILITATOR LICENSE FOR LEASES OF THE LINE-MAKES THEY ARE LICENSED TO SELL.

IMPORTANT NOTICE TO APPLICANTS

THE FOLLOWING PAGES TAKE YOU STEP-BY-STEP THROUGH THE APPLICATION. PLEASE READ CAREFULLY BEFORE COMPLETING THE APPLICATION AND ATTACHMENTS.

UNLESS OTHERWISE SPECIFIED, YOU MAY SUBMIT COPIES INSTEAD OF ORIGINALS.

MAKE SURE THAT EACH DOCUMENT, PHOTOGRAPH, ETC. HAS THE APPLICANT NAME AND DBA ON IT.

THE APPLICATION SHOULD BE AS COMPLETE AS POSSIBLE BEFORE YOU SUBMIT IT. ERRORS OR MISSING DOCUMENTS MAY DELAY PROCESSING.

1.A. BUSINESS NAME: Enter ONE of the following:

a) Your name, if applying as a sole proprietor.
b) The partnership name or names of all partners, if applying as a partnership.
c) The name of the corporation, LLC, etc. if applying as any other type of entity.

1.B. ASSUMED NAME/DBA (Name under which this location will operate): Enter any assumed name(s) (also called DBA, for "Doing Business As") that you will be using and attach copies of any assumed name certificates for those names.

a) The assumed name(s) must be registered with the proper authority.
b) In Texas, the proper authority for corporations, LLCs, LPs and LLPs is the Secretary of State. ALL entities must register with their County Clerk.
c) The assumed name you put on this application must exactly match the assumed name as it is registered.

1.C. PHYSICAL ADDRESS: Enter the street number and name, the city, the Zip code, and the county. This will be your licensed location. You may not conduct business from any other location(s) unless you are also licensed for that location. If the dealer's office is in a residential structure, the office must be completely separated from and have no access into the residential quarters and must also meet all local zoning ordinances and deed restrictions.

1.D TAX ID #/EIN: Enter the IRS-assigned Taxpayer Identification Number (TIN) or Employer Identification Number (EIN).

1.E NUMBER OF SHOWROOMS AT THIS ADDRESS: Indicate the number of new motor vehicle showrooms at this address. Please note that a separate franchise license is required for each showroom.

1.F. PREVIOUS PHYSICAL ADDRESS (RELOCATIONS ONLY): If this is a relocation of a dealership, showroom, or vehicle line-make, enter the original address here.

1.G. MAILING ADDRESS: Enter your mailing address if it is different from your physical address. This is the address we will use to mail correspondence, licenses, dealer plates, etc. If this application is for a new facility where mail cannot currently be received, please provide a temporary mailing address we can send correspondence concerning this application.

1.H. TELEPHONE/FAX NUMBER: Enter the telephone number and fax number you will use for your dealership. A working LAND LINE **(not cellular)** telephone must be listed in the name under which the dealer does business. If this application is for a new facility without current phone service, please provide temporary phone numbers.

1.I. E-MAIL ADDRESS: Enter e-mail address if you would like to use this as a form of delivery. E-mail addresses are considered confidential. (Unless authorization to release is provided to the Motor Vehicle Division).

1.J. CONTACT NAME AND PHONE NUMBER: Enter the name and phone number of a person we can communicate with concerning this application.

2. CURRENT GDN AND FRANCHISE LICENSE NUMBER: Enter any current GDN(s) you have in this city. If this is a relocation, enter the franchise license number of the dealership or showroom being relocated.

3. GDNS BEING APPLIED FOR: Check each category of GDN for which you are applying. You must pay license fees of $700.00 for each category you check. For example, if you want to sell new motor homes & travel trailers, you should check the boxes for a Motor Vehicle GDN & a Towable RV GDN. Total GDN fees due will be $1,400.00. If you want to sell new cars and used motorcycles, you should check the Motor Vehicle GDN & Motorcycles GDN boxes. Total GDN fees due will be $1,400.00. New licenses are issued for a two year terms.

4. FEES: Determine the total fees required:

The franchise license fee for a sales-and-service facility is $350.00 for each showroom. MVD may prorate this fee to synchronize the expiration date with an existing GDN. This fee is not required if you are applying for a license for a service-only facility.

a) The franchise license fee for a service-only facility is $200.00. MVD may prorate this fee to synchronize the expiration date with an existing GDN. YOU MUST ALSO BE LICENSED TO SELL THE LINE-MAKE TO BE SERVICED UNDER WARRANTY. This fee is not required if you are applying for a license for a sales-and-service facility.

b) The fee for each GDN is $700.00. This fee is not prorated.

c) The fee for each metal dealer license plate is $90.60. This fee is NOT prorated.

d) Metal dealer plates may be applied for with the new application, with a renewal, or any time during the license term the GDN is valid, but always expire the same date as the GDN.

e) Specify the quantity of each type of dealer plate you require.

5. NAME(S) OF PERSONS WHO WILL SERVE AS GENERAL MANAGER AND DEALER PRINCIPAL: List first and last names.

6. MANUFACTURERS/DISTRIBUTORS, LINE-MAKES, AND TYPES TO BE SOLD UNDER FRANCHISE: Fill this block out completely, including the "TYPE" block. Choose the type code that most closely describes the vehicle.

a) Franchised dealers are licensed by line-make (sometimes referred to as "brand"). You may not sell, offer to sell, or perform warranty service on any lines for which you are not licensed.

b) You cannot be licensed for a particular line unless the manufacturer or distributor has a current Texas motor vehicle manufacturer's or distributor's license.

c) You cannot be licensed for a particular line unless you have a signed sales and service agreement or Evidence of Franchise form that includes that line.

d) DO NOT LIST MODELS of motor vehicles. The term "line-make" does not include models. For example, Ford, Mercury, and Lincoln are line-makes. Crown Victoria, Focus, Explorer, and F-150 are models within the Ford line.

e) Under Texas law, a manufacturer or distributor must allow a dealer licensed to sell vehicles of a particular line-make to sell all models within that line-make.

f) Motor vehicle type codes:

1) AA: Includes passenger autos only.

2) AB: Includes vehicles meeting the following definition of ambulance (including all Type I & III and some Type II; contact our office for more information. An "ambulance" is a vehicle used exclusively to transport or to provide emergency medical care to an injured or ill person and that includes:

a. a driver's compartment;

b. a compartment to accommodate an emergency medical care technician or paramedic and two injured or ill persons in a position that permits on of the injured or ill persons to be given intensive life-support during transit;

c. equipment and supplies for emergency care of an injured or ill person at the location of the person or at the scene of an injury-producing incident as well as in transit;

d. two-way radio communication capability; and

e. equipment for light rescue or extrication procedures.

Vehicles that do not exactly match this definition are converted products and may be sold only by dealers franchised to sell the underlying chassis line-make.

3) AT: All-terrain vehicles.

4) BS: Includes manufactured buses, not converted vans.

5) EN: Any engine manufactured for installation in a vehicle having as its primary purpose the transport of a person or persons or property on a public highway and having a gross vehicle weight rating of more than 16,000 pounds, whether or not attached to a vehicle chassis, is considered by the Occupations Code Chapter 2301 to be a motor vehicle.FT: "Fire-fighting vehicle" means a motor vehicle the only purposes of which are to transport firefighters to the scene of a fire and to provide equipment to fight the fire, and that is built on a truck chassis with a gross carrying capacity of at least 10,000 pounds, to which the following have been permanently affixed or mounted:

   a. a water tank with a combined capacity of at least 500 gallons; and

   b. a centrifugal water pump with a capacity of at least 750 gpm at 150 psi net pump pressure.

   Vehicles that do not <u>exactly</u> match this definition are converted products and may be sold only by dealers franchised to sell the underlying chassis line-make.

6) HT: Heavy-duty truck.

7) LT: Light-duty truck.

8) MC: Motorcycles.

9) MH: Motor home. "Motor home" means a motor vehicle that is designed to provide temporary living quarters and that:

   a. is built on a motor vehicle chassis as an integral part of or a permanent attachment to the chassis; and

   b. contains at least four of the following independent life support systems that are permanently installed and designed to be removed only for repair or replacement and that meet the standards of the American National Standards Institute, Standards for Recreational Vehicles:

      (i) a cooking facility with an on-board fuel source;

      (ii) a gas or electric refrigerator;

      (iii) a toilet with exterior evacuation;

      (iv) a heating or air conditioning system with an on-board power or fuel source separate from the vehicle engine;

      (v) a potable water supply system that includes at least a sink, a faucet, and a water tank with an exterior service supply connection; or

      (vi) a 110–125 volt electric power supply.

10) MS: Motor scooter or moped.

11) MT: Medium-duty truck.

12) NV: Neighborhood vehicles or slow-moving vehicles which may legally be operated on public highways.

13) OT: Other. Includes transmissions and rear axles manufactured for installation in a vehicle having as its primary purpose the transport of a person or persons or property on a public highway and having a gross vehicle weight rating of more than 16,000 pounds, whether or not attached to a vehicle chassis. If the vehicle listed does not fit any other classification, use OT and attach a separate sheet describing the vehicle in detail.

14) TR: "Towable Recreational Vehicle" means a non-motorized vehicle that:

   a. was originally designed and manufactured primarily to provide temporary human habitation in conjunction with recreational, camping, or seasonal use;

   b. is titled and registered with the department as a travel trailer through a county tax assessor-collector;

   c. is permanently built on a single chassis;

   d. contains at least one life support system; and

   e. is designed to be towable by a motor vehicle.

7. LICENSE NUMBERS (if applicable) AND STREET ADDRESSES OF ALL OTHER LOCATIONS: List all other locations within the city limits that will be operated under the GDN for which you are applying.

a) Each separate showroom requires a separate franchise license. You must submit a separate application for each separate showroom.

b) Separate lots selling used cars in the same city - attach photos showing business name signage, office, business hours and overall photo from across the street to include building and display area. Attach proof of occupancy (lease, deed, tax receipt). Include a new assumed name certificate if different from the assumed name for your showroom location, if applicable.

8 - 12. YES/NO QUESTIONS: All questions must be answered.

a) Provide detailed explanations of any "Yes" answers in full on separate sheets.

b) The Texas Occupations Code Chapter 2301 restricts manufacturer or distributor ownership or control of a dealer or dealership. Manufacturer/distributor ownership or control of a dealership is generally prohibited, with two exceptions:

1) Dealerships that were purchased by the manufacturer/distributor from a franchised dealer and that are for sale at a reasonable price and on reasonable terms and conditions.

2) Dealer development dealerships operated under a plan for the dealer to acquire full ownership within a reasonable time and under reasonable terms and conditions. In order to qualify for this exemption:

a. The dealer must be a member of a group that has been historically underrepresented in the manufacturer's or distributor's dealer body, OR

b. The dealer must be a qualified person who lacks the resources to purchase a dealership outright.

13. EXPLAIN IN YOUR OWN WORDS WHAT THIS APPLICATION IS FOR – In order for MVD to properly process your application, we must know exactly what you are doing. Please explain as clearly as you can what the circumstances are, especially when the application concerns purchasing or relocating lines.

14. THIS APPLICATION IS FOR (CHECK ALL THAT APPLY):

a) Changing business entity – check this box if you are changing the form of your business entity (for example, from a partnership to a corporation, from a corporation to an LLC, etc.). IF THE ENTITY CHANGE OCCURRED AS A RESULT OF A CONVERSION UNDER THE TEXAS CORPORATIONS LAW, YOU MAY FILE AN AMENDMENT TO YOUR LICENSE RATHER THAN A NEW APPLICATION.

b) Moving an existing dealership or showroom to a new location – check this box if you are closing one location and opening another location in its stead, or if you are moving a line from an existing point to a new one. If you are moving a line from one showroom to another currently-licensed showroom, you should file an amendment to the license where the line will be moved rather than a new application.

c) Buying an existing dealership facility from another dealer – check this box if you are purchasing an existing dealership which will remain in its current location. Provide all requested information on the selling dealer. If the previous dealership has been closed for any length of time, contact MVD for instructions.

d) Relocating lines purchased from an existing dealership – check this box if you have purchased one or more lines from an existing dealer and will move them to a different showroom. Provide all requested information on the selling dealer.

e) Establishing a new dealership where none previously existed – check this box if this is for a new dealership facility ("new point").

f) Adding a new showroom to an existing dealership – check this box if you are currently a licensed franchised dealer in this city and you are adding a new vehicle showroom anywhere within the same city.

g) Establishing a new service-only facility where no sales will take place – check this box if the application is for a facility providing warranty service and not sales. You must also be licensed to sell the line-makes to be serviced under warranty.

h) None of the above – if none of the above descriptions seems to fit your situation, please describe what you are doing in Item 12.

CERTIFICATION: The application must be signed by the dealer principal or authorized agent and notarized. By signing this application, the applicant swears under penalty of perjury that:

1) All statements on the application and all attachments to it are true and complete.
2) Applicant is not delinquent in any court-ordered child support.
3) Applicant agrees to allow the Texas Department of Transportation to examine, during working hours, the ownership papers for each registered or unregistered vehicle in the applicant's possession or control.
4) Applicant has complied with all applicable state laws and municipal ordinances. This includes (where applicable) licensing by other state agencies or municipalities, zoning ordinances, etc.

ATTACHMENTS TO THE APPLICATION

A. OWNERSHIP AND MANAGEMENT INFORMATION / POWER OF ATTORNEY DESIGNATING AGENT FOR SERVICE – Use form 1806.

1) Answer the question pertaining to felony convictions (and charges) truthfully.
   (a) Prior convictions may not prevent you from obtaining a license. Answering this question falsely may result in denial of your license and civil penalties.
   (b) MVD may investigate applicants answering "Yes" to this question. This investigation may add three to four weeks to your processing time.
   (c) You must attach copies of all final court judgments for any convictions.
2) Complete the front and back of the form for the following:
   (a) OWNERS: list <u>all</u> parties with <u>any</u> ownership interest in the dealership (this includes sole proprietors).
      (1) If any ownership interest is held by a business entity (corporation, LLC, LP, etc.), submit the information listed on the form for each business entity until only individuals are listed as owners. In this instance, you should complete a <u>separate form</u> for each business entity.
      (2) If any business entity with ownership interest is publicly held, indicate that on the form. Owners of publicly held businesses (shareholders) need not be listed, but the officers, directors, etc. must be.
   (b) PARTNERSHIPS: list all partners and designate the managing partner.
   (c) CORPORATIONS: list all corporate officers and directors.
   (d) LIMITED LIABILITY COMPANIES: list all LLC managers and members.
   (e) LIMITED PARTNERSHIPS: list the general partner(s) & the limited partner(s).
3) SPECIFIC INFORMATION:
   (a) <u>Name of Person or Business:</u> Enter the first name, middle initial, and last name for individuals; list the business name or assumed name of any business entities.
   (b) <u>Title:</u> Enter the title. Examples could be: President; CEO; Owner; Partner; General Partner; Member; etc.
   (c) <u>% of Ownership:</u> For all individuals and businesses listed, enter the percentage of ownership. If the percentage is zero, enter zero. OWNERSHIP PERCENTAGES MUST TOTAL 100%.
   (d) <u>Date of Birth:</u> for individuals only.
   (e) <u>Driver's License # and State:</u> enter the driver's license number and issuing state. If the individual does not have a driver's license, enter "NONE". If the driver's license was issued in a foreign country, provide that information.
   (f) <u>SSN / TIN / EIN:</u> enter the Social Security Number, Taxpayer Identification Number, or Employer Identification Number, as applicable. If any individual does not have an SSN, attach a separate sheet with other identifying data for the individual.
   (g) <u>Residence Address:</u> enter the home address for individuals or the business address if this is a business.
   (h) <u>Home Phone:</u> enter the home phone number for individuals or the business phone number if this is a business.
   (i) <u>If this is a business, is it PUBLICLY TRADED?</u> If the answer is yes, owners do not need to be listed, but officers, directors, partners, managers, or members (depending on the type of business entity) must be.

B. PROOF OF IDENTITY: Attach photocopies of the driver's license(s) for the owner(s) of the dealership or the president of the dealership or the managing partner of the dealership.

C. ASSUMED NAME CERTIFICATES: Provide documentation that you have registered your assumed name with the proper authority.

1) Corporations/Limited Liability Companies/Limited Partnerships/Registered Limited Liability Partnerships: proper authority for registration of assumed names is the Secretary of State (or, outside of Texas, the proper authority in the appropriate state). YOU MUST ALSO REGISTER THE NAME WITH THE COUNTY CLERK but MVD does not require the certificate from the county.
2) For other applicants, proper authority is the County Clerk.

D. CERTIFICATE OF INCORPORATION, ORGANIZATION, OR PARTNERSHIP: Attach these if applicable. We do not need copies of your corporate charter. Corporations are not required to submit a certificate of authority to operate in Texas.

E. MANUFACTURER/DISTRIBUTOR APPROVAL OF BUY/SELL OR RELOCATION: Attach documentation that the manufacturer or distributor has approved the buy/sell or relocation. Acceptable documentation includes:

1) Relevant pages of the sales and service agreement showing all parties to the agreement, their authorized signatures, the new address(es), and affected lines.
2) The provided Evidence of Franchise or Evidence of Relocation forms.

LETTERS OF INTENT WILL NOT SATISFY THIS REQUIREMENT.

F. SALES AND SERVICE AGREEMENT(S): MVD needs to keep on file evidence that the manufacturer and dealer have a contractual agreement. This evidence may be in one or more of the following forms:

1) Copies of the pages of a sales and service agreement that reflect ALL parties to the agreement and their signatures, the dealership location(s), and the line-make and type of each motor vehicle to be sold and/or serviced.
2) The provided Evidence of Franchise letter signed by the manufacturer/distributor.

LETTERS OF INTENT WILL NOT SATISFY THIS REQUIREMENT.

G. FINANCIAL STATEMENT:

1) List all assets and liabilities.
2) Sole proprietors may list personal assets and liabilities; all others must list those of the business.

H. SUMMARIES OF BUSINESS BACKGROUND AND EXPERIENCE: Cover the last eight years for each of the principal owners, the principal operator, and the general manager.

I. DESCRIPTION OF PHYSICAL FACILITIES: Enter the size of the building in square feet, the number and total square footage of office space, and the dimensions of your display lot and parts and service facilities.

J. PHOTOGRAPHS: The photographs you provide must allow us to verify that your establishment meets the requirements for an established and permanent place of business.

1) Overall appearance of the building and lot:
   a. Stand far enough away to include the entire lot and building in the photo. If necessary, take several photos.
   b. Portable buildings may be acceptable as office structures. If mounted on wheels, the wheels must not be visible.
   c. Your display space must be located at your address or directly adjoining your location. You must have sufficient space to display at least 5 vehicles of the type for which the GDN is issued.
   d. Your display space cannot be located on a public easement, in a right-of-way, in a driveway, or in an area open to public parking.
2) Office areas where sales are finalized (at least one desk, two chairs, a land-line telephone, and a filing cabinet).
3) Signage:
   a. The name on the sign must match the assumed name or name of the business if there is no DBA.
   b. The sign must have letters at least 6 inches high. The only exception to this requirement is when local zoning laws do not allow it; if this is the case, explain on a separate sheet and attach a copy of the appropriate law or ordinance. Building owner or management rules are not a valid exception.
   c. The sign must be permanently mounted and clearly visible from the street.
   d. If the sign has been ordered but not yet installed, provide a copy of the purchase order or work order showing the specifications of the sign and the contracted installation date.
4) Business hours:
   a. Dealerships must be open at least four days per week, four consecutive hours per day, between 8:00 A.M. and 8:00 P.M. Sign must be posted at the main entrance to the dealership.
   b. Dealerships (except trailer dealers) may be open Saturday or Sunday, but not both. Trailer sales may take place seven days a week.

K. CURRENT LEASE OR OWNERSHIP DOCUMENTS FOR THE PROPERTY: The building and lot must be owned or leased by the applicant for a continuous term of at least two years from the date of the application. Attach one of the following:

1) Lease: We do not need the entire lease. You should attach only those pages of a current lease that show:
   a. The physical address.
   b. The dealer or dealership as tenant or lessee.
   c. The term of the lease (must coincide with the term of the license, not month-to-month). Must have a beginning date and an ending date.
   d. The signatures of the tenant (lessee) and landlord (lessor).
   e. If you own the property and lease the property to yourself, provide proof of property ownership.
   f. If you are subleasing, provide the property owner's consent to the sublease. This may be a part of the lease, or you may need to get a separate document from the property owner. Also provide the original lease.
2) A current property tax receipt showing the physical address and dealer's or business name.
3) A copy of the property deed in the dealer's or business name, properly identifying the physical address of the property. The deed must be registered with the county.

   If your documentation describes your property by lot/block number, attach a statement signed by the dealer stating that the property description on the document is the same as the address of the dealership.

L. STATEMENT OF AVERAGE INVENTORIES: State the average number and value of vehicles you intend to maintain in inventory.

M. STATEMENT OF NUMBER OF EMPLOYEES: Show separately the number (actual or estimated) to be employed as sales, parts, service, and administrative personnel.

N. NEW DEALERSHIPS, BUY/SELL, AND RELOCATIONS:

1) Attach a map (may be hand-drawn, photocopied, or computer-generated) pinpointing the dealership location. Include any supplemental locations listed on this application.
2) For relocations, pinpoint the original and new locations and indicate the straight-line (as the crow flies) distance between the two.
3) MVD must be able to determine the exact location of the dealership from your map. Please make sure that the scale of your map is adequate to allow this.
4) **The protest process cannot begin until you have provided MVD with a satisfactory map.**

O. DEALER DEVELOPMENT STORES:

a. Motor vehicle manufacturers and distributors may temporarily own an interest in a dealership for dealer development purposes. If this is the case, attach sufficient documentation to show the following:
   1) That the dealer development candidate is part of a group that has historically been underrepresented in the manufacturer's or distributor's dealer body or who is otherwise qualified but lacks the resources to purchase a dealership outright;
   2) That the manufacturer or distributor is in a bona fide relationship with the dealer development candidate;
   3) That the dealer development candidate has made a significant investment in the dealership, subject to loss;
   4) That the dealer development candidate has an ownership interest in the dealership; and
   5) That the dealer development candidate operates the dealership under a plan to acquire full ownership of the dealership within a reasonable time and under reasonable terms and conditions.

b. A manufacturer or distributor may own an interest in a franchised dealer, or otherwise control a dealership, for a period not to exceed 12 months from the date the manufacturer or distributor acquires the dealership if:
   1) the person from whom the manufacturer or distributor acquired the dealership was a franchised dealer; and
   2) the dealership is for sale by the manufacturer or distributor at a reasonable price and on reasonable terms and conditions.

METHOD OF PAYMENT	INSTRUCTIONS	FORWARD TO:
CREDIT CARD Amount limited to $5.00 to $2000.00 **(A fee of $1.00 will be added to each Credit Card Transaction)**	Complete the "Payment By Credit Card" form included in the packet. Mail form and documents	Texas Department of Transportation Motor Vehicle Division P. O. Box 2293 Austin, TX 78768-2293
PERSONAL CHECK OR MONEY ORDER **(A fee of $25.00 will be charged for returned checks)**	Mail check and documents	Texas Department of Transportation Motor Vehicle Division P. O. Box 13044 Austin, TX 78711-3044

APPLICATIONS MAY BE HAND DELIVERED, BUT THAT WILL NOT SPEED UP THE PROCESS AND MAY RESULT IN DELAYS IF PAYING BY CHECK OR MONEY ORDER.

GENERAL INFORMATION

APPLICATION PROCESSING:

a) License terms for new licenses are for two years.

b) Applications are processed in the order received.

c) If there are no deficiencies & no protests, the application will be approved and your license printed and mailed along with your dealer plates (if any).

d) If there are deficiencies, you will receive a list of items to be corrected. Please correct any deficiencies and return the application with all attachments.

e) To be safe, allow at least two months for processing of your application. Protests or incomplete or inaccurate applications can greatly increase this estimate. Your application fees must first be processed by the State Comptroller's office before it is returned to our office for processing. This causes a delay in the receipt of your application to our office.

Applications should be as complete as possible before submission; however, do not wait until the last minute, especially if the application may be subject to protest.

CHANGES TO YOUR LICENSE:

a) You must submit an Application to Amend New Motor Vehicle Dealer's License for:

1) Adding or deleting lines.

2) Adding a supplemental location for used motor vehicle sales within the same city limits as your new motor vehicle dealership. If new motor vehicles are to be sold at the supplemental location, you must submit a new application for an additional franchise license.

3) Changes in ownership. Under some circumstances, you may need to file a new application. For example, if you are currently licensed as a Sole Proprietor and become incorporated, you will need to file a new application. If you are a corporation and do a conversion to a Limited Partnership, you will only need to amend you license. Please contact our office in order to complete the appropriate forms.

4) Changing the dealership name or DBA (assumed name).

TEMPORARY CARDBOARD TAGS:

a) Dealers may issue three types of temporary cardboard tags:

1) Dealer's temporary (black) tag.

2) Buyer's initial (red) tag.

3) Buyer's supplemental (blue) tag.

b) Rules for the use of temporary tags may be found in 43 TAC Chapter 8.

c) Dealers must obtain a unique number for each temporary tag through TxDOT's website at www.txdot.gov. You must fill out the Vision 21 contact information page contained within this application in order to receive your username and password to access the e-Tag Database. Each license must have a separate account for obtaining the unique temporary tag number. More information about e-Tags, as well as a link to the login page for the e-Tag Database, can be found on our website at www.txdot.gov/services/motor_vehicle/default.htm.

DUPLICATE LICENSES:

To request a reprint or a duplicate license please complete form LF901. You may fax this request to 512/416-4893 or mail to Motor Vehicle Division, P.O. Box 2293, Austin, TX 78768-2293. **The fee for this request is $50.00.**

PROTEST CONSIDERATIONS:

a) Dealers licensed for a particular line-make may have standing to protest the placement of a new point or relocation of a dealership selling that line-make within their trade area.

b) "Trade area" is defined as:

1) The county within which the new point is located, and

2) The areas outside of the county in which the new point is located, but within a 15-mile radius of the new point.

c) Situations not subject to protest:

1) A "buy/sell" transaction, in which a new buyer purchases an existing dealership in place, is not subject to protest.

2) Relocation of a line/make to a new location that is <u>one mile or less</u> from the original location is not subject to protest.

3) Replacement dealerships are not subject to protest if they meet <u>all</u> requirements specified in the Board's rules (43 TAC §8.109).

4) Relocations of <u>more than one mile</u> are subject to protest if the new location is <u>closer</u> to existing dealers than the old location.

d) Any new application or license amendment that includes new dealerships, new showrooms, or the relocation or addition of lines initiates the protest process.

1) Dealers of the same line within the county of the new dealership or location are identified.

2) Dealers of the same line who are outside of the county, but within the 15-mile radius, are identified.

3) If no dealers are determined to have standing to protest, application processing continues.

4) If any dealers are determined to have standing to protest, they are notified by certified mail of the applicant's name, location, and which lines are involved. Copies of the letter(s) are sent to the applicant as well as to the manufacturer(s)/distributor(s) of the lines involved.

5) If any protests are filed, hearings are scheduled. At these hearings, the applicant must show good cause for the establishment or relocation of the dealership.

e) Protests must be received not later than 5:00 PM 15 days from the date of the notification to those licensees with standing to protest.

f) Dealers may not waive their right to protest; if any dealers have standing to protest, the 15-day period must be observed.

g) **The protest notifications will not be made until the application is complete with the exception of photographs (ONLY IF THE FACILITY IS UNDER CONSTRUCTION). If photographs are not available when the application is submitted, they must be submitted before your license and dealer plates will be mailed to you.**

LICENSE RENEWAL:

a) Your license is valid for two years.

b) Renewal fees are $400 for the GDN and $90.60 for each metal dealer plate. The franchise license fees vary based on total new vehicle sales during the previous license term.

c) MVD will mail you a renewal notice 75 to 90 days prior to license expiration. You should return your renewal notice, required attachments, and the proper fee(s) at least 45 days prior to expiration to ensure that your license does not expire.

d) You are responsible for maintaining your license. If you do not receive your renewal notice, contact MVD to obtain one.

e) THERE IS NO GRACE PERIOD! Once your license expires, you may not sell vehicles, transfer titles, etc. Your dealer plates are also expired.

f) Penalty fees are assessed if your renewal form is received at MVD more than 30 days after expiration. These penalty fees are 50% of the total license fee for each 30 days of default.

g) Must complete the renewal within 90 days of your expiration or you will have to re-apply.