(512) 465-3000
Toll Free (888) 368-4689

Texas Department of Motor Vehicles

MANUFACTURER/DISTRIBUTOR LICENSE INFORMATION

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

ALL LICENSES ARE ISSUED FOR A TERM OF TWO YEARS.

A "**manufacturer**" is a person who manufactures or assembles new motor vehicles.

A "**distributor**" means a person, other than a manufacturer, who distributes or sells new motor vehicles to a franchised dealer.

Neither manufacturers nor distributors are allowed to sell new motor vehicles directly to Texas consumers, including municipalities. Only dealers that are franchised and licensed for the line-make of the manufactured or distributed vehicle are allowed to sell new motor vehicles to Texas consumers. If a new motor vehicle is sold through a **bid process**, a franchised dealer for the specific line-make **must** be listed on the bid as the seller.

Manufacturers and distributors are prohibited from, directly or indirectly:

1) **owning an interest in a dealer or dealership:**
2) **operating or controlling a dealer or dealership; or**
3) **acting in the capacity of a dealer.**

For purposes of this prohibition, a "manufacturer" includes:

1) a representative; or
2) a person who (A) is affiliated with a manufacturer or representative; or (B) directly or indirectly through an intermediary, is controlled by, or is under common control with, a manufacturer. A person is controlled by a manufacturer if the manufacturer is directly or indirectly authorized, by law or by agreement of the parties, to direct or influence the person's management and policies.

Exceptions to this prohibition are found in Texas Occupations Code § 2301.476.

If a person makes substantial modifications to a new motor vehicle and the resulting product is an **ambulance, fire-fighting vehicle, or motorhome**, as those terms are defined in Chapter 2301 of the Texas Occupations Code, then the person must obtain a manufacturer license, not a converter license. However, if even one of the conversions produced does not meet the exact definition of ambulance, fire-fighting vehicle, or motorhome, then a converter license, as well as a manufacturer license, is required.

Manufacturers/distributors are not required to be physically located in Texas. Even if the manufacturer/distributor is located in another state, as long as new motor vehicles they manufacture/distribute are sold in Texas, the proper license must be obtained from the Texas Motor Vehicle Board.

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.

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

1. TYPE OF APPLICATION: Choose the type of license applicant is requesting. If applicant manufactures, but does not distribute, new motor vehicles, choose "manufacturer." If applicant distributes, but does not manufacturer, new motor vehicles, choose "distributor." If applicant manufactures and distributes new motor vehicles, then choose "manufacturer and distributor."

2. 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.

3. ASSUMED NAME/DBA (if different from above): 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.

4. PHYSICAL ADDRESS: Enter the street number and name, the city, and the zip code.

5. 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, manufacturer 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.

6. TELEPHONE/FAX NUMBER: Enter the telephone number and fax number you will use for your business. If this application is for a new facility without current phone service, please provide temporary phone numbers.

EMAIL ADDRESS: Enter an email address if you would like to use this as a form of delivery. Email addresses are considered confidential. (Unless authorization to release is provided to the Motor Vehicle Division).

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

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

9-10. FEES: (NOTE: FEES ARE NON-REFUNDABLE)

a) Attach a check, money order, or credit card form for the manufacturer/distributor license fee ($1,800), the franchised dealer fee ($40 for each location where a franchised dealer sells/services applicant's new motor vehicles), any manufacturer metal license plates ($40.00 each), and all representatives ($200 each).

b) Checks and money orders should be made payable to the Texas Department of Motor Vehicles. A fee of $1.00 will be added to each credit card transaction. The maximum amount that can be charged is $2,000.

c) If paying by check or money order, do not bring your application to MVD. Applications with checks or money orders must first go to PO Box 13044 for processing of the fees.

d) If you wish to overnight your application, be aware that only the US Postal Service delivers overnight mail to post office boxes.

e) Make sure you mail your application to the correct address for the type of payment you are making. Failure to do so will result in processing delays.

11-13. YES/NO QUESTIONS: All questions must be answered. Provide detailed explanations of any "Yes" answers in full on separate sheets.

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14. MOTOR VEHICLE LINE-MAKE(S) MANUFACTURED OR DISTRIBUTED IN TEXAS: Fill this block out completely, including the "TYPE" block. Choose the type code that most closely describes the vehicle.

a) Manufacturers/Distributors and franchised dealers are licensed by line-make (sometimes referred to as "brand"). A franchised dealer may not sell, offer to sell, or perform warranty service on any lines for which they are not licensed.

b) 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.

c) 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.

d) 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) CT: If the manufacturer's sales and service agreement combines passenger autos and light trucks (pickups), use this type code. As an example, if XYZ Corp manufactures both passenger autos and pickups, and the XYZ sales and service agreement shows the dealer is authorized to sell "XYZ vehicles", CT is the appropriate type code.

6) 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.

7) 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 exactly match this definition are converted products and may be sold only by dealers franchised to sell the underlying chassis line-make.

8) HT: Heavy-duty truck.

9) LT: Light-duty truck.

10) MC: Motorcycles.

11) 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

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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.

12) MS: Motor scooter or moped.

13) MT: Medium-duty truck.

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

15) 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.

16) TR: "Towable Recreational Vehicle" means a nonmotorized 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.

15. ATTACHMENTS TO THE APPLICATION

A. OWNERSHIP AND MANAGEMENT INFORMATION / POWER OF ATTORNEY DESIGNATING AGENT FOR SERVICE – Use attached form LF602.

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 applicant (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.

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(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) Name of Person or Business: Enter the first name, middle initial, and last name for individuals; list the business name and assumed name of any business entities.

(b) Title: Enter the title. Examples could be: President; CEO; Owner; Partner; General Partner; Member; etc.

(c) % of Ownership: For all individuals and businesses listed, enter the percentage of ownership. If the percentage is zero, enter zero. OWNERSHIP PERCENTAGES MUST TOTAL 100%.

(d) Date of Birth: for individuals only.

(e) Driver's License # and State: 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) SSN / TIN / EIN: 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) If this is a business, is it PUBLICLY TRADED? 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. 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).

2) For other applicants, proper authority is the County Clerk.

C. 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.

D. DEALER LIST: A list of all dealers authorized to sell/service the line-makes listed in item 14. Include name, business address, General Distinguishing Number (P-number), and franchise license number of each dealer (if dealer is already licensed in Texas), and list the **line-makes and types** of vehicles each dealer is authorized to sell.

NOTE TO ENGINE/TRANSMISSION/REAR AXLE MANUFACTURERS/DISTRIBUTORS: List only those dealers selling new (not reconditioned) products manufactured for or installed in vehicles with a GVWR of more than 16,000 pounds.

E. SERVICE-ONLY DEALER LIST: A list of all service-only facilities where a franchised dealer performs warranty service, but does not sell vehicles the dealer is franchised and licensed to sell at another location. Include name, business address, General Distinguishing Number (P-number), and franchise license number of each dealer (if dealer is already licensed in Texas), and list the line-makes and types of vehicles each dealer is authorized to service.

A **service-only facility** is a location occupied and operated by a franchised dealer that is a completely separate, non-contiguous site, from the franchised dealer's new vehicle sales and service or sales only location, where the franchised dealer will only perform warranty and non-warranty repair services.

Only a person who is already franchised and licensed to sell a line-make at a separate location is eligible for a service-only facility license for that line-make.

F. DISTRIBUTOR(S): Names and addresses of all distributors involved in the distribution of motor vehicles manufactured by applicant. If none, state so.

G. ZONE OFFICES: A list of all zone or branch offices that will have contact with applicant's franchised dealers in Texas. Include physical and mailing addresses and telephone numbers. If none, state so.

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H. 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.
3) A financial statement is required for the applicant entity, even if this is a new business.

I. FACILITIES AND PERSONNEL - A description of the physical facilities and personnel available to serve applicant's franchised dealers. Describe the facility where new motor vehicles are manufactured/distributed and list the number of personnel employed by applicant.

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

K. FRANCHISE AGREEMENT(S): A sample (blank) copy of the dealer sales and service agreement(s) (franchise agreement(s)) **for each line-make** stating the obligations of franchised dealers in Texas to applicant and the obligations of applicant to its franchised dealers in Texas. Please do not provide an execute franchise agreement for each dealer.

L. WARRANTY AGREEMENT: A copy of each warranty agreement currently in force between the applicant and its franchised dealers governing all motor vehicles produced or distributed in Texas by applicant. If applicant does not offer a warranty on its new motor vehicles, state so.

If the warranty information is contained within the sales and service agreement, clearly mark the sections of the document that pertain to warranty.

M. WARRANTY COMPENSATION: Documentation setting out the basis for compensating dealers in Texas for labor, parts, and other expenses incurred in connection with applicant's motor vehicle warranty agreements (hourly rate). If franchised dealers are compensated at their posted shop rates, state so.

NOTE: Texas law provides that a franchised dealer cannot be paid or reimbursed for warranty work in an amount less than the amount the dealer charges a retail customer for similar nonwarranty work.

N. WARRANTY BOOKLETS: Documentation setting out the warranty protection provided a retail purchaser of the applicant's products.

O. PREPARATION AND DELIVERY OBLIGATIONS: Documentation setting out the preparation and delivery obligations of applicant's franchised dealers in Texas before delivery of a new motor vehicle to a retail purchaser. (If none, state so.)

P. PREPARATION AND DELIVERY COMPENSATION: Documentation setting out the schedule of compensation to be paid to applicant's franchised dealers in Texas for work and service performed in connection with the franchised dealer's preparation and delivery obligations. (If none, state so).

Q. BROCHURES AND PRODUCT SPECIFICATIONS: Brochures or photographs depicting your product(s), with a description of the product specifications.

R. MCOs/MSOs - Samples of completed Manufacturer's Statements/Certificates of Origin (front and back) for each line-make manufactured or distributed in Texas.

S. REPRESENTATIVE APPLICATION: A New Motor Vehicle Representative License application for each person who qualifies as a representative of the applicant (see attached application). "Representative means a person who: (A) is or acts as an agent or employee for a manufacturer, distributor, or converter; and (B) performs any duty in this state relating to promoting the distribution or sale of new motor vehicles or contacts dealers in this state on behalf of a manufacturer, distributor, or converter." A separate license is required for each representative.

APPLICANTS FOR A DISTRIBUTOR'S LICENSE MUST ALSO ATTACH THE FOLLOWING:

T. MANUFACTURER(S): Names and addresses of all manufacturers for whom applicant will act in Texas. If manufacturer is licensed in Texas, include Texas motor vehicle manufacturer's license number and expiration date.

U. DISTRIBUTION AUTHORIZATION: A photocopy of each contract under which applicant will act for a manufacturer. If there is not a written contract between the manufacturer and distributor, provide a signed statement from the manufacturer, on company letterhead, authorizing applicant to distribute its products in Texas.

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NOTE: FEES ARE NON-REFUNDABLE

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 Motor Vehicles 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 Motor Vehicles 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) Licenses are issued for two year terms.

b) Applications are processed in the order received.

c) If there are no deficiencies, the application will be approved and your license printed and mailed along with your manufacturer 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. Incomplete or inaccurate applications can greatly increase this estimate.

Applications should be as complete as possible before submission.

CHANGES TO YOUR LICENSE:

a) You must submit an Application to Amend Manufacturer/Distributor License for:

1) Business name or assumed name change.
2) New physical address.
3) Changes in ownership or management. 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 your license. Please contact our office in order to complete the appropriate forms.
4) Changes in line-makes.
5) Addition or deletion of franchised dealers.
6) Change in warranty information.
7) Change in preparation and delivery information.
8) Change in distributors or manufacturers.

DUPLICATE LICENSES: To request a reprint or a duplicate license please complete form LF901. You may fax this request to 512-465-7310 or mail to Motor Vehicle Division, P.O. Box 2293, Austin, TX 78768-2293. **The fee for this request is $50.00. (NOTE: FEES ARE NON-REFUNDABLE)**

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LICENSE RENEWAL: (NOTE: FEES ARE NON-REFUNDABLE)

a) Your license is valid for two years.

b) Renewal fees are $1,800 for the manufacturer/distributor license and $40 for each location where a franchised dealer sells/services applicant's new motor vehicles. Representative renewal fee of $200 each.

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 conduct business as a manufacturer/distributor.

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.

MANUFACTURER METAL PLATES: All manufacturer metal plates expire on the same date as the license.

Only a manufacturer/distributor can apply for new or renewal manufacturer metal plates and the plates and renewal stickers will only be mailed to the physical or mailing address of the manufacturer/distributor. The manufacturer/distributor is responsible for the use of the manufacturer metal plates and for making sure that the persons using the plates receive the renewal stickers.

Manufacturer metal plates may only be used to test a new motor vehicle on a public street or highway or to loan to a consumer for the purpose described in Texas Occupations Code § 2301.605. If the vehicle displaying manufacturer metal plates is a commercial motor vehicle, the vehicle may not carry a load. Having persons operating new motor vehicles displaying manufacturer plates complete a questionnaire or survey regarding the vehicle's performance is considered testing the vehicles.