Texas Department of Motor Vehicles

CONVERTER 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 "**conversion**" means a motor vehicle, other than a motor home, ambulance, or fire-fighting vehicle, that:

(A) has been substantially modified by a person other than the manufacturer or distributor of the chassis of the motor vehicle; and

(B) has not been the subject of a retail sale.

A "**converter**" means a person who before the retail sale of a motor vehicle:

(A) assembles, installs, or affixes a body, cab, or special equipment to a chassis; or

(B) substantially adds, subtracts from, or modifies a previously assembled or manufactured motor vehicle other than a motor home, ambulance, or fire-fighting vehicle.

A "**retail sale**" is defined as any sale of a motor vehicle other than:

(A) a sale in which the purchaser acquires a vehicle for resale; or

(B) a sale of a vehicle that is operated under and in accordance with Section 503.061 of the Texas Transportation Code, which allows for the use of metal dealer's license plates.

Thus, a person who makes substantial modifications to or affixes a body, cab, or special equipment to a **new** motor vehicle must obtain a converter license, if those conversion vehicles are to be sold to Texas consumers.

Neither converters nor their representatives are allowed to sell the new motor vehicles they convert directly to Texas consumers, including municipalities. Only dealers that are franchised and licensed for the underlying line-make of the converted vehicle are allowed to sell converted vehicles to Texas consumers. If a converted new motor vehicle is sold through a **bid process**, a franchised dealer for the underlying chassis line-make **must** be listed on the bid as the seller.

The initial sale of the new motor vehicle to a converter is not a retail sale, since the converter purchased the vehicle in order to convert it and then resell it. Thus, even though the converter may title the vehicle in their name, it is still a new motor vehicle.

The converter is not required to purchase the motor vehicle it will convert from a Texas franchised dealer. However, once the conversion is complete, the vehicle can only be sold to the end-user by a franchised and licensed Texas motor vehicle dealer for the underlying chassis line-make. The **franchised dealer** must invoice the end-user for the entire purchase price of the vehicle, including the conversion package, obtain payment for the entire purchase price, and perform the titling work on the complete vehicle. How the converter is paid for the conversion package and conversion work is between the converter and the franchised dealer.

Substantial modifications performed on vehicles that have already been the subject of a retail sale are considered **"after-market" conversions**, and are not subject to regulation by the Texas Department of Motor Vehicles Board.

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.

Converters are not required to be physically located in Texas. Even if the converter is located in another state, as long as new motor vehicles they convert are sold in Texas, the converter must have a converter license issued by the Texas Department of Motor Vehicles Board.

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

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. 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.

2. 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.

3-4. MILITARY SERVICE: Please indicate if the applicant is a "Military Spouse" and holds an equivalent license in another state, as defined by TEXAS OCCUPATIONS CODE §55.004 and 43 TEXAS ADMINISTRATIVE CODE §215.86. If yes, please provide supporting documentation with your application.

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

6. 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, converter 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.

7. 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. (Unless authorization to release is provided to the Motor Vehicle Division).

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

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

FEES:

a) Attach a check, money order, or credit card form for the converter license fee ($750), any converter metal license plates ($40 each), and all representatives ($200 each).

b) Checks and money orders should be made payable to the Texas Department of Motor Vehicles.

c) If paying by check or money order, do not bring your application to the Motor Vehicle Division. 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.

10-11. YES/NO QUESTIONS: All questions must be answered. Provide detailed explanations of any "Yes" answers in full on separate sheets.

12. ATTACHMENTS TO THE APPLICATION

A. OWNERSHIP AND MANAGEMENT INFORMATION / POWER OF ATTORNEY DESIGNATING AGENT FOR SERVICE – Use attached form LF601.

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) The Motor Vehicle Division 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.
   - (d) Any felony conviction is a material change that must be reported to the TxDMV by the applicant or license holder.
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.
   - (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>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. 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.

ATTACHMENTS (CONTINUED)

D. CONVERSION PACKAGES: Attach a list of the names by which applicant identifies the conversion package(s) installed on new motor vehicles. Examples include aerial lift, brush truck, rescue vehicle, dump body, wrecker body, asphalt distributor, and refuse body. The conversion package may be a trade name such as Jerr-Dan, Rawson-Koenig, Ricon, and Braun. These are only examples, not a complete list of conversion package names.

E. CONVERSION DESCRIPTION: For each conversion package, provide a detailed description of the modifications performed by applicant on new motor vehicles.

F. MOTOR VEHICLE ACQUISITION AND MARKETING: Provide a detailed explanation of the process by which the applicant acquires new motor vehicles to be converted and markets converted new motor vehicles. Indicate whether the new motor vehicles to be converted are obtained directly from the manufacturer or from franchised dealers. Specify how the converted product is obtained by the end-user customer, including payment for the conversion and delivery of the vehicle.

G. VEHICLES TO BE CONVERTED: Attach a list of each new motor vehicle line-make applicant will be converting.

H. DEALER LIST – For each line-make identified in G (above), attach a list of all franchised dealers in Texas to whom applicant sells or otherwise markets its converted new motor vehicles. Include name, business address, general distinguishing number (p-number), and franchise license number of each dealer. **This is required of <u>all</u> applicants.**

Only licensed dealers may sell motor vehicles. New motor vehicles (those that have not been the subject of a prior retail sale) may be sold only by dealers franchised and licensed for the underlying chassis line-make. Converters cannot sell new or used motor vehicles to retail purchasers, including municipalities.

If you convert Ford, Chevrolet, International, and Freightliner vehicles, then you must list a franchised dealer for each of these line-makes.

I. 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.

J. FACILITIES AND PERSONNEL - A description of the physical facilities and personnel available to conduct applicant's business as a converter. Describe the facility where the conversions are performed and list the number of personnel employed by applicant.

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

L. WARRANTY AGREEMENT: A copy of each warranty agreement currently in force governing conversion of new motor vehicles by applicant. If applicant does not offer a warranty on its conversion packages, state so.

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

N. 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.

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METHOD OF PAYMENT	INSTRUCTIONS	FORWARD TO:
CREDIT CARD Amount limited to $5.00 to $2000.00	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 26487 Austin, TX 78755
PERSONAL CHECK OR MONEY ORDER **(A fee of $25.00 will be charged for returned checks)**	Pay to: Texas Department of Motor Vehicles 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 converter 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 Converter License for:

1) Business name or assumed name change.

2) New physical address.

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) Addition of conversion packages.

5) Addition of new motor vehicle line-makes to be converted.

6) Addition of franchised dealers.

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TEMPORARY TAGS:

a) Converters may issue temporary tags:
   1) Vehicle-Specific temporary tag.
   2) Agent-Specific temporary tag.

b) Rules for the use of temporary tags may be found in 43 TAC Chapter 215, Subchapter E.

c) Dealers must obtain a unique number for each temporary tag through TxDMV's website at http://www.TxDMV.gov/vehicles/dealers/etag.htm. You must fill out the "Request for e-Tag Account Form" 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.TxDMV.gov.

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 26487, Austin, TX 78755. **The fee for this request is $50.00.**

LICENSE RENEWAL:

a) Your license is valid for two years.

b) Renewal fees are $750 for the converter license and $40.00 for each metal converter plate.

c) The Motor Vehicle Division 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 the Motor Vehicle Division to obtain one.

e) THERE IS NO GRACE PERIOD! Once your license expires, you may not conduct business as a converter. Your converter plates are also expired.

f) Penalty fees are assessed if your renewal form is received at the Motor Vehicle Division 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.

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