Texas Department of Motor Vehicles

FRANCHISED DEALER INSTRUCTION PACKET

Purpose:
This instruction packet is the companion to *Form LF101, FRANCHISED NEW MOTOR VEHICLE DEALER'S LICENSE APPLICATION*. The application is for New Vehicle Sales and/or Service – If you wish to sell only *used* motor vehicles, or new/used utility trailers/semitrailers only, do not complete this application. Please call us at the number on the top of this page, and we will help you get the form you need.

Instructions:

Before you begin: Please read all of this information carefully before completing and mailing your application. Incomplete or inaccurate information may delay issuance of your license. When applying for a license, **PLEASE DO NOT WAIT** until the last minute to file. File early to alleviate delays.

1. **The following pages guide you through the application step by step. Please read the instructions carefully and contact us if you have any questions.**
2. **A license will not be issued until an applicant has met all the requirements.**
3. **Make sure that each document you submit shows your business name and DBA.**

Additional Licensing Notes:

- You need both a Franchise License and a General Distinguishing Number (GDN or P-number) to buy, sell, service, or exchange new motor vehicles, motorcycles, or towable RVs (including travel trailers, but not including utility trailers/semitrailers). *(GDN category details are in item number 14.)*
- A franchise dealer license is issued to a specific person or business entity for a specific showroom (location). This license is not transferrable to another person or another business entity.
- A separate franchise license is required for each separate showroom.
- Multiple vehicle line-makes may be sold in the same showroom, so long as each line-make is listed on the franchise license.
- You may operate multiple franchise showrooms (new vehicle sales) within the same city limits with a single GDN. However, each franchise showroom location is licensed separately. The dealer may use one GDN license number for all subsequent applications. *(Details are in item number 13.)* If you wish to have additional locations for used (non-franchise) vehicle sales (in the same city), state these in item number 18.
- Service-only Facilities:
    - 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 perform warranty and non-warranty repair services.
    - TxDMV does not license a facility that performs only non-warranty repairs.
    - Sales of vehicles do not occur at a service-only facility.
    - The facility requires a separate, service-only franchise license. The fee is $200.
    - The dealer may not obtain a service-only facility license to service a particular line-make of new motor vehicles, unless the dealer is also franchised and licensed to sell that line-make.
    - If a third-party performs warranty service, please state this in question number 30.
- Leasing Vehicles:
    - In general, dealers may not use the word "lease," "leasing," or any variation in their DBA unless they have a lessor or lease facilitator license.
    - The exception to this is a franchised dealer, who may lease a motor vehicle owned by the dealer <u>and</u> of a line-make the dealer is licensed to sell.
- Dealerships (except trailer dealers) may be open Saturday or Sunday, but not both.

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

- All licenses are issued for a term of two years.
- You can find more about the Dealer License Application Process and Application Tips online at: http://www.TxDMV.gov/dealers

APPLICATION CONTACT: Please complete the top box indicating the name and contact information for the person we may contact regarding this application.

1. BUSINESS NAME:

Enter your business name matching the appropriate business type:

A. **For a Sole Proprietor**: The business name is the owner's name and must match what is shown on your driver license or ID, as you provide in Attachment B.

B. **For a Partnership**: The business names is the name of each partner and must match what is shown on the driver license or ID for each partner, as you provide in Attachment B.

C. **For a Business Entity**: The name entered for the corporation, LLC, LP, LLP, or LTD, must match your legal name recorded with the Secretary of State.

2. DBA/ASSUMED NAME: (Name under which this location will operate)

Enter any assumed name(s) (also called DBA, for "Doing Business As") you will be using.

A. The assumed name(s) must be registered with the proper authority.

(1) In Texas, the proper authority for corporations, LLCs, LPs and LLPs is the Secretary of State, (512) 463-5555. http://www.sos.state.tx.us/corp/

(2) Sole proprietors and general partnerships must register with their County Clerk in the county where the dealership will be located.

B. The assumed name you put on this application must exactly match the assumed name as it is registered.

C. Attach copies of the Assumed Name Certificates for the name(s) you will be using. Do not send your filing documents.

3. MILITARY SERVICE:

Please indicate if the applicant is a "Military Spouse" and holds an equivalent license in another state, as defined by TEX. OCC. CODE §55.004 and 43 TEX. ADMIN. CODE §215.86. If yes, please provide supporting documentation with your application.

4. EIN:

Enter the IRS-assigned Employer Identification Number (EIN).

5. PHYSICAL ADDRESS:

Enter the street number, street name, city, zip code, and the Texas county.

A. This will be your licensed location. You may not conduct business from any other location(s) unless you are also licensed for that location.

B. Check the appropriate box to tell us whether you lease, sublease or own the property at this physical address. Proof of occupancy documentation must be maintained for each location. If requested by TxDMV, you must submit this documentation. (If leasing the property, the lease cannot expire before the license.)

C. The location must meet all local zoning ordinances and deed restrictions.

D. The physical address of the dealer's office must be recognized by the U.S. Postal Service or capable of receiving U.S. mail. NOTE: Verification of the physical address may be required.

E. See map instructions, Attachment F.

F. Multiple locations: Additional locations will be listed under number 18.

6. PREVIOUS PHYSICAL ADDRESS (RELOCATIONS ONLY):

If this is a relocation of a dealership, showroom, or vehicle line-make, enter the original address here.

7. MAILING ADDRESS:

Enter your mailing address if it is different from your physical address.

A. This is the address TxDMV will use to mail all correspondence, licenses, dealer plates, etc.

B. If this application is for a new facility where mail cannot currently be received, please also provide a temporary

mailing address where TxDMV may mail written correspondence relating to this application.

C. If your mailing address is not in Texas, we will need an alternate in-state mailing address to send your license(s) and metal dealer plates.

8. LISTED BUSINESS PHONE & BUSINESS FAX:

Enter the phone and fax number(s) you will use for your dealership.

A. A working telephone is required and must be listed in the name under which the dealer does business. This telephone must be answered by a bona fide employee, answering service, or answering machine between the hours of 8 a.m.-5 p.m., Monday through Friday.

B. A dealer who conducts business in conjunction with another business (both owned by the dealer with the same business name/DBA) may use the same telephone number and listing for both businesses. If the business name of the dealership differs from that of the other business, a separate telephone listing is required.

C. A dealer who conducts business in conjunction with another business not owned by the dealer must have a separate telephone number and listing.

D. Multiple dealers who occupy the same business location shall each have a separate telephone number and listing.

E. A fax number is optional.

If this application is for a new facility without current phone service, please provide temporary phone/fax numbers as well. Note: The application will not be approved until a permanent phone number is received.

9. BUSINESS WEBSITE & BUSINESS EMAIL:

Enter the website (if available) and email address of the business. The business email and the email used for eTags (pages 8-9) do not have to be the same.

10. LICENSE CONTACT NAME, PHONE NUMBER, & EMAIL:

Enter the name, phone number, and email of a person TxDMV may communicate with concerning the daily operations of the dealership.

11. GENERAL MANAGER & DEALER PRINCIPAL:

List the first and last names of the people who will serve in these roles.

12. NUMBER OF SHOWROOMS AT THIS ADDRESS:

Indicate the number of new motor vehicle showrooms at this address. For travel trailer dealerships, an outdoor display area can be considered to be the showroom. NOTE: A separate franchise license is required for each showroom.

13. CURRENT GDN AND FRANCHISE LICENSE NUMBER:

Enter any current GDN(s) you have in the same city (as question #5). If this is a relocation, enter the franchise license number of the dealership or showroom being relocated. OR, if you already have a franchise and GDN and are applying for an additional franchise location, please let us know.

14. GDNS BEING APPLIED FOR:

As a franchise applicant, you must also apply for a GDN for each category of vehicle you will sell, new or used. You may select and pay for multiple GDN categories on this application. Check the category for each GDN license type you are requesting. The fee is $700 for each category selected.

There are four types of GDNs:

1. **Motor Vehicle**
   - May buy, sell, or exchange motor vehicles, including motor homes, neighborhood vehicles, ROVs 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.
2. **Motorcycle**
   - May buy, sell, or exchange motorcycles, motor scooters, mopeds, ROVs, and ATVs.
   - May use dealer's temporary tags, buyer's temporary tags, and metal dealer license plates only on these vehicles.
3. **Towable RV (Travel Trailer)**
   - May buy, sell, service, 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.

4. **Trailer/Semitrailer**
   - May buy, sell, or exchange new and used utility trailers and/or semitrailers.
   - May use dealer's temporary tags, buyer's temporary tags, and metal dealer license plates on utility trailers/semitrailers only.
   - Selling new trailers or semitrailers only requires a GDN license. It does not require a Franchise License or bond.

(*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. 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.*)

15. FEES:

Determine the total fees required:

A. The Franchise License fee for a sales-and-service facility is $350 for each showroom. MVD may prorate this fee to match the expiration date with an existing GDN.
B. The fee for a service-only facility is $200. Do not pay this fee if you are applying for a license for sales-*and*-service facility. MVD may prorate this fee to match the expiration date with an existing license. Note: You must be licensed in Texas to *sell* the line-make that will be serviced under warranty.
C. The fee for each GDN is $700.
D. The fee for each metal dealer license plate is $90.
E. If paying with a credit card, use page 10 of the LF101 application or separate form 2293.
F. 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* on the same date as the license.
G. Specify the quantity of each type of dealer plate you require. There is a limit to the number of plates you may receive. Please see *LP703 for Plate Limits*.

Note: If you are requesting additional license plates over the maximum amount allowed for your license type, and do not yet have proof of sales, you may apply for a waiver of the metal plate allocation restrictions. See Form LP703 for details.

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Please enter your business name on the top of this page. (If you are typing into this form, this field should already be completed for you.)

16. 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 or amendment* filed with the Texas Secretary of State under the Texas Corporations Law, please file Form LF121 to amend your license rather than completing 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 place *or* if you are moving certain line-make(s) from an existing location to a new unlicensed location. Note: If you are moving line-make(s) from one showroom to another currently-licensed showroom, please file Form LF121 to amend the license.
C. **Replacement dealership** – to qualify for Replacement Dealership, which excludes protest, you must meet the provisions of Occupations Code §2301.453-455, and all of the following: identify the prior dealership to be replaced; notices described in Occupations Code §2301.652 are provided; application is filed within one year; and the location is not moving more than two miles. If you do not meet one or more requirements, you must apply for a new franchise license.
D. **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.
   Note: If you will be applying for line-make(s) the selling dealer was not licensed for, the line-make(s) may be subject to protest.
E. **Relocating line-makes purchased from an existing dealership** – check this box if you have purchased one or more line-makes from an existing dealer and will move them to a different showroom. Provide all requested information on the selling dealer.
F. **Establishing a new dealership where none previously existed** – check this box if this is for a new facility ("new point") or if you are currently licensed and wish to have another location elsewhere in Texas.
G. **Adding a new showroom to an existing dealership** – check this box if you are currently a licensed franchised

dealer at this location and you are adding an additional new vehicle showroom to this location.

H. **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 only, where no sales will be conducted. You must also be licensed (anywhere in Texas) to sell the line-makes to be serviced under warranty.

I. **None of the above** – if your situation does not fit any of the above descriptions please state your needs. Use additional sheets if necessary.

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Please enter your business name on the top of this page. (If you are typing into the dynamic version of this form, this should already be completed for you.)

17. MANUFACTURERS/DISTRIBUTORS, LINE-MAKES, AND TYPE CODES TO BE SOLD UNDER FRANCHISE:
Fill in each row completely with the information for vehicles to be sold at this dealership. Be sure to including the "Type Code" and check the appropriate boxes for how the line-make is handled.

A. Franchise Dealers are licensed by line-make (sometimes referred to as "brand"). The term "line-make" does not include models. DO NOT LIST MODELS of motor vehicles.
(For example: Ford, Jaguar, and Lincoln are line-makes. Crown Victoria, Focus, Explorer, and F-150 are models within the Ford line.)

B. To be licensed for a particular line-make, the manufacturer or distributor must also be licensed in Texas as a motor vehicle manufacturer or distributor, with the same line-make you are requesting. Also, under Texas law, a manufacturer or distributor must allow you to sell all models within that line-make.

C. You may not sell, offer to sell, or perform warranty service on any line-makes for which you are not licensed.

D. **Choose the type code that was provided to you by your manufacturer/distributor.** The motor vehicle type codes are:

(1) AA: 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 one 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.

(f) 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) AX: Axles.

(5) BS: Includes manufactured buses, not converted vans.

(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 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 gallons per minute at 150 pounds per square inch net pump pressure.

(c) 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 trucks.

(9) LT: Light-duty trucks.

(10) MC: Motorcycles.

(11) MH: Motor homes. "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:
      1. a cooking facility with an on-board fuel source;
      2. a gas or electric refrigerator;
      3. a toilet with exterior evacuation;
      4. a heating or air conditioning system with an on-board power or fuel source separate from the vehicle engine;
      5. a potable water supply system that includes at least a sink, a faucet, and a water tank with an exterior service supply connection; or
      6. a 110-125 volt electric power supply.

(12) MS: Motor scooters or mopeds.
(13) MT: Medium-duty trucks.
(14) NV: Neighborhood vehicles or slow-moving vehicles which may legally be operated on public highways.
(15) OT: Other.
(16) ROV: Recreational Off-Highway Vehicles:
   (a) equipped with a non-straddle seat for the use of:(i) the rider; and(ii) a passenger, if the vehicle is designed by the manufacturer to transport a passenger;
   (b) designed to propel itself with four or more tires in contact with the ground;
   (c) designed by the manufacturer for off-highway use by the operator only; and
   (d) not designed by the manufacturer primarily for farming or lawn care.

(17) TM: Transmissions
(18) TR: Towable Recreational Vehicles (includes "house trailers" or "travel trailers"):
   (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.

18. LIST LICENSE NUMBERS AND LOCATION INFORMATION OF ALL OTHER LOCATIONS:

List any additional locations **within the city limits** that will be operated under the GDN for which you are applying.

A. **New Vehicle Sales**: Each separate showroom (location for new vehicle sales) requires a separate franchise license. You must submit a separate application for each separate showroom.
B. **Used Vehicle Sales**: Separate lots (Supplemental locations) conducting *used vehicles sales only*, in the same city:
   (1) State the type of proof of occupancy documentation (demonstrating the applicant owns or leases the property on which the business is situated) that will be maintained for each location. Remember, if requested by TxDMV, you must submit this documentation. (If leasing the property, the lease cannot expire before the license.)
   (2) Attach the assumed name certificate for this location, if it is different from the assumed name used at the franchise location.
   (3) Be sure to include the business phone and fax number(s) for each additional location, as well as, a contact person's name, phone, fax, and email address.

19. – 33. YES/NO QUESTIONS: All questions must be answered.

A. Attach detailed explanations, as necessary for questions 18-21.
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.

C. While you are no longer required to submit proof of occupancy, you must affirm that you will maintain proof of occupancy documentation (lease, tax receipt, or deed) for each location. If requested by TxDMV, you must submit this documentation. (If leasing the property, the lease cannot expire before the license.)

34. CERTIFICATION OF RESPONSIBILITY

The application must be signed by the dealer principal or authorized agent. By signing this application, the applicant swears that:

A. All statements contained on the application and provided attachments are true and complete.

B. Applicant is not delinquent in any court-ordered child support.

C. Applicant agrees to allow the Texas Department of Motor Vehicles to examine, during working hours, the ownership papers for each registered or unregistered vehicle in the applicant's possession or control.

D. 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.

35. ATTACHMENTS TO THE APPLICATION

A. OWNERSHIP INFORMATION:

Use pages 6 and 7 of the application or a separate copy of *Form LF601*. You may duplicate page 7, as needed.

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 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 as many information blocks as needed for the following:

a. Owners: list all individuals and business entities with any ownership interest in the dealership (this includes sole proprietors) until total ownership indicated equals 100%.

b. If the dealership is publicly traded or nonprofit, please mark the appropriate box. Owners of publicly held businesses (shareholders) or nonprofit corporations do not need to be listed, but an officer or a director must be listed instead.

3. Specific Information:

a. Name of Person or Business Entity: Enter the legal first and last name for individuals; list the complete business name of business entities.

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

c. % of Ownership: For all individuals and businesses listed, enter the percentage of ownership. Ownership percentages must total 100%.

d. Date of Birth: List the date of birth for all individuals listed.

e. Driver License # and State for Sole Proprietor or General Partners: Enter the driver license number and issuing state. If the individual does not have a driver license, enter "NONE". If the driver license was issued in a foreign country, provide that information.

f. Enter the Employer Identification Number (EIN) for businesses.

g. Enter the Social Security Number (SSN) for persons. If any individual does not have an SSN, attach a separate document with identifying data for the individual with an explanation as to why they do not have a SSN.

B. PROOF OF IDENTITY:

Attach a photocopy of current driver license for the owner(s) of the dealership, the president of the dealership, or the managing partner of the dealership. If this is a General Partnership, you must submit a driver license for **each** partner. (If

a driver license is not available, you may submit a valid passport, current US Armed Forced Identification Card, or state issued identification card.)

C. ASSUMED NAME CERTIFICATES:

Provide a copy of the assumed name certificate issued by the proper authority. The assumed name(s) must be registered with the proper authority.

1. **The proper authority for corporations, LPs, LLPs, and LLCs is the secretary of state.**
2. **The proper authority for sole proprietors and general partnerships is the county clerk in the county the dealership is located.**

The assumed name you list on this application must match the assumed name exactly as it is registered.

D. CERTIFICATE OF INCORPORATION, ORGANIZATION, OR PARTNERSHIP:

A certificate of filing from the secretary of state is acceptable. Attach these if applicable. We do not need copies of your corporate charter. If the entity was formed out of state, submit a Certificate of Authority issued by the Texas Secretary of State.

E. SALES AND SERVICE AGREEMENT(S), EVIDENCE OF FRANCHISE, OR EVIDENCE OF RELOCATION:

TxDMV maintains files showing the manufacturer and franchised dealer have a contractual agreement, often referred to as the sales and service agreement or the franchise agreement.

1. **Sales and Service Agreement(s):**
   a. *Evidence of Franchise, PART A* (Form LF131, page 1) should be submitted at the time the franchised new motor vehicle dealer's license application (Form LF101) is filed.
   b. Upon submission of *Evidence of Franchise Form PART A*, executed by the appropriate manufacturer or distributor, TxDMV may begin or continue application processing, including issuance of any required notification of opportunity or right to protest the proposed licensing action.
   c. Submission of PART A to the TxDMV does not establish the existence of a franchise agreement by or between the applicant dealer and the manufacturer or distributor.
   d. Once the manufacturer or distributer and the dealer execute the franchise agreement(s), then the applicant dealer must submit a photocopy of one of the following three items representing to the agency that the manufacturer or distributor and the applicant dealer have entered into a franchise agreement:
      (1) the *Evidence of Franchise, Part B* (Form LF131, page 2);
      (2) the executed franchise agreement in its entirety; or
      (3) the executed franchise agreement excerpts required by 43 Tex. Admin. Code §215.110, including those pages of the franchise agreement(s) which reflect:
         A. the complete legal business name of the franchised dealer;
         B. The complete legal business name of all parties to the franchise agreement(s);
         C. Authorized signatures of all parties;
         D. Authorized dealership location(s);
         E. Each line-make of motor vehicle listed in the application; and
         F. Vehicle type code(s) to be sold and/or serviced.
   e. One of the three items (i.e., the franchise agreement, the excerpt pages, or Form LF131 Part B) may be submitted along with the application for franchised dealer's license, if the parties' franchise agreement is complete and has been executed.
   f. Do not submit the *Evidence of Franchise Form, PART B* if *FORM A* has not been submitted previously or simultaneously.
   g. Submission of one of the three items (i.e., the franchise agreement, the excerpt pages, or Form LF131 Part B) represents to TxDMV that the manufacturer or distributor and the applicant dealer have entered into a franchise agreement. If the dealer applicant has met all other application and licensing requirements, then upon submission of one of the three items, the TxDMV may immediately issue the franchised dealer license. When TxDMV issues the license, the applicant becomes a franchised dealer.

Board rule (43 Tex. Admin. Code §215.110) allows submission of *Evidence of Franchise, PARTs A&B* (Form LF131) to temporarily meet the requirement of submission of the franchise agreement. The franchised dealer is required to submit to the TxDMV a photocopy of the pages of the executed (i.e., dated & signed) franchise agreement(s). The franchised dealer may submit the entire franchise agreement. In the alternative, the franchised dealer may submit current, dated, copies of those pages of the sales and service agreement or franchise agreement that reflect:

(1) The complete legal business name of the franchised dealer;
(2) The complete legal business name of all parties to the franchise agreement(s);
(3) Authorized signatures of all parties;
(4) Authorized dealership location(s);

(5) Each line-make of motor vehicle listed in the application; and
(6) Vehicle type codes(s) to be sold and/or serviced.

2. **Evidence of Relocation Form (LF621):**
   a. Attach the Evidence of Relocation form as provided on the TxDMV website, under dealer forms.
   b. The form must be signed by a licensed manufacturer's or distributor's representative. It may NOT be signed by the dealer.

You will not be licensed for a particular line-make, unless you provide an executed sales and service agreement or Evidence of Franchise/Relocation form listing the correct line-make(s) name and vehicle type code(s) signed by a licensed manufacturer/distributor representative.

TxDMV WILL NOT ACCEPT A LETTER OF INTENT TO SATISFY ANY OF THE ABOVE REQUIREMENTS.

F. DETAILED MAP:

1. **Attach an up-close map pinpointing the dealership location. Ensure the map shows at least two major cross streets at or near your location. (This may be hand-drawn, photocopied, or computer-generated, including Google/Yahoo/etc.)**
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:**
   a. We must verify accurate placement of your location in our data management system.
   b. The accuracy of your map will help to determine if there is protest for your application.
   c. In addition, it will determine when you may be eligible to protest future applications.

G. DEALER DEVELOPMENT STORES:

1. **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:**
   a. 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;
   b. That the manufacturer or distributor is in a bona fide relationship with the dealer development candidate;
   c. That the dealer development candidate has made a significant investment in the dealership, subject to loss;
   d. That the dealer development candidate has an ownership interest in the dealership; and
   e. 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.
2. **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:**
   a. the person from whom the manufacturer or distributor acquired the dealership was a franchised dealer; and
   b. the dealership is for sale by the manufacturer or distributor at a reasonable price and on reasonable terms and conditions.

H. APPLICATION FOR eTAGS: Complete the *Application for New eTags Account*, on page 9 of Form LF101.

1. **The rules for use of temporary tags, or eTags, are found in 43 TAC Chapter 215, Subchapter E.**
2. **Dealers must place a temporary buyer's tag on any new or used vehicle sold to a retail purchaser. Each tag must contain a unique number from the temporary tag database.**
3. **GDN Dealers may issue dealer temporary tags, buyer's temporary tags, and Internet-down temporary tags for each type of vehicle the dealer is licensed to sell.**
4. **Each dealer/licensee must have their own account in the eTags Database for obtaining the temporary tag number.**
5. **To sign up and receive your username and password, fill out the Application for New eTags Account form, contained in the LF101 application.**
6. **Make sure you have printed your Internet Down tags in case they are needed when eTags is unavailable.**
7. **More information about eTags, as well as the login for the eTag Database, can be found on our website at http://www.TxDMV.gov/dealers/etags.**

I. FEES:

Payment can be made by Credit Card, Personal Check, Money Order, Cashier Check, or Wire Transfer.

A. Mail or fax this form, all fees, and attachments, to the address matching your type of payment. Failure to do so will result in delays.
B. If paying by credit card, you may fax the entire package (including the credit card form) to (512) 465-4190. If you choose to do this, do NOT mail the package.
C. DO NOT submit the application via two methods; pick only one.
D. If you wish to overnight your application, please note that only the U.S. Postal Service delivers overnight mail to post office boxes.

METHOD OF PAYMENT	INSTRUCTIONS	FORWARD TO
CREDIT CARD Amount must be between $5 and $2000	Complete the "Credit Card Payment Form" Form 2293 Mail or fax form and documents	Texas Department of Motor Vehicles Motor Vehicle Division P. O. Box 26487 Austin, TX 78755 Fax: (512) 465-4190
PERSONAL CHECK OR MONEY ORDER **(A fee of $30 will be charged for returned checks)**	Pay to: Texas Department of Motor Vehicles Mail check/money order and documents	Texas Department of Motor Vehicles Motor Vehicle Division P. O. Box 13044 Austin, TX 78711-3044

Application Processing and General Information:

1. Application Processing & Time:

A. Your application fees are processed by the State Comptroller's Office before TxDMV may begin application processing.
B. Applications are processed in the order received. However, if more information is needed, these are noted as deficiencies.
C. You can find more about the *Dealer License Application Process* and *Application Tips* (including common deficiencies) online at: http://www.TxDMV.gov/dealers
D. Applications should be as complete as possible before submission; however, do not wait until the last minute to file your application, especially if the application may be subject to protest.
E. To be safe, allow at least two months for processing your application. Protests and incomplete or inaccurate applications will increase application processing time.

2. Approving applications:

A. When there are no application deficiencies or protests, the license is approved. Your license is printed and mailed (along with your dealer plates, if any) to the Texas mailing address listed on your application.
B. If there are deficiencies, you will be contacted by a licensing specialist.
   (1) Contact by phone or email will be attempted before a list of deficiencies is mailed.
   (2) Please correct any deficiencies and return the appropriate documentation.
C. Relocations: Before the license is approved, the dealer must confirm to TxDMV MVD that they are ready to move and start selling vehicles at the new location.
   (1) Once construction is complete, please provide a verbal or written statement verifying (a) the construction is complete and (b) that you are ready to relocate line-makes and conduct sales at your new location. TxDMV will not issue the license for the new location until this is received.
   (2) A dealer cannot conduct business, including sales/service or offer to sell/service motor vehicles, at the new location until the license is issued.

3. Protest Considerations:

A. Dealers licensed for a particular line-make may have standing to protest the establishment of a new dealership, the addition of line-make(s) at an existing dealership, or the relocation of line-make(s) or a dealership franchised to sell one or more of the line-makes.
B. Any application that includes new dealerships, new showrooms, or the relocation or addition of a line-make may be subject to protest.
C. The following situations are not subject to protest:
   (1) A "buy/sell" transaction (in which a new buyer purchases an existing dealership) with no change in location or line-make is not subject to protest.
   (2) Relocations of two miles or less are not subject to protest.

(3) Replacement dealerships are not subject to protest if they meet all requirements specified in the Board's rules (43 TEX. ADMIN. CODE (TAC) §215.109).

4. Standing to Protest:

A. Dealers with standing to protest are identified as referenced in TEX. OCC. CODE §§2301.476, 2301.652, 2301.6521, and 2301.6522; 43 TAC §215.119.

B. If any dealers are determined to have standing to protest, they are notified of the (1) filing of the application, (2) applicant's name, (3) location, and (4) line-makes involved. Copies of the letter(s) are sent to the applicant as well as to the manufacturer(s)/distributor(s) of the line-make(s) involved.

C. The notification of opportunity to protest will not be sent by TxDMV until the application is complete, with the exception of those facilities that are pending construction, or those facilities involving a relocation (including a buy/sell with relocation).

(1) Construction: protest can begin even though a phone number, fax number, general manager, lease agreement, or other building information is missing.

(2) Relocation with Buy/Sell: If the buy/sell has not closed, the protest process can begin. However, all required documentation, must be received before the application is approved.

5. Filing Protest:

A. Requirements for filing a protest are found under 43 TAC §215.105(d) and §215.106(a).

B. The filing fee is $200.

C. Protests must be received not later than 5:00 p.m. 15 days from the date of the division's notification of the filing of the application and opportunity to protest.

D. Any dealer(s) eligible to protest may submit written notification waiving the dealer's right to protest. This waiver notification must be on business letterhead and must be signed by an authorized representative.

E. If a protest is filed, a contested case hearing will be scheduled at the State Office of Administrative Hearing (SOAH). If the subject license application is filed with the department on or after 1/1/2014, mediation will be scheduled before the hearing.

NOTE: When submitting an application, **PLEASE DO NOT WAIT** until the last minute to file. File well ahead of your opening date to alleviate delays. If the application is not approved before you opening date, you will not be able to open for business.

6. Metal Dealer Plates:

A. Metal dealer plates are valid during the license term and expire at the same time as the license.

B. Plate Limits

(1) New franchise dealers are allowed up to five (5) plates with the initial license.

(2) If the dealer wants more plates, and it's not renewal time, the number of additional plates allowed is set by the number of sales conducted within a two-year period.

C. The fee is $90 per plate for the two-year license term.

D. You may order plates with a new application or when renewing your license. You may also order new plates at any time during the license period by submitting an *Affidavit and Application for License Plates (Form LF701)*, available on our website.

E. The plate expiration date is the same as the GDN license expiration date, regardless of when the dealer plates were ordered.

F. THERE IS NO GRACE PERIOD for an expired dealer plate.

7. Making Changes to your License:

You must submit an *Application to Amend Franchised Motor Vehicle Dealer's License (Form LF121)* when information about your business has changed. Some examples are:

A. Adding or deleting line-makes.

B. 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.

C. 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 your license. Please contact our office in order to complete the appropriate forms.

D. Changing the DBA (assumed name).

E. If you have any questions about the changes you are making to your business, please call us at (888) 368-4689

or (512) 465-3000.

8. Duplicate Licenses:

A. To request a reprint or a duplicate license please complete form LF901.

B. You may fax this request to (512) 465-4190 or mail to:

Motor Vehicle Division
P.O. Box 26487
Austin, TX 78755.

C. The fee for this request is $50.

9. License Renewal:

A. Your license term is two years.

B. Renewal fees are $400 for each GDN and $90 for each metal dealer plate. The franchise license fee is based on the total new vehicle sales during the previous calendar year. .

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.