



Texas Department *of* Motor Vehicles

HELPING TEXANS GO. HELPING TEXAS GROW.

eLICENSING User Guide for Independent GDN Licenses

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1. Independent Dealer GDN Licenses

A GDN is the basic dealer license that allows a person to buy, sell or exchange the type of used vehicle for which the GDN is issued. GDN licenses are divided into several categories. When applying for a dealers license, you must select one of the independent license types on the application. If you wish to have multiple GDN types, you must submit an application for each GDN type that you wish to have associated to your eLICENSING account.

- Used motor vehicles at a dealership.
- Used motorcycles at a dealership.
- Used non-motorized travel trailers at a dealership.

Note: TxDMV does not license mobile homes. Inquiries should be directed to the Texas Department of Housing and Community Affairs.

- New or used utility trailers or semi-trailers at a dealership.
- New or used mobility vehicles for the transport of disabled passengers at a dealership.
- Wholesale vehicles to other licensed dealers.
- Wholesale vehicles by bid to licensed dealers by at a bona fide auction at a permanent location.

Note: Some types of dealer licenses (such as Franchised Dealers who sell new vehicles and Salvage Agent Licenses who sell non-repairable vehicles) include selecting an existing GDN or applying for the GDN as part of the application process for that license type. Other dealer applicants may be required to obtain an additional license before they apply for their GDN license (such as mobility vehicle dealers who must have a Converter License to associate with the IMMV GDN).

1.1 License Term

GDN licenses are generally issued for terms of 2 years and can be renewed for subsequent 2-year terms.

1.2 License and Metal Dealer License Plate Fees

You must pay the license, plate, and processing fees in the eLICENSING system.

1.2.1 License Fees

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.

1.2.2 Metal Dealer License Plate Fees

While applying for the GDN, you can request metal dealer license plates that are valid during the term of the license.

The fee per plate is \$90.

The number of metal dealer plates allowed for a new applicant depends on the type of GDN license category being applied for. When applying for a Wholesale auction license, do not request metal dealer plates because they have no inventory.

When renewing your GDN dealers license you can renew the metal plates that associated with the account.

1.2.3 Forms of Payment Accepted

You can use a credit card or electronic check (eCheck) to pay your fees in eLICENSING. In addition to the application fees, different convenience processing fees are charged when paying by credit or debit card or when paying by electronic check (eCheck) transactions. These fees are based on the amount of purchases and are displayed on the payment page in eLICENSING.

1.3 GDN License Numbers

Independent GDN license numbers are strings of numbers and letters that start with the letter P and are referred to as the P Number. Some strings end with specific letters.

Type	Starts With	Ends with	Example
Motor Vehicle Dealer GDN	P	N/A	P123456
Motorcycle Dealer GDN	P	N/A	P345678
Travel Trailer Dealer GDN	P	X	P123456X
Trailer Semi-Trailer Dealer GDN	P	X	P789123X
IMMV Dealer GDN	P	M	P123456M
Wholesale Dealer GDN	P	W	P123456W
Wholesale Auction Dealer GDN	P	A	P123456A

2. Independent GDN License Types

The various types of Independent GDN licenses are described in the following sections.

2.1 Independent Motor Vehicle Dealer GDN License

An independent motor vehicle dealer refers to a person or business entity who buys, sells, or exchanges more than 5 motor vehicles titled and registered in their name in a calendar year (January through December) from a permanent location; or who sells a single vehicle that is not titled and registered in their name.

The term motor vehicle refers to:

- Cars
- Trucks
- Vans
- Buses
- Recreational off-road vehicles (ROVs)
- Motor homes (RVs)
- Ambulances
- Fire-fighting vehicles (fire trucks)

Note: TxDMV does not license mobile homes. Inquiries should be directed to the Texas Department of Housing and Community Affairs.

2.2 Independent Motorcycle Dealer GDN License

An independent motorcycle dealer refers to a person or business entity who buys, sells, or exchanges more than 5 used motorcycles titled and registered in their name in a calendar year (January through December) from a permanent location; or who sells a single used motorcycle that is not titled and registered in their name.

The term **motorcycle** refers to the traditional two or three wheeled motorcycle vehicle. It also includes motor scooters, all-terrain vehicles (ATVs), and recreational off-road vehicles (ROVs).



2.3 Independent Travel Trailer GDN License

An independent travel trailer dealer refers to a person or business entity who buys, sells, or exchanges more than 5 used non-motorized travel trailers titled and registered in their name in a calendar year (January through December) from a permanent location; or who sells a single used non-motorized travel trailer that is not titled and registered in their name.

The term **non-motorized travel trailer** refers to a trailer designed for living quarters and for carrying people or property. The following are examples of non-motorized travel trailers.



2.4 Independent Trailer/Semi-Trailer GDN License

An independent trailer/semi-trailer dealer refers to a person or business entity who buys, sells, or exchanges more than 5 new or used trailers and semi-trailers titled and registered in their name in a calendar year (January through December) from a permanent location; or who sells a single used trailer/semi-trailer that is not titled and registered in their name.

The term **trailer** refers to a vehicle without motive power that is designed and used to carry its load on its own structure or a pulling unit drawn by a motor vehicle by a tongue fixed to a front axle (such as a camper trailer, double-bottom trailer, farm trailer, house-moving dolly, house trailer, rental trailer, token trailer, and utility trailer).



The term **semi-trailer** refers to a vehicle designed and used with a motor vehicle to carry its load as part of the weight of the vehicle and its load rests on or is carried by another vehicle (such as a farm trailer, token trailer, or Twin Twenties). This contrasts with a trailer where the load rests on or is carried wholly on its own structure.



2.5 Independent Mobility Motor Vehicle (IMMV) GDN License

An independent mobility motor vehicle (IMMV) dealer refers to a person or business entity who buys, sells, or exchanges more than five mobility motor vehicles titled and registered in their name in a calendar year (January through December) from a permanent location; or who sells a single vehicle that is not titled and registered in their name.

The term **mobility motor vehicle** refers to a motor vehicle designed and equipped to transport a person with a disability. The vehicle must have a permanently lowered floor or raised ceiling, and includes a wheelchair lift, ramp, or system to secure a wheelchair while driving.



IMMV dealers are required to have an active:

- Converter License that can be associated with the IMMV GDN license.
- Welder's certification (or employ an approved subcontractor that holds a certificate) that complies with the standards of the American Welding Society Sections D1.1 and D1.3 if structural work will be done.
- Garage keeper's insurance policy of at least \$50,000 and a products-completed operations insurance policy of at least \$1 million per occurrence and in the aggregate.

And required to meet the following requirements:

- Currently possess a Converter License from TxDMV. Note that you must enter the current Converter License Number in the application.
- Will be engaged in the business of buying, selling, or exchanging mobility motor vehicles and servicing or repairing the devices installed on mobility motor vehicles at an established and permanent place of business in this state.
- Are certified by the manufacturer of each mobility device that the dealer installs if the manufacturer offers that certification.
- Will maintain written records, as required by Texas Occupations Code Chapter 2301, Texas Transportation Code Chapter 503, and the rules promulgated thereunder, until at least the third anniversary of the date that adaptive work is performed.
- Agree to comply with Government Code Chapter 469, which has the purpose of eliminating unnecessary barriers encountered by persons with disabilities.
- Will maintain a garage keeper's insurance policy in an amount of at least \$50,000 and a products-completed operations insurance policy in an amount of at least \$1 million per occurrence and in the aggregate.
- Hold a welder's certification, or have an approved subcontractor that holds a certificate, that complies with the standards of the American Welding Society Sections D1.1 and D1.3, if you or subcontractor will perform any structural modifications.
- Are registered with the National Highway Traffic and Safety Administration.

These requirements are displayed in the license application for you to affirm that you meet them. If you cannot truthfully respond affirmatively to these requirements, the system will prevent you from moving forward with your application.

2.6 Independent Wholesale Dealer GDN License

An independent wholesale dealer refers to a person or business entity that buys or sells used motor vehicles, motorcycles, and travel trailers or new and used trailers/semi-trailers to other dealers licensed to sell that type of vehicle from at a permanent location.

The term **wholesale** refers to selling a quantity of vehicles to another business instead of individuals.

Wholesale dealers can sell only to other licensed dealers – not to the general retail public.

2.7 Independent Wholesale Motor Vehicle Auction GDN License

An independent wholesale motor vehicle auction dealer refers to a person who offers vehicles for sale by bid to licensed dealers at a bona fide auction with a permanent location.

The term **wholesale auction** refers to selling a quantity of vehicles by bid to another business instead of individuals. This license is required to **hold** an auction, not attend one.

Wholesale motor vehicle auction GDN holders cannot sell to the public (at retail).

3. Independent GDN Licensing Requirements

Dealerships must comply with certain requirements such as acquiring a motor vehicle surety bond as well as having adequate signage and appropriate dealership office and display spaces. If not a sole proprietorship or general partnership, the business must be registered with the Texas Secretary of State and you must have that SOS number.

Throughout the application process, you must answer questions regarding these requirements and may be required or requested to provide an explanation or proof of the answer given (like uploading a copy of a photo driver's license of each owner or the SOS filing certificate).

3.1 Proof of Owner Identities Requirement

Proof of identification will be required for each owner, officer, or general partner listed.

Acceptable identification includes a copy of a **current**:

- State issued driver's license (from any state)
- State issued identification card (from any state)
- U.S. passport
- U.S. Armed Forces Identification

3.2 Motor Vehicle Surety Bond Requirement

Most dealers are required to obtain a \$50,000 motor vehicle dealer surety bond, which is like an insurance policy for the dealer's customers and is the only acceptable form of security. A separate bond is required for each GDN category that a dealer applies for

The surety bond is required for:

- Motor vehicle dealers

- Motorcycle dealers
- Mobility motor vehicle (IMMV) dealers
- Wholesale only dealers
- Wholesale motor vehicle auctions

The bond is not required for independent travel trailer and trailer/semi-trailer GDN licenses.

The surety bond may be obtained from an insurance company or bonding company licensed to sell motor vehicle dealer surety bonds in the state of Texas.

Note: To locate a bonding company, the dealership can visit the Texas Department of Insurance Bond Resources page or through an Internet search.

A copy of the bond must be uploaded as instructed in the application process.

3.2.1 Surety Bond Content

All information on the bond must exactly match the information on the application. This includes the:

- Business name. Examples include:
 - Sole Proprietor: John Doe DBA John Doe Motors
 - Partnership: John Doe and Jane Doe DBA Doe Motors (all partners listed)
 - Corporation with no DBA: John Doe, Inc.
 - Corporation with a DBA: John Doe, Inc., DBA John Doe Motors
- Physical address (street number and name, suite number, city, state, and ZIP Code). If a single GDN is issued for multiple locations, all physical addresses must be reflected on the bond.
- Effective dates that are equal to the license term.

The bond must be signed and dated by the owner/principal of the dealership and by an authorized agent for the bonding company (“Attorney in Fact”).

3.2.2 Surety Bond Terms

The bond must be valid for the term of the license (2 years).

The bond must begin on the first day of the month and **expire on the last day of the month**, two years later. The expiration month will always be the month prior to the start date (for example, 9/1/20 through 8/31/22 or 1/1/20 through 12/31/21).

3.2.3 Surety Bond Errors

Misspellings and typographic errors will invalidate the bond document, but they can be corrected with a bond rider and a power of attorney. To fix the errors contact the bonding company or bonding agent to get a rider to correct the errors. Making changes on the document itself will invalidate it.

TxDMV will not accept a rider with an “obligee” or “in favor of” listing TxDMV. You may use a variation of “Unknown Third Party” or “Person Who Claims a Judgment”.

3.3 SOS Certificate of Business Filing Requirement

Dealers (other than Sole Proprietors and General Partnerships) must have a Certificate of Formation or Registration that they filed with the Texas Secretary of State when they registered or formed their business entity. You must have access to a copy of this certificate to upload it during the application process.

Depending on the type of business entity or when the certificate was issued, the certificate may also be referred to as:

- Certificate of Organization
- Certificate of Incorporation
- Certificate of Partnership

If the business entity was formed out of state, upload a copy of the Certificate of Authority issued by the Texas Secretary of State.

3.4 Temporary Tags (eTAG) for Buyers Requirement

Texas law requires dealers to issue one temporary buyer’s tag to a person who buys a vehicle.

- Dealers must have access to temporary tags (eTAG) so they can issue them to initial buyers and supplemental buyers for each type of vehicle they are licensed to sell.

Note: If internet access to eTAG is unavailable make sure you have printed Internet Down Tags.

- 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.

- 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.
- Each dealer/licensee must have their own account in the eTAG database for obtaining the temporary tag number.
- More information about eTAG, as well as the login for the eTAG, can be found on the Texas Department of Motor Vehicles website at TxDMV.gov.
- The rules for use of temporary tags, or eTAG, are found in 43 TAC Chapter 215, Subchapter E.

3.5 Dealership Office Requirements

Dealers are required to lease or own the property listed as the physical address (or licensed location) of their dealership and must follow certain requirements.

Proof of occupancy is not always required but may be requested during the application process. If the licensed location is:

- Owned by the business owner, the proof of occupancy is a copy of the property deed. If the property owner name does not match the legal business name, a lease is required.
- Being leased from a property owner, the proof of occupancy is a copy of the lease document between the property owner (lessor) and the owner of the dealership (lessee). The lease must show:
 - Name and signature of the lessor.
 - Name and signature of the lessee (in the business name, not the DBA).
 - Physical address of the leased property.
 - The lease term, which cannot expire before the license.
- Being sublet by the lessee to another dealership, the proof of occupancy is a copy of the sublease and written permission from the lessors.

Note: An independent (retail) dealer and a wholesale dealer cannot be located in the same business structure.

3.5.1 Sharing Space with Other Dealers

Dealers may share office space with other dealers with the following restrictions:

- No more than four retail dealers can be located in the same business structure.

- No more than eight wholesale dealers can be located in the same business structure

An application will not be approved if Texas Motor Vehicle Department records show the maximum number of dealers are already at the location. A manufacturer may have prohibitions about sharing space particularly with regard to lines that are in direct competition with them, so it may be advisable to verify the location with your manufacturer before signing any agreements

3.5.2 Office Structure

Dealers must have an office structure located in a building with connecting exterior walls on all sides and must comply with applicable zoning ordinances and deed restrictions.

The office may be in a portable-type structure or trailer only if the structure meets the listed requirements and is not readily moveable (that is, it cannot have wheels). The undercarriage should be skirted, which means that framing has been placed around the bottom of the structure where the wheels have been removed (called a skirt).

The office cannot be located within an apartment, house, hotel, motel, or rooming house. If the office is located at a private residence, it must be completely separate from the actual residence and must meet the zoning requirements from that city/county.

3.5.3 Office Equipment

At a minimum, the dealership business office must include a desk with at least two chairs. It must have a working telephone and Internet access.

If a dealer shares their location with another business, the dealer must have their own office area and office equipment. For example, if a dealer shares their dealership location with a gas station, the dealer cannot use the gas station's office equipment to conduct dealership business and have a designated area of their own.

3.6 Display Area Requirement

The dealer display area must have the following requirements:

- Located in a building or outside at the dealer's physical address.
- Large enough to hold at least five spaces for the types of vehicles sold (for example, a dealer selling 18-wheeler trucks must have display area big enough to hold at least five 18-wheelers).
- Lighted sufficiently so that customers can inspect the vehicles.

- The display area cannot be located on a right-of-way unless the dealer has written permission from the city, county, or state.

3.6.1 Sharing a Display Area

Space must be reserved specifically for the dealer's inventory and cannot be shared or intermingled with another business or dealer's display area, a public parking area, or a driveway to the dealership business office.

If the display area is shared with another dealership or business, the display area must be separated from the parking area of any other dealer or business by a material object or barricade that cannot be readily moved by an individual. Temporary barricades are not acceptable.

A manufacturer may have restrictions about sharing space particularly with regard to lines that are in direct competition with them so it may be advisable to verify the proposed location with your manufacturer before signing any agreements.

3.6.2 Display Area for Dealer with a Salvage Dealer License

If the dealer also holds a salvage dealer license, each salvage vehicle must be clearly marked with a sign indicating it is a salvage vehicle (for example, by putting a sign in the window of the salvage vehicle).

Note: This does not apply to a salvage pool operator because they are only licensed to sell salvage vehicles at auction.

3.7 Signage Requirement

Retail dealers must clearly display a permanent sign with their business name or DBA in letters at least 6 inches in height. The sign may omit the entity type identifiers, such as Inc., LLC, LP, etc.

A temporary sign or banner may be used if the dealer can show proof that a permanent sign that meets the requirements has been ordered.

3.8 Hours of Operation Requirement

Dealers must maintain certain operating hours and post the business hours of operation at the main office entrance. Dealers may choose their own open work hours within the 24-hour period of a day (for example, 5 p.m. to 9 p.m.), however:

- Retail dealers are required to be open at least 4 consecutive hours a day and 4 days each week.

- Wholesale dealers are required to be open at least 2 consecutive hours a day and 2 days each week.

3.8.1 Blue Law for Saturday and Sunday Operations

A dealer cannot sell vehicles on both Saturday and Sunday. A dealer may choose only one of those days to be open. Refer to Texas Transportation Code §§ 728.001 and Texas Transportation Code 728.002 for more information.

The Blue Law does not apply to the travel trailer and trailer/semi-trailer license categories – they can sell all 7 days each week. If the dealer has licenses to sell both motor vehicles and travel trailers, they can sell the travel trailers every day but they can only sell motor vehicles on either Saturday or Sunday.

3.8.2 Mandatory Assistance During Certain Hours

Regardless of business hours, the dealer's telephone must be answered from 8 a.m. to 5 p.m. weekdays by a bona fide employee, answering service, or answering machine.

3.8.3 Away From the Office

The owner or a bona fide employee must be at the dealership office during the posted business hours.

If the owner or a bona fide employee is not available to conduct business during the dealer's posted business hours, due to special circumstances or emergencies, a separate sign must be posted indicating the date and time the dealer will resume operations.

Note: A dealer is not required to notify the agency of changes to hours of operation.

4. Applying for a GDN License

The GDN dealer application has several web pages that require applicants to type in information and make selections. Depending on the information entered and the selections made, you may be required to upload files containing the related documents when prompted to on the *Attachments* page.

Important: All of the requirements to obtain the GDN dealer license must be kept in place for the entire term of the license.

5. Gathering Information for the GDN License Application



You must have the following information available to complete a license application:

- The filing number with the Texas Secretary of State when the business entity registered (SOS number).
- The employer identification number (EIN) of the business or the owner social security number.
- The numbers of previous GDN licenses the individuals or business entity may possess or have possessed in the past.
- The number of the \$50,000 motor vehicle dealer surety bond, the name of the issuing company, and the effective and expiration dates of the bond.
- The number of your Converter License if applying for an IMMV GDN License.
- Files containing scanned copies of official documents containing the:
 - Assumed Name Certificate for each DBA.
 - Driver's licenses (or passport, official identification cards, and so on).
 - Motor Vehicle Surety Bond (must be signed and dated by owner).
 - Power of Attorney information for working with the surety bond.
 - Certificate of Incorporation, Registration, or Formation filed with the Texas Secretary of State.
- Lease or deed to the dealership property.

If anyone associated with the dealership (any officer, partner, trustee, or other representative capacity) has ever been arrested, been convicted, received deferred adjudication, or been court martialled, or has any of these actions currently pending, you must be able to fill out certain information as shown below for each person and each offense.

You must also upload copies of court papers that back up the adjudication, dismissal, or decision made in each criminal matter.