



**STATE OF TENNESSEE
DEPARTMENT OF COMMERCE AND INSURANCE
DIVISION OF REGULATORY BOARDS
MOTOR VEHICLE COMMISSION
500 JAMES ROBERTSON PARKWAY, 2ND FLOOR
NASHVILLE, TENNESSEE 37243-1153
615-741-2711
FAX (615) 741-0651**

**MINIMUM REQUIREMENTS FOR
TENNESSEE MOTOR VEHICLE DEALER LICENSE**

The following requirements must be met (or exceeded) to complete the Application Form for submission to the Commission office for review and final approval.

- 1. Established Place of Business-** Applicants must have a permanent facility used exclusively for the motor vehicle dealership. **The facility must be physically separate and apart from other business operations and shall not include a private residence of any sort. The facility may be connected to another business provided there Solid wall with no interior doors between the two businesses and the motor vehicle facility has a separate, outside entrance and exit. Any doors between the businesses shall be permanently sealed. Temporary facilities are prohibited. Please send pictures of the place of business. A minimum of 288 square feet of office space. Additionally the facility must provide for functioning restroom accommodations. Must have a land line phone (number must be posted on window or sign). All motor vehicle dealers shall be open at their established place of business during reasonable business hours, and these hours shall be posted either on the door to the dealership or on the dealership sign. Reasonable business hours means at least three days a week for a minimum of twelve hours total during the week. These hours must be between 8:00 a.m. and 7:00 p.m. and at least 8 of the hours must be Monday thru Friday. Must have room for 15 motor vehicles, and 3 parking spots dedicated for customer parking.**

2. **Sign Requirements-** Minimum of eight (8) inch letters, or as per local ordinance, displaying the motor vehicle dealer name. The sign must be **permanently installed** and clearly visible from the road.

3. **Insurance-** Garage liability with a minimum of \$300,000.00 per occurrence must be submitted with each application. Evidence of coverage must be provided by a certificate of insurance or affidavit from the insurance provider in the name of the entity to be licensed. Effective January 30, 2001, coverage must be continued in force for the life of the license. The address on the certificate must be that of the site of the dealership. The certificate holder is to be the Tennessee Motor Vehicle Commission at the above address. Applicable worker's compensation insurance may be shown on the same certificate.

4. **Business Tax-** A current business tax license issued by the County clerk must be obtained in the name of License the entity to be licensed. A copy of license must be provided with application.

5. **Sales Tax-** A current sales tax identification number as a motor vehicle dealer must be obtained in the name of License the entity to be licensed. Either a copy of the Certificate of Registration for Tennessee State Sales Tax or a Letter Exemption from the Department of Revenue must be provided with application.

6. **Background-** The designated dealer-operator must complete the personal and/or financial background disclosure **Form** provided by this Commission. All other owners must apply for a salesperson license if an active participant in vehicle buying, selling, and/or the solicitation of sales. **NOTE:** All salesperson license applications should be submitted immediately following receipt of dealer license.

7. **Financial Statement-** A motor vehicle dealer applicant shall provide to the Commission a compiled financial statement indicating a minimum net worth of at least Ten Thousand Dollars (\$10,000.00). The compiled financial statement must be prepared in accordance with generally accepted accounting principles by a certified public accountant or public accountant dated not earlier than twelve (12) months prior to the date of the application, and a copy of the same must be furnished to the Commission along with any changes to the statement.

8. **Corporation/LLC/LLP-** If applicable, a copy of the charter of the entity as filed with the Tennessee Secretary of State must be

provided, or if out-of-state corporation or LLC provide a copy of Certificate of Authority to do business in Tennessee. Also, even if you own 100% interest in the Corporation, or are the only Member of the LLC you will need a separate Salesperson license To conduct sales at the dealership.

9. **Zoning Compliance-** Written approval from the local zoning/land-use Authority must be provided. In localities without zoning requirements, a written statement to this effect must be obtained from the authorized county or municipal official. Typically, these statements are prepared by the Office of the County Executive, or Office of the Municipality Mayor.

10. **Surety Bond** - The surety bond minimum is \$ 50,000.00 and must have a duration of two (2) years beginning in the month of the expected license issuance and **expiring on the last day of the same month two** (2) years later. The original surety bond must be submitted to this Commission with the license application. The name on the bond **MUST be the same as the entity to be licensed and the dealer address MUST be the physical address of the dealership.**

11. **Conviction Record-** The applicant must furnish a copy of any court records involving a felony or crime of moral turpitude previously committed by any owner, partner, or financial participant in the corporation/LLC/LLP.

12. **Garage Facility-** If no mechanical repair facility is on-site, a **Service Agreement** (Form provided) with an operational repair garage within a reasonable distance from the licensee location must be provided and maintained during the licensing period. Any change in the designation facility must be reported to the Commission within 30 days of the change.

13. **New Vehicle Dealer-** A letter of acknowledgement sent from the motor vehicle manufacturer(s) of the awarding of the Franchise agreement(s) must be provided. A sworn statement containing the labor rate to be charged retail customers and the labor rate to be charged to the manufacturer(s) for warranty repairs must be provided. Thereafter, any change in the labor rated must be reported in writing to the Commission within 10 days after the change.

14. Re-inspection Fees- A four hundred dollar (\$400.00) fee will be assessed per re-inspection of a applicant when re-inspection is necessitated by an action or inaction of the applicant. The fee must be paid before the re-inspection is ordered.

15. Dealer License Fees-

New vehicle dealer license fees-----	\$400.00 per line make
Used vehicle dealer license fees-----	\$400.00
New motorcycle dealer license fees-----	\$400.00 per line make
Salesperson license fees-----	\$ 35.00

Applicable licensing fees are payable by cash, check, money order, or certified check. Checks are to be payable to **Tennessee Motor Vehicle Commission**. NOTE: Cash must be paid by the applicant to the Cashier's Office of the Department of Commerce and Insurance at the Davy Crockett Tower, First Floor, 500 James Robertson Pkwy, Nashville, TN 37243-1153. **DO NOT MAIL CASH**. Field Investigators will **NOT** accept any payments. With proper documentation of the requirements and the completed application, the dealer license is typically issued 2 weeks following receipt in the Commission office. To expedite license issuance, express parcel delivery service is recommended.