



Motor Vehicle Dealer Continual Bond

DEPARTMENT OF MOTOR VEHICLES
Agency of Transportation

120 State Street
Montpelier, Vermont 05603-0001
802.828.2000
dmv.vermont.gov

The bond, letter of credit or certificate of deposit shall remain in effect for the pending registration year and one year thereafter.

KNOW ALL PERSONS BY THESE PRESENT, that we _____ as Principal, and _____ a corporation organized and existing under the laws of the State of _____ having its principal place of business at _____ being authorized to do business in the State of Vermont, as Surety, are held and firmly bound unto the State of Vermont, in the penal sum of \$_____ for payment of which, well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

THE CONDITION, of the above obligation is such that WHEREAS the principal has applied for the issuance of a Motor Vehicle Dealer’s registration and presents this bond in accordance with the statute.

NOW THEREFORE, if the aforesaid Principal shall faithfully comply with the provisions of the State of Vermont statutes applicable to new motor vehicle dealers and used motor vehicle dealers and shall indemnify the State of Vermont or any person dealer or transacting business with the principal for any loss sustained by the State of Vermont, or by any person by reason of the failure of the Principal to remit, to the Commissioner of Motor Vehicles, fees collected pursuant to 23 V.S.A. Chapters 7 and 21 or 32 V.S.A. Chapter 219, then this obligation to be void, otherwise, to remain in full force and effect.

The bond shall be effective _____.

The aggregate liability of the Surety of all persons shall, in no event, exceed the amount of this bond during any one registration period.

This bond covers any breach of the above-stated obligations occurring during the bonding period, prior to the effective date of cancellation or termination of the bond. Any claim under this bond must be made to the Surety within one year after the Principal ceases, for any reason, to be licensed or one year after the effective date of cancellation or termination of this bond, whichever comes first.

Dated this _____ day of _____, 20__.

PRINCIPAL

WITNESS BY: _____

SURETY

WITNESS BY: _____

I. DEFINITIONS

As used in these rules, the following definitions shall apply:

- A. "New car dealer" shall have the same meaning as in 23 V.S.A. § 4 (8):
- B. "Used car dealer" shall have the same meaning as in 23 V.S.S. § 4 (8):
- C. "Required Period" shall mean the registration period established by 23 V.S.A. §452 for which an application is being made plus one year.
- D. "Commissioner" shall mean the Commissioner of Motor Vehicles.

II. DEALER REGISTRATION

- A. A new or used car dealer registration shall not be issued unless the dealer has provided the Commissioner with a surety bond issued by an entity authorized to do business in Vermont in an amount set forth in subsection B of this section.
- B. The amount shall be based upon the dealer's sales in the year prior to the year for which the application is being made, or in the case of a 2 year dealer registration the previous two years as follows:
 1. Less than 25 vehicles \$20,000
 2. 25 to 100 vehicles \$25,000
 3. 101 to 250 vehicles \$30,000
 4. 251 or more vehicles \$35,000
- C. If the applicant was not registered as a dealer in the year immediately prior to the year for which the application is being made, the amount shall be \$35,000.00.

III. FORM REQUIREMENTS

Bonds

1. Forms shall be available upon request from the Commissioner
2. Only such forms or identical forms independently produced shall be used.

IV. PURPOSE/LIABILITY

Such bonds shall be available to provide the indemnity required by 23 V.S.A. § 453 (g).