

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

The bond shall be effective \_\_\_\_\_ and shall expire \_\_\_\_\_.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, at \_\_\_\_\_

County of \_\_\_\_\_ and state of \_\_\_\_\_

\_\_\_\_\_  
PRINCIPAL

BY: \_\_\_\_\_

\_\_\_\_\_  
WITNESS

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, at \_\_\_\_\_

County of \_\_\_\_\_ and state of \_\_\_\_\_

\_\_\_\_\_  
SURETY

BY: \_\_\_\_\_

\_\_\_\_\_  
WITNESS

## **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).