



State of Vermont
 DEPARTMENT OF MOTOR VEHICLES
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Agency of Transportation

**MOTOR FUEL TAX
 DISTRIBUTOR'S BOND TO STATE OF VERMONT**

BOND NO. _____

This agreement is entered into between _____, as principal, and _____, as Surety.

The principal has applied to the Commissioner of Motor Vehicles of Vermont for a license to engage in business as a Motor Fuel Distributor, beginning on _____. If the Commissioner of Motor Vehicles grants this application, the Principal agrees to render all reports and pay all taxes, penalties and fines provided in Subchapter 1 of Chapter 28 of Title 23 of Vermont Statutes Annotated.

If the Principal fails to render any report or pay tax, penalty or fines required under Subchapter 1 of Chapter 28 of Title 23 of Vermont Statutes Annotated, as amended from time to time, the Principal and Surety jointly and separately bind themselves, their heirs, executors, administrators and successors to pay to the State of Vermont and/or the Commissioner of Motor Vehicles of Vermont up to the amount of \$_____ for each year, or fraction thereof, that this agreement remains in effect.

All obligations under this agreement shall commence when the agreement is signed by the Principal and Surety and shall cease at midnight on December 31, 20____, except as to any liability that has accrued to that time.

Dated this _____ day of _____, 20____ at _____,
 County of _____ and State of _____.

 WITNESS

 PRINCIPAL (SEAL)

By: _____

Dated this _____ day of _____, 20____ at _____,
 County of _____ and State of _____.

 WITNESS

 SURETY

By: _____
 ATTORNEY-IN-FACT (SEAL)

BOND REQUIREMENTS

Distributors are required to submit a surety bond with their Motor Fuel License Application. The bond **MUST** contain the raised corporate seal and all signatures applicable. Erasers on the bond are not allowed; it will automatically void the bond.

The amount of the surety bond will be reviewed annually. The minimum bond amount required shall be the sum of the highest two months' payment during the preceding year or \$1,000.00 whichever is greater, but in no case shall it exceed \$400,000.00. For new licenses, the bond amount shall be based on an estimate of the tax liability for a two-month period.

The amount of the bond as established above, shall be increased whenever the Commissioner deems it necessary to protect the revenues of the State. In addition, if payments and reports are delinquent for more than ten days for more than one reporting period in a calendar year, the bond amount shall be increased to be the sum of the tax liability for the highest four months of the year.

All distributors shall submit financial statements on an annual basis. The distributor shall present a report on financial position to include an income statement, balance sheet and statement of changes in financial condition. The financial statements shall be reviewed by a Certified or Registered Public Accountant and will be the result of a "review of financial statement" as defined by the American Institute of Certified Public Accountants (AICPA) – a compilation is not acceptable. (Defined AICPA)

If the distributor does not wish to submit a financial statement, a bond amount will be established in accordance with paragraph 3 above.

All distributors shall submit a current bond application on an annual basis.