

DEPARTMENT OF MOTOR VEHICLES
Agency of Transportation
dmv.vermont.gov

120 State Street
Montpelier, Vermont 05603-0001
802.828.2070
888-99-VERMONT

Bond No. _____

This agreement is entered into _____, 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 Fuel Distributor, beginning on _____ 20____. 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 23 V.S.A.

If the Principal fails to render any report or pay tax, penalty or fines required under 23 V.S.A. Subchapter 1 of Chapter 28, 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)

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 Fuel Tax License Application or Renewal on an annual basis. The amount of the surety bond will be reviewed annually. The minimum bond amount required shall be 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 \$700,000.00. For new licenses, the bond amount shall be based on an estimate for the tax liability for a two month period.

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

A hearing can be requested with the Commissioner for release or reduction of the bond amount. The distributor must have complied with all licensing and reporting requirements for at least three consecutive years. If the Commissioner determines that a release or reduction will not unreasonably jeopardize State revenues, the request shall be granted. The Commissioner can reimpose or increase a bond if determined the State revenues will be jeopardized.

If the release or reduction of a bond is granted, the distributor 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.

Any surety bond on a bond furnished by the distributor shall be discharged from any liability to the State accruing on the bond after expiration of sixty (60) days from the date the surety shall have filed with the Commissioner a written request to be released and discharged, but the surety shall not be released or discharged from liability already accrued or which shall accrue before the expiration of the sixty (60) day period. The Commissioner, upon receipt of the request, shall promptly notify by mail the licensee who furnished the bond. Unless the licensee, prior to the expiration of the sixty (60) day period, files a new bond satisfactorily to the Commissioner, the Commissioner shall revoke the license.