

IN THE SENATE

SENATE BILL NO. 1015

BY TRANSPORTATION COMMITTEE

AN ACT

1 RELATING TO MOTOR VEHICLE DEALERS; AMENDING SECTION 49-1608, IDAHO CODE, TO
2 REVISE CERTAIN BOND REQUIREMENT PROVISIONS, TO REQUIRE THE PROCUREMENT
3 AND FILING OF A SPECIFIED BOND BY WHOLESALE DEALERS AND TO PROVIDE AN EX-
4 EMPTION FROM PARTICIPATION IN THE IDAHO CONSUMER ASSET RECOVERY FUND BY
5 CERTAIN WHOLESALE DEALER LICENSEES.
6

7 Be It Enacted by the Legislature of the State of Idaho:

8 SECTION 1. That Section 49-1608, Idaho Code, be, and the same is hereby
9 amended to read as follows:

10 49-1608. LICENSE BOND. (1) Before any dealer's license shall be issued
11 by the department to any applicant, the applicant shall procure and file with
12 the department good and sufficient bond in the amount shown, conditioned
13 that the applicant shall not practice any fraud, make any fraudulent rep-
14 resentation or violate any of the provisions of this chapter, rules of the
15 department, or the provisions of chapter 5, title 49, section 49-1418, or
16 chapter 6, title 48, Idaho Code, or federal motor vehicle safety standards,
17 or odometer fraud in the conduct of the business for which he is licensed.

18 (a) All dealers, ~~including wholesale, but~~ excluding a dealers exclu-
19 sively in the business of motorcycles, motor-driven cycles and motor-
20 bikes, all-terrain vehicles, utility type vehicles, truck campers and
21 snow machine sales, twenty thousand dollars (\$20,000).

22 (b) A dealer exclusively in the business of motorcycle, motor-driven
23 cycle and motorbike sales, all-terrain vehicles, utility type ve-
24 hicles, truck campers and snow machine sales, ten thousand dollars
25 (\$10,000).

26 (c) Any wholesale dealer in the business of wholesaling used vehicles
27 of all types, forty thousand dollars (\$40,000). Such wholesale dealer
28 licensees shall be exempt from participating in the Idaho consumer as-
29 set recovery fund as provided in sections 49-1608B through 49-1608F,
30 Idaho Code.

31 (2) The bond required in this section may be continuous in form and the
32 total aggregate liability on the bond shall be limited to the payment of the
33 amounts set forth in this section. The bond shall be in the following form:

34 (a) A corporate surety bond, by a surety licensed to do business in this
35 state; or

36 (b) A certificate of deposit, in a form prescribed by the director; or

37 (c) A cash deposit with the director.

38 (3) If a bond is canceled or otherwise becomes invalid, upon receiving
39 notice of the cancellation or invalidity, the department shall immediately
40 suspend the dealer's license and take possession of the license itself, all
41 vehicle plates used in the business and all unused title applications of the
42 licensee. The licensee is entitled to a hearing which shall be held within

1 twenty (20) days of the suspension. Upon receiving notice that a valid bond
2 is in force, the department shall immediately reinstate the license.

3 (4) The bond requirements of this section shall be satisfied if the ap-
4 plicant is a duly licensed manufactured home dealer in accordance with chap-
5 ter 21, title 44, Idaho Code, and the bond required by section 44-2103, Idaho
6 Code, otherwise meets the requirements of this section. The amount of the
7 bond shall be in the amount as required in this section or that required in
8 section 44-2103, Idaho Code, whichever is greater. The applicant shall fur-
9 nish a certified copy of the bond as required in section 44-2103, Idaho Code,
10 to the department.