

IN THE SENATE

SENATE BILL NO. 1015, As Amended

BY TRANSPORTATION COMMITTEE

AN ACT

1 RELATING TO MOTOR VEHICLE DEALERS; AMENDING SECTION 49-1608, IDAHO CODE, TO
2 REMOVE BOND PROVISIONS RELATING TO CERTAIN DEALERS, TO REQUIRE THE PRO-
3 CUREMENT AND FILING OF A SPECIFIED BOND BY WHOLESALE DEALERS, TO PRO-
4 VIDE AN EXEMPTION FROM PARTICIPATION IN THE IDAHO CONSUMER ASSET RECOV-
5 ERY FUND BY CERTAIN WHOLESALE DEALER LICENSEES AND TO SPECIFY BOND RE-
6 QUIREMENTS FOR ALL OTHER DEALERS.
7

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

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

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

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

23 ~~(b) A dealer exclusively in the business of motorcycle, motor-driven~~
24 ~~cycle and motorbike sales, all-terrain vehicles, utility type ve-~~
25 ~~hicles, truck campers and snow machine sales, ten thousand dollars~~
26 ~~(\$10,000).~~

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

32 (c) All other dealers, twenty thousand dollars (\$20,000).

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

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

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

39 (c) A cash deposit with the director.

40 (3) If a bond is canceled or otherwise becomes invalid, upon receiving
41 notice of the cancellation or invalidity, the department shall immediately
42 suspend the dealer's license and take possession of the license itself, all

1 vehicle plates used in the business and all unused title applications of the
2 licensee. The licensee is entitled to a hearing which shall be held within
3 twenty (20) days of the suspension. Upon receiving notice that a valid bond
4 is in force, the department shall immediately reinstate the license.

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