

Article - Transportation

[Previous][Next]

§15-308.

(a) (1) After the Administration notifies an applicant of the approval of an application and before the Administration issues a license, the applicant shall file with the Administration a surety bond in the form and with the surety that the Administration approves.

(2) The bond shall be for the applicant's primary location and all supplemental locations if all of the locations are licensed under the same dealer business license number.

(b) The amount of the surety bond shall be:

(1) For a licensee who is licensed to deal only in trailers or semitrailers 15 feet or less in length, or only in boat trailers of any size \$5,000;

(2) For a licensee who is licensed to deal in the sale of new motor vehicles, an amount based on the number of new motor vehicle sales during the preceding license year, according to the following schedule:

- (i) 1 to 500 vehicles \$50,000;
- (ii) 501 to 1,000 vehicles \$75,000;
- (iii) 1,001 to 2,500 vehicles \$100,000; and
- (iv) Over 2,500 vehicles \$300,000; and

(3) For a licensee who is licensed to deal only in the sale of used motor vehicles, including wholesalers, or a licensee who is licensed to deal in the sale of trailers or semitrailers over 15 feet in length, an amount based on the number of used vehicle sales, or sales of trailers or semitrailers over 15 feet in length, during the preceding license year, according to the following schedule:

- (i) 1 to 250 vehicles \$15,000;
- (ii) 251 to 500 vehicles \$25,000;
- (iii) 501 to 1,000 vehicles \$35,000;
- (iv) 1,001 to 2,500 vehicles \$50,000; and
- (v) Over 2,500 vehicles \$150,000.

(c) (1) This subsection applies only to an applicant who:

and

- (i) Applies for a license to deal in the sale of new or used vehicles;
- (ii) Was not licensed to sell vehicles during the preceding license year.

(2) Subject to paragraph (3) of this subsection, the Administration shall base the amount of a surety bond for an applicant described in paragraph (1) of this subsection on the estimated volume of sales in the initial year in which the license is in effect.

(3) The amount of the surety bond under paragraph (2) of this subsection may not be less than:

- (i) For an applicant for a license to deal in the sale of new motor vehicles, \$50,000; or

- (ii) For an applicant for a license to deal in the sale of either used vehicles or trailers or semitrailers over 15 feet in length, \$15,000.

(d) Notwithstanding subsection (c) of this section, if an applicant seeks a license for a location that is or that previously had been operated by a licensed dealer, the Administration may require a surety bond under subsection (b)(2) or (3) of this section based on the volume of sales at that location during a preceding license year.

[Previous][Next]