

234.340 Dealer's bond.

- (1) Every liquefied petroleum gas motor fuel dealer shall file with the department a corporate bond, cash bond, or securities approved by the department in a minimum amount of five hundred dollars (\$500) and in a maximum amount of four (4) months' liability for taxes imposed under KRS 234.310 to 234.440 but not to exceed fifty thousand dollars (\$50,000). If, however, a liquefied petroleum gas motor fuel dealer is bonded as provided in KRS 138.330 the department may waive the bonding requirement in this section provided a rider is attached to the bond to guarantee payment of all liquefied petroleum gas motor fuel taxes together with all penalties and interest thereon and secure faithful compliance with the provisions of KRS 234.310 to 234.440. The applicant for a license shall be the principal obligor and this state shall be the obligee. The bond shall be conditioned upon the prompt filing of true reports and the payment by the licensee to the department of all taxes levied under KRS 234.310 to 234.440, together with all penalties and interest thereon and generally upon faithful compliance with the provisions of KRS 234.310 to 234.440.
- (2) If the liability upon the bond is discharged or reduced, whether by judgment rendered, payment made, or otherwise or if in the opinion of the department any surety has become unsatisfactory or unacceptable, the department may require the licensee to file a new bond with satisfactory surety in the same form and amount, failing which the department shall cancel the license in accordance with the provisions of this section. If a new bond is furnished by the licensee as above provided, the department shall cancel the bond for which the new bond is substituted.
- (3) If upon an informal hearing, of which the licensee shall be given ten (10) days' notice in writing, the department decides that the amount of the existing bond is insufficient to insure payment to this state of the amount of the tax, penalties, and interest for which the licensee is or may become liable, the licensee shall, upon the written demand of the department, file an additional bond in the same manner and form with surety thereon approved by the department, in any amount determined by the department to be necessary, failing which the department shall cancel the license in accordance with the provisions of this section.
- (4) Any surety on a bond furnished by a licensee shall be released from all liability to this state accruing on the bond after the expiration of sixty (60) days from the date upon which the surety has lodged with the department a written request to be released, but this request shall not operate to release the surety from any liability already accrued or which shall accrue before the expiration of the sixty (60) day period. The department shall, promptly on the receipt of the request, notify the licensee who furnished the bond, and unless the licensee shall, before the expiration of the sixty (60) day period, file with the department a new bond with surety satisfactory to the department in the amount and form prescribed in this section, the department shall cancel the license in accordance with the provisions of this section. If the new bond is furnished by the licensee as above provided, the department shall cancel the bond for which the new bond is substituted.

Effective: June 20, 2005

History: Amended 2005 Ky. Acts ch. 85, sec. 637, effective June 20, 2005. -- Amended 1996 Ky. Acts ch. 318, sec. 151, effective July 15, 1996. -- Created 1960 Ky. Acts ch. 176, sec. 5, effective July 1, 1960.