

* * * Driver's Training School Licensees * * *

Sec. 11. 23 V.S.A. § 704 is amended to read:

§ 704. QUALIFICATIONS FOR TRAINING SCHOOL LICENSE

~~Each applicant in order to~~ To qualify for a driver's training school license, each new and renewal applicant shall ~~meet the following requirements:~~

* * *

(3) ~~provide evidence that he or she maintains~~ maintain bodily injury and property damage liability insurance on each motor vehicle being used in driver training, insuring the liability of the driver training school and the operator of each motor vehicle for each instructor and of any person while using any such motor vehicle with the permission of the named insured in at least the following amount: \$300,000.00 for bodily injury or death of one person in any one accident and, subject to said limit for one person, \$500,000.00 for bodily injury or death of two or more persons in any one accident, and \$100,000.00 for damage to property of others in any one accident. ~~Evidence of such insurance coverage shall be in the form of a certificate from an insurance company authorized to do business in this state filed with the commissioner setting forth the amount of coverage and providing that the policy of insurance shall be noncancelable except after 15 days' written notice to the commissioner~~ A carrier who insures an applicant under this subdivision shall provide the Commissioner and the insured with proof of insurance in the above amounts at the beginning of each policy period. A cancellation, termination, or non-renewal of such insurance may take effect only after notice to the Commissioner and the insured at least 15 days prior to the cancellation, termination, or non-renewal.

1 * * * Total Abstinence; Out-of-State Applicants * * *

2 Sec. 17. 23 V.S.A. § 1209a(b)(6) is added to read:

3 (6)(A) If an applicant for reinstatement under this subsection resides in a jurisdiction other
4 than Vermont, the Commissioner may elect not to conduct an investigation.

5 (B) If the Commissioner elects not to conduct an investigation, he or she shall provide
6 a letter to the applicant's jurisdiction of residence stating that Vermont does not object to the
7 jurisdiction issuing a license, provided that:

8 (i) the jurisdiction conducts an investigation and finds that the applicant has met the
9 requirements of subdivision (b)(2) of this section or substantially similar requirements of the
10 jurisdiction; or

11 (ii) the applicant is authorized to operate only vehicles equipped with an ignition
12 interlock device and is required to complete any alcohol rehabilitation or treatment requirements
13 of the licensing jurisdiction.

14 (C) If the jurisdiction of residence issues a license in accordance with subdivision (B)
15 of this subdivision (6), the Commissioner shall update the applicant's revocation status in
16 Vermont in relevant State and federal databases.

17 * * * Gasoline Distributor Bond Requirement * * *

18 Sec. 21. 23 V.S.A. § 3102 is amended to read:

19 § 3102. LICENSING AND BONDING OF DISTRIBUTORS

20 (a) Before commencing business, on application, a distributor shall first procure a license
21 from the ~~commissioner of motor vehicles~~ Commissioner permitting him or her to continue or to
22 engage in business as a distributor. Before the ~~commissioner~~ Commissioner issues a license, the
23 distributor shall file with the ~~commissioner~~ Commissioner a surety bond in a sum and form and

1 with sureties ~~as the commissioner may require~~ in a sum not to exceed ~~\$400,000.00~~ \$700,000.00
2 conditioned upon the issuance of the report; and the payment of the tax ~~and~~, penalties, and fines
3 provided in this subchapter. For new licenses, the bond amount shall be based on an estimate of
4 the tax liability for a two-month period. Upon approval of the application and bond, the
5 ~~commissioner~~ Commissioner shall issue to the distributor a nonassignable license which shall
6 continue in force until surrendered or revoked.

7 (b)(1) The amount of the surety bonds required shall be reviewed annually in September.
8 ~~The minimum~~ If the Commissioner retains or reimposes a bond requirement, the amount
9 required shall be the sum of the highest two months' payment during the preceding year or
10 \$1,000.00, whichever is greater, but in no case shall it exceed ~~\$400,000.00~~ \$700,000.00. ~~For~~
11 ~~new licenses, the bond amount shall be based on an estimate of the tax liability for a two-month~~
12 ~~period.~~

13 (2) A distributor may request release or reduction of the bond if the distributor has
14 complied with all licensing and reporting requirements for at least the last three consecutive
15 years. If the Commissioner determines that release or reduction of the bond will not
16 unreasonably jeopardize State revenues, the bond shall be released or reduced, notwithstanding
17 subdivision (1) of this subsection. Upon a finding to the contrary, the Commissioner shall retain
18 the bond. If a bond is released or reduced under this subdivision, the Commissioner may
19 reimpose a bond or increase the bond in accordance with subdivision (1) of this subsection, if he
20 or she determines that a material change in circumstances has occurred and State revenues will
21 be unreasonably jeopardized without the reimposition or increase. A distributor aggrieved by a
22 decision of the Commissioner to retain, reimpose, or increase a bond may request a hearing.

1 which shall be conducted in accordance with sections 105–107 of this title, and appeals shall be
 2 governed by section 3115 of this chapter.

3 (c) ~~The amount of the bonds as established in accordance with subsection (b) of this section~~
 4 ~~shall be increased whenever the commissioner deems it necessary to protect the revenues of the~~
 5 ~~state. In addition~~ Notwithstanding the limits established in subsection (b) of this section, if
 6 payments and reports are delinquent for more than 10 days for more than one reporting period in
 7 a calendar year, the bond amount shall be increased to be the sum of the tax liability for the
 8 highest four months of the year. A distributor aggrieved by a decision of the Commissioner to
 9 increase the bond under this subsection may request a hearing, which shall be conducted in
 10 accordance with sections 105–107 of this title, and appeals shall be governed by section 3115 of
 11 this chapter.

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13 * * * Dealer's Use of Motor Vehicles * * *

14 Sec. #. 23 V.S.A. § 454 is amended to read:

15 § 454. DEALER'S USE OF MOTOR VEHICLES

16 (a) A motor vehicle owned by a dealer may be operated, while so owned, under the
 17 distinguishing number assigned to him or her as provided in this subchapter, for the following
 18 purposes and uses:

19 (1) For the purpose of testing or adjusting the vehicle in the immediate vicinity of his or
 20 her place of business;

21 (2) For some purpose directly connected with the dealer business, purchasing, selling or
 22 exchanging motor vehicles by the dealer. ~~The words “directly connected” for the purposes of~~
 23 this As used in this subdivision, the words “directly connected” shall not be construed to include:

1 (A) private pleasure use as described in subdivision (a)(5) of this section;

2 (B) towing service unless the disabled vehicle is being towed to or from the dealer's
3 place of business for repair purposes, nor shall it include; or

4 (C) the transport of crushed vehicles unless all of the vehicles being so transported are
5 properly recorded in the records of the dealer as required by section 466 of this title;

6 (3) For a demonstration when the prospective purchaser is operating the vehicle, and then
7 only for a period not to exceed three days;

8 (4) For the temporary accommodation of a customer of the dealer when a motor vehicle
9 properly registered under the law of the state of residence of the customer, because of accident or
10 wear, is disabled and is left with the dealer for repairs and then only for a period not exceeding
11 seven days;

12 (5) For the private pleasure use of the a dealer, as defined in subsection (b) of this section,
13 and members of his or her immediate family, residing in the same household; provided that an
14 individual dealer and his or her family may use no more than one dealer plate under this
15 subdivision, and no more than two plates may be used per corporation or partnership under this
16 subdivision.

17 (6) For the use of the vehicles at funerals or in public parades when no charge or rental is
18 made for the use.

19 (b) ~~The word "dealer" for the purposes of~~ As used in subdivision (a)(5) of this section ~~shall~~
20 ~~include such of:~~

21 (1) "Dealer" includes the principal officers of a corporation registered as a dealer and such
22 of the partners in a co-partnership registered as a dealer as are actively and principally engaged

1 in the motor vehicle business, and ~~in any event~~ shall include only those persons listed on the
2 registration application for a ~~registered dealer~~ submitted to the ~~department~~, but Department.

3 (2) “Dealer” shall not include directors ~~and~~, stockholders ~~nor~~, inactive ~~and~~ partners, or
4 silent partners.