

MAINE STATE LEGISLATURE

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ONE HUNDRED AND SEVENTH LEGISLATURE

Legislative Document

No. 142

H. P. 122

House of Representatives, January 9, 1975

Referred to Committee on Business Legislation. Sent up for concurrence and ordered printed.

EDWIN H. PERT, Clerk

Presented by Mr. Twitchell of Norway.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-FIVE

AN ACT Relating to Bonding of Gasoline Distributors and Use Fuel Dealers.

Be it enacted by the People of the State of Maine, as follows:

Sec. 1. 36 MRSA, § 2904, as last amended by PL 1973, c. 585, § 11, is further amended by adding after the first sentence a new sentence to read:

No such certificate shall be issued unless the applicant has filed the bond required under section 2906-A.

Sec. 2. 36 MRSA, § 2906-A is enacted to read:

§ 2906-A. Bonds

Every distributor, importer or exporter, holding a valid certificate as such, shall file with the State Tax Assessor a corporate surety bond in form and amount satisfactory to the State Tax Assessor, conditioned upon compliance with this Part. If at any time the State Tax Assessor shall find a bond so filed to be inadequate as to form, amount or surety, he may require the filing of a new bond, and shall cancel and surrender the old bond. The State Tax Assessor shall forthwith cancel the certificate of any distributor, importer or exporter who fails to comply with this section.

A surety on such bond shall be released from liability to this State accruing on such bond after the expiration of 60 days following receipt by the State Tax Assessor of a written request from the surety for such release; but such release shall not discharge the surety from any liability which accrues prior to the expiration of the 60-day period.

This section shall also apply to "use fuel dealers" licensed under section 3035.

Sec. 3. 36 MRSA, § 3035, first paragraph is amended to read:

Every person selling at retail and delivering fuels directly into the fuel tanks of motor vehicles shall, before selling or delivering such fuels, first obtain a license as a "use fuel dealer" from the State Tax Assessor, and furnish bond as required by section 2906-A.

STATEMENT OF FACT

Gasoline distributors report and pay tax monthly, on or before the last day of the month following that reported on. Consequently, if default in payment should occur, liability of many thousands of dollars could accrue before action could be taken. Most states now require bonding as proposed in the bill. The purpose of the bill is to protect the State in the event of default.

The bill would also require the bonding of "use fuel dealers" for similar reasons.