

**138.670 Amount and conditions of bond -- Cabinet may require new bond --
Additional bond -- Release of surety.**

- (1) A motor carrier or heavy equipment motor carrier determined by the Transportation Cabinet to be at risk for nonpayment of its highway use taxes shall file with the cabinet a corporate bond, cash bond, or securities approved by the cabinet in the minimum amount of one thousand dollars (\$1,000) and in a maximum amount of four (4) months' liability for taxes imposed under KRS 138.655 to 138.725 but not to exceed fifty thousand dollars (\$50,000). 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 cabinet of all taxes levied under KRS 138.655 to 138.725, together with all penalties and interest thereon and generally upon faithful compliance with the provisions of KRS 138.655 to 138.725.
- (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 cabinet any surety has become unsatisfactory or unacceptable, the cabinet may require the licensee to file a new bond with satisfactory surety in the same form and amount, failing which the cabinet shall forthwith cancel the license. If a new bond is furnished by the licensee as above provided, the cabinet shall cancel the bond for which the new bond is substituted.
- (3) If, upon hearing of which the licensee shall be given ten (10) days' notice in writing, the cabinet 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 forthwith, upon written demand of the cabinet, file an additional bond in the same manner and form with surety thereon approved by the cabinet, in any amount determined by the cabinet to be necessary, failing which the cabinet shall forthwith cancel the license.
- (4) Any surety on a bond furnished by a licensee shall be released from all liability to this state accruing on such bond after the expiration of sixty (60) days from the date upon which the surety has lodged with the cabinet, 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 cabinet shall promptly, on 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 cabinet a new bond with surety satisfactory to the cabinet in the amount and form hereinbefore provided, the cabinet shall forthwith cancel the license. If the new bond is furnished by the licensee as above provided, the cabinet shall cancel the bond for which the new bond is substituted.

Effective: July 15, 1998

History: Amended 1998 Ky. Acts ch. 31, sec. 2, effective July 15, 1998. -- Amended 1970 Ky. Acts ch. 57, sec. 1. -- Amended 1956 (2d Extra. Sess.) Ky. Acts ch. 9, sec. 18. -- Created 1954 Ky. Acts ch. 97, sec. 5.