

LEGISLATIVE BILL 608

Approved by the Governor April 20, 1989

Introduced by Kristensen, 37

AN ACT relating to motor vehicles; to amend section 60-1419, Reissue Revised Statutes of Nebraska, 1943; to change provisions relating to the contents of surety bonds for dealers as prescribed; and to repeal the original section.

Be it enacted by the people of the State of Nebraska,

Section 1. That section 60-1419, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

60-1419. Applicants for a motor vehicle dealer's license, trailer dealer's license, or motorcycle dealer's license shall, at the time of making application, furnish a corporate surety bond in the penal sum of twenty thousand dollars, but for the year 1985 and thereafter shall, at the time of making application, furnish a corporate surety bond in the penal sum of twenty-five thousand dollars. Applicants and applicants for a motor vehicle auction dealer's license shall, at the time of making application, furnish a corporate surety bond in the penal sum of not less than one hundred thousand dollars. The bond shall be on a form ~~to be~~ prescribed by the Attorney General of the State of Nebraska. The bond shall provide: (1) ~~that~~ That the applicant will faithfully perform all the terms and conditions of such license; (2) that the licensed dealer will first fully indemnify any holder of a lien or security interest created pursuant to section 60-110 or article 9, Uniform Commercial Code, whichever applies, in the order of its priority and then any person or other dealer by reason of any loss suffered because of (a) the substitution of any motor vehicle or trailer other than the one selected by the purchaser, (b) the dealer's failure to deliver to the purchaser a clear and marketable title, (c) the dealer's misappropriation of any funds belonging to the purchaser, (d) any alteration on the part of the dealer so as to deceive the purchaser as to the year model of any motor vehicle or trailer, and (e) any false and fraudulent representations or deceitful practices whatever in representing any motor vehicle or trailer,

and (f) the dealer's failure to remit the proceeds from the sale of any motor vehicle which is subject to a lien or security interest to the holder of such lien or security interest; and (3) that the motor vehicle, motorcycle, motor vehicle auction, or trailer dealer or wholesaler shall well, truly, and faithfully comply with all the provisions of his or her license and the acts of the Legislature relating ~~thereto~~ to such license. The aggregate liability of the surety shall in no event exceed the penalty of such bond.

Sec. 2. That original section 60-1419, Reissue Revised Statutes of Nebraska, 1943, is repealed.