



TOWN OF ACTON
472 Main Street
Acton, Massachusetts, 01720
Telephone (978) 929-6611
Fax (978) 929-6350

Board of Selectmen

**LEGAL NOTICE
TOWN OF ACTON
NOTICE OF HEARING**

Under MGL 140, section 58, the Acton Board of Selectmen will hold a public hearing on May 9, 2016 at 7:10 PM in the Francis Faulkner Hearing Room in Town Hall, 472 Main Street, Acton on the application of Tony R. Elkhoury d/b/a Cars of Lebanon for a Class II Non-Display Internet Only Dealers License at 132 High Street, Acton MA 01720. The application can be inspected at Town Hall during normal business hours.

Acton Board of Selectmen



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Board of Selectmen

April 11, 2016

Dear Mr. Elkhoury;

I have scheduled a public hearing with the Board of Selectmen for you on May 9, 2016 at 7:10 PM. The Board will discuss your application and review the comments and recommendations from various staff department heads. You will be contacted by GateHouse Media/Acton Beacon regarding the public hearing notice and payment method. If you have any further questions, please feel free to contact my office.

Regards,

Lisa Tomyl

Lisa Tomyl
Executive Assistant
Office of the Town Manager



TOWN OF ACTON
472 Main Street
Acton, Massachusetts, 01720
Telephone (978) 929-6611
Fax (978) 929-6350

Town Manager

INTERDEPARTMENTAL COMMUNICATION

To: Building Department, Collectors Department, Planning Department, Police Department
From: Lisa Tomyl

Subject: Application for Class II Non-Display Internet Only License

Please review the attached application from Tony Elkhoury regarding a Class II **non-display, internet only** application. The public hearing will be May 9. Please have all comments and recommendation back to me by May 1st.

From: [Amy Spadano](#)
To: [Lisa Tomyl](#)
Subject: RE: Class II Auto Dealer License Application
Date: Wednesday, March 30, 2016 2:11:13 PM

Fine with us.

~ *Amy*

Amy Spadano
Collector's Office
472 Main St.
Acton, MA 01720
collector@acton-ma.gov
978-929-6622

<http://www.acton-ma.gov>

From: Lisa Tomyl
Sent: Wednesday, March 30, 2016 2:03 PM
To: Collector Department; Planning Department; Police Department
Subject: Class II Auto Dealer License Application

Please forward your comments and recommendations by April 29th.

Regards,

Lisa Tomyl
Executive Assistant
Office of the Town Manager
472 Main Street
Acton, MA 01720
(p) 978.929.6611
(f) 978.929.6350
ltomyl@acton-ma.gov

From: [Frank Widmayer](#)
To: [Lisa Tomyl](#)
Subject: RE: Class II Auto Dealer License Application
Date: Wednesday, April 27, 2016 2:46:51 PM

Lisa,

I have reviewed the application submitted by Mr. Elkhoury and I recommend approval by the Board of Selectmen.

Regards,
Frank

Frank J. Widmayer III
Chief of Police

From: Lisa Tomyl
Sent: Wednesday, March 30, 2016 2:03 PM
To: Collector Department; Planning Department; Police Department
Subject: Class II Auto Dealer License Application

Please forward your comments and recommendations by April 29th.

Regards,

Lisa Tomyl
Executive Assistant
Office of the Town Manager
472 Main Street
Acton, MA 01720
(p) 978.929.6611
(f) 978.929.6350
ltomyl@acton-ma.gov

From: [Roland Bartl](#)
To: [Lisa Tomyl](#); [Collector Department](#); [Planning Department](#); [Police Department](#)
Subject: RE: Class II Auto Dealer License Application
Date: Wednesday, March 30, 2016 2:25:33 PM

Planning has no problem with a **non-display, internet only** license for the 132 High Street location.

Roland Bartl, AICP
Planning Director
Town of Acton
472 Main Street
Acton, MA 01720
978-929-6631

From: Lisa Tomyl
Sent: Wednesday, March 30, 2016 2:03 PM
To: Collector Department; Planning Department; Police Department
Subject: Class II Auto Dealer License Application

Please forward your comments and recommendations by April 29th.

Regards,

Lisa Tomyl
Executive Assistant
Office of the Town Manager
472 Main Street
Acton, MA 01720
(p) 978.929.6611
(f) 978.929.6350
ltomyl@acton-ma.gov

**Town of Acton
472 Main Street
Acton, MA 01720**

SUPPLEMENTAL APPLICATION to Form 53
LICENSE TO SELL MOTOR VEHICLES ANNUAL FEE \$100.00

Date: 3/24/2016

Business Owner: Tony R ELKhoury
First Middle Initial Last

Address: 132 high st Acton 01720 Telephone #: 617 513 1788
Town/City zip

Name of Business: Cars of Lebanon Attach copy of Business Certificate

Business Location: office at 132 high st Telephone # 617 513 1788

Corporation Name: (If applicable) Cars of Lebanon Attach copy of Articles of Incorporation

Address: 132 high st Acton 01720 FID # -
Town/City

Manager Name: Tony R ELKhoury
First Middle Initial Last

Address: 132 high st Acton 01720
Town/City zip

Home Telephone: 978 263 2408 Cell Phone: 617 513 1788

Date of Birth: 10 10 1961 Social Security number 
Month Day Year

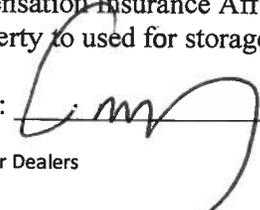
Please answer the following:

Number of vehicles to be stored at any one time: 0
Purpose (s) of vehicles to be stored: none
Origin of vehicles to be stored: none

Do you plan to sell by auction in addition to retail? Yes No

Be sure that the following documents are attached:

1. Form 53 - Application for a License to Buy, Sell, Exchange or Assemble Second Hand Motor Vehicles
2. Business certificate (Issued by Town Clerk's Office) or Articles of Incorporation
3. Certificate of Compliance with State Laws, completed and signed
4. Workers' Compensation Insurance Affidavit, completed and signed
5. Plot plan of property to used for storage of motor vehicles

Applicant signature: 

THE TOWN MANAGER'S OFFICE UPON RECEIPT WILL FORWARD ALL COPIES OF THE APPLICATIONS TO THE FOLLOWING DEPARTMENTS FOR THEIR REVIEW AND RECOMMENDATION.

The Police Chief - shall initiate a background check of the proposed manager and review the Application to determine if, in his opinion, any public safety hazard would exist by reason of the location or the hours of operation.

The Fire Chief or his designate, shall review and examine the proposed business location to Determine if, in their opinion, any public safety hazard would exist by reason of the location, and that the proposed premises meets all fire safety regulations.

Building Commissioner shall examine and review the proposed business location to determine if, in their opinion, any public safety hazard would exist by reason of the location, and that the proposed premises meets all building safety regulations and building codes. Also proposed signage for the business

The Zoning Enforcement Officer shall examine and review proposed business location to determine if it conforms to all zoning regulations and bylaws.

The Treasurer's Office shall examine their records to see that all taxes and fees due to the Town of Acton are current to date for both the applicant and owner of property to be used for proposed business.

Each of Departments shall make whatever recommendations it deems necessary to the Town Manager's office after review of such application, recommending such measures or restrictions on the issuance of any license as may be necessary to protect the public peace, health, safety or general welfare of the community.

TOWN OF ACTON APPLICATION FOR CLASS 1 AND 2 DEALER LICENSES

Class 1 and 2 Dealer Licenses are issued in conformity with the authority granted by General Laws, Chapter 140 and amendments thereto. All licenses expire December 31 of each year. The Town of Acton requires an advertised public hearing in the local newspaper at Applicants cost.

Town of Acton Application for Class 1 and 2 Dealer License

The Town Manager's office upon receipt will forward copies of all applications to the following departments for their review and recommendations.

Every question must be answered

Plan should indicate the total number of vehicles for display, customer and employee parking. Plan should show the number of available parking spaces used to park vehicles for sale, as well as for vehicles of the employees and customers.

Proof of \$25,000 Bond (Class II Only)

Every Class II license dealer must present to the Local Licensing Authority in which he is licensed proof of a \$25,000 Bond or acceptable alternative at the time of application for a New license. (See MG, C140, Section 58 (1-6) (Class II Only)

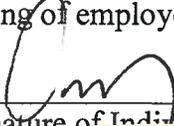
Every very Class II license Dealer must present the Local Licensing Authority in writing in which he is licensed proof of an agreement with a repair facility for Warranty Obligations See MG, C140 Section 58(8) and C90, Section 7n.25 (Class II Only)

Once the above documents are complete return them to the Town Manager's Office, copies will be distributed to the Town Departments for their review and comments. A hearing will be scheduled before the Board of Selectmen.

If you have any questions, please contact Lisa Tomy, Executive Assistant, Town Manager's Office at 978-929-6611

CERTIFICATE OF COMPLIANCE WITH STATE LAWS

Pursuant to M.G.L Chapter 62C, Sec 49A, and M.G.L. Ch. 151A, Section 19A, the Undersigned acting on behalf of the License Holder, certifies under the penalty of perjury that, to the best of the undersigned knowledge and belief, the License Holder is in Compliance with all laws of the Commonwealth of Massachusetts relating to taxes, Reporting of employees and contractors, and withholding and remitting child support*.


** Signature of Individual (Mandatory)

*** License Holder Identification Number

By: Tony Elkhoury Date: 3/24/2016
Corporate Officer

(Mandatory, if applicable)

*The provision in the Attestation of relating to child support applies only when the License Holder is an individual.

** Approval of or a renewal of a license will not be granted unless this certification clause is signed by the applicant. For all corporations, a certified copy of the vote of the Board of Directors must be provided.

*** Your social security number will be furnished to the Massachusetts Department of Revenue to determine whether you have met tax filing or tax payment obligations. Providers who fail to correct their non-filing or delinquency will not have a license or other Agreement issued, renewed or extended. This request is made under the authority of Massachusetts General Laws, Chapter 62C, section 49A.

THE COMMONWEALTH OF MASSACHUSETTS

OF

APPLICATION FOR A LICENSE TO BUY, SELL, EXCHANGE OR ASSEMBLE SECOND HAND MOTOR VEHICLES OR PARTS THEREOF

I, the undersigned, duly authorized by the concern herein mentioned, hereby apply for a Class II class license, to Buy, Sell, Exchange or Assemble second hand motor vehicles or parts thereof, in accordance with the provisions of Chapter 140 of the General Laws.

1. What is the name of the concern? Cars of Lebanon

Business address of concern. No. 132 High Acton City - Town.

2. Is the above concern an individual, co-partnership, an association or a corporation? Individual

3. If an individual, state full name and residential address. Tony ELKHOURY, 132 High st, Acton MA, 01720

4. If a co-partnership, state full names and residential addresses of the persons composing it. NA

5. If an association or a corporation, state full names and residential addresses of the principal officers.

President NA

Secretary NA

Treasurer NA

6. Are you engaged principally in the business of buying, selling or exchanging motor vehicles?

If so, is your principal business the sale of new motor vehicles?

Is your principal business the buying and selling of second hand motor vehicles? yes, and ship to Lebanon

Is your principal business that of a motor vehicle junk dealer?

7. Give a complete description of all the premises to be used for the purpose of carrying on the business.

^{The cars}
I will be purchasing and shipping directly to Peabon. Nothing will be stored at the business address.

8. Are you a recognized agent of a motor vehicle manufacturer? No (Yes or No)

If so, state name of manufacturer _____

9. Have you a signed contract as required by Section 58, Class 1? No (Yes or No)

10. Have you ever applied for a license to deal in second hand motor vehicles or parts thereof? No (Yes or No)

If so, in what city — town _____

Did you receive a license? NO (Yes or No) For what year? NA

11. Has any license issued to you in Massachusetts or any other state to deal in motor vehicles or parts thereof ever been suspended or revoked? NO (Yes or No)

Sign your name in full *Antoinette M...*
(Duly authorized to represent the concern herein mentioned)

Residence 132 High St Acton MA
01720

IMPORTANT

EVERY QUESTION MUST BE ANSWERED WITH FULL INFORMATION, AND FALSE STATEMENTS HEREIN MAY RESULT IN THE REJECTION OF YOUR APPLICATION OR THE SUBSEQUENT REVOCATION OF YOUR LICENSE IF ISSUED.

NOTE: If the applicant has not held a license in the year prior to this application, he must file a duplicate of the application with the registrar. (See Sec. 59)

APPLICANT WILL NOT FILL THE FOLLOWING BLANKS

Application after investigation _____
(Approved or Disapproved)

License No. _____ granted _____ 19 _____ Fee \$ _____

Signed _____

CHAPTER 140 OF THE GENERAL LAWS, TER. ED., WITH AMENDMENTS THERETO (EXTRACT)

SECTION 57. No person, except one whose principal business is the manufacture and sale of new motor vehicles but who incidentally acquires and sells second hand vehicles, or a person whose principal business is financing the purchase of or insuring motor vehicles but who incidentally acquires and sells second hand vehicles, shall engage in the business of buying, selling, exchanging or assembling second hand motor vehicles or parts thereof without securing a license as provided in section fifty-nine. This section shall apply to any person engaged in the business of conducting auctions for the sale of motor vehicles.

SECTION 58. Licenses granted under the following section shall be classified as follows:

Class 1. Any person who is a recognized agent of a motor vehicle manufacturer or a seller of motor vehicles made by such manufacturer whose authority to sell the same is created by a written contract with such manufacturer or with some person authorized in writing by such manufacturer to enter into such contract, and whose principal business is the sale of new motor vehicles, the purchase and sale of second hand motor vehicles being incidental or secondary thereto, may be granted an agent's or a seller's license; provided, that with respect to second hand motor vehicles purchased for the purpose of sale or exchange and not taken in trade for new motor vehicles, such dealer shall be subject to all provisions of this chapter and of rules and regulations made in accordance therewith applicable to holders of licenses of class 2.

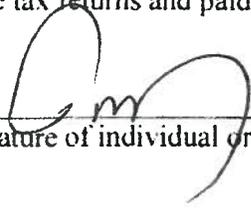
Class 2. Any person whose principal business is the buying or selling of second hand motor vehicles may be granted a used car dealer's license.

Class 3. Any person whose principal business is the buying of second hand motor vehicles for the purpose of remodeling, taking apart or rebuilding the same, or the buying or selling of parts of second hand motor vehicles or tires, or the assembling of second hand motor vehicle parts, may be granted a motor vehicle junk license.

SECTION 59. The police commissioner in Boston and the licensing authorities in other cities and towns may grant licenses under this section which will expire on January first following the date of issue unless sooner revoked. The fees for the licenses shall be fixed by the licensing board or officer, but in no case shall exceed \$100. Application for license shall be made in such form as shall be approved by the registrar of motor vehicles, in sections fifty-nine to sixty-six, inclusive, called the registrar, and if the applicant has not held a license in the year prior to such application, such application shall be made in duplicate, which duplicate shall be filed with the registrar. No such license shall be granted unless the licensing board or officer is satisfied from an investigation of the facts stated in the application and any other information which they may require of the applicant, that he is a proper person to engage in the business specified in section fifty-eight in the classifications for which he has applied, that said business is or will be his principal business, and that he has available a place of business suitable for the purpose. The license shall specify all the premises to be occupied by the licensee for the purpose of carrying on the licensed business. Permits for a change of situation of the licensed premises or for addition thereto may be granted at any time by the licensing board or officer in writing, a copy of which shall be attached to the license. Cities and towns by ordinance or by-law may regulate the situation of the premises of licensees within class 3 as defined in section fifty-eight, and all licenses and permits issued hereunder to persons within said class 3 shall be subject to the provisions of ordinances and by-laws which are hereby authorized to be made. No license or permit shall be issued hereunder to a person within said class 3 until after a hearing, of which seven days' notice shall have been given to the owners of property abutting on the premises where such license or permit is proposed to be exercised. All licenses granted under this section shall be revoked by the licensing board or officer if it appears, after hearing, that the licensee is not complying with sections fifty-seven to sixty-nine, inclusive, or the rules and regulations made thereunder; and no new license shall be granted to such person thereafter, nor to any person for use on the same premises, without the approval of the registrar. The hearing may be dispensed with if the registrar notifies the licensing board or officer that a licensee is not so complying. Any person aggrieved by any action of the licensing board or officer refusing to grant, or revoking a license for any cause may, within ten days after such action, appeal therefrom to any justice of the superior court in the county in which the premises sought to be occupied under the license or permit applied for are located. The justice shall, after such notice to the parties as he deems reasonable, give a summary hearing on such appeal, and shall have jurisdiction in equity to review all questions of fact or law and may affirm or reverse the decision of the board or officer and may make any appropriate decree. The decision of the justice shall be final.

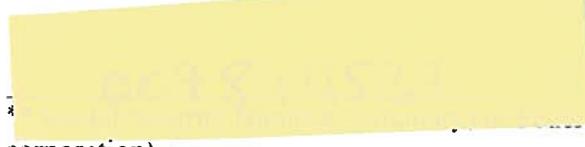
MASSACHUSETTS DEPARTMENT OF REVENUE
REVENUE ENFORCEMENT AND PROTECTION (REAP) ATTESTATION

I certify under the penalties of perjury that I, to my best knowledge and belief, have filed all state tax returns and paid all state taxes required under law.



* Signature of individual or corporate name (mandatory)

By: Corporate officer (mandatory if a corporation)



* Taxpayer Identification Number (mandatory, if a corporation)

- * This license will not be issued unless this certification clause is signed by the applicant.
- ** Your social security number will be furnished to the Massachusetts Department of Revenue to determine whether you have met tax filing or tax payment obligations. Licensees who fail to correct their non-filing or delinquency will be subject to license suspension or revocation. This request is made under the authority of Mass. G.L. c. 62C s. 49A.

PLEASE RETURN TO:

TOWN OF ACTON
OFFICE OF THE TOWN MANAGER
472 MAIN STREET
ACTON, MA 01720

HOURS OF OPERATION

<u>SUNDAY</u>	<u>MONDAY</u>	<u>TUESDAY</u>	<u>WEDNESDAY</u>	<u>THURSDAY</u>	<u>FRIDAY</u>	<u>SATURDAY</u>

Information and Instructions

Massachusetts General Laws chapter 152 requires all employers to provide workers' compensation for their employees. Pursuant to this statute, an *employee* is defined as "...every person in the service of another under any contract of hire, express or implied, oral or written."

An *employer* is defined as "an individual, partnership, association, corporation or other legal entity, or any two or more of the foregoing engaged in a joint enterprise, and including the legal representatives of a deceased employer, or the receiver or trustee of an individual, partnership, association or other legal entity, employing employees. However, the owner of a dwelling house having not more than three apartments and who resides therein, or the occupant of the dwelling house of another who employs persons to do maintenance, construction or repair work on such dwelling house or on the grounds or building appurtenant thereto shall not because of such employment be deemed to be an employer."

MGL chapter 152, §25C(6) also states that "every state or local licensing agency shall withhold the issuance or renewal of a license or permit to operate a business or to construct buildings in the commonwealth for any applicant who has not produced acceptable evidence of compliance with the insurance coverage required." Additionally, MGL chapter 152, §25C(7) states "Neither the commonwealth nor any of its political subdivisions shall enter into any contract for the performance of public work until acceptable evidence of compliance with the insurance requirements of this chapter have been presented to the contracting authority."

Applicants

Please fill out the workers' compensation affidavit completely, by checking the boxes that apply to your situation and, if necessary, supply your insurance company's name, address and phone number along with a certificate of insurance. Limited Liability Companies (LLC) or Limited Liability Partnerships (LLP) with no employees other than the members or partners, are not required to carry workers' compensation insurance. If an LLC or LLP does have employees, a policy is required. Be advised that this affidavit may be submitted to the Department of Industrial Accidents for confirmation of insurance coverage. **Also be sure to sign and date the affidavit.** The affidavit should be returned to the city or town that the application for the permit or license is being requested, **not** the Department of Industrial Accidents. Should you have any questions regarding the law or if you are required to obtain a workers' compensation policy, please call the Department at the number listed below. Self-insured companies should enter their self-insurance license number on the appropriate line.

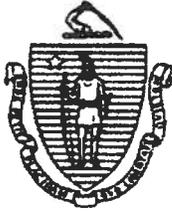
City or Town Officials

Please be sure that the affidavit is complete and printed legibly. The Department has provided a space at the bottom of the affidavit for you to fill out in the event the Office of Investigations has to contact you regarding the applicant. Please be sure to fill in the permit/license number which will be used as a reference number. In addition, an applicant that must submit multiple permit/license applications in any given year, need only submit one affidavit indicating current policy information (if necessary). A copy of the affidavit that has been officially stamped or marked by the city or town may be provided to the applicant as proof that a valid affidavit is on file for future permits or licenses. A new affidavit must be filled out each year. Where a home owner or citizen is obtaining a license or permit not related to any business or commercial venture (i.e. a dog license or permit to burn leaves etc.) said person is NOT required to complete this affidavit.

The Office of Investigations would like to thank you in advance for your cooperation and should you have any questions, please do not hesitate to give us a call.

The Department's address, telephone and fax number:

The Commonwealth of Massachusetts
Department of Industrial Accidents
Office of Investigations
1 Congress Street, Suite 100
Boston, MA 02114-2017
Tel. # 617-727-4900 ext 406 or 1-877-MASSAFE
Fax # 617-727-7749
www.mass.gov/dia



The Commonwealth of Massachusetts
 Department of Industrial Accidents
 Office of Investigations
 1 Congress Street, Suite 100
 Boston, MA 02114-2017
 www.mass.gov/dia

Print Form

Workers' Compensation Insurance Affidavit: General Businesses

Applicant Information

Please Print Legibly

Business/Organization Name: Cars of Lebanon

Address: 132 High St

City/State/Zip: Acton/MA/01720 Phone #: 617 513 1788

Are you an employer? Check the appropriate box:

1. I am an employer with _____ employees (full and/or part-time).*

2. I am a sole proprietor or partnership and have no employees working for me in any capacity. [No workers' comp. insurance required]

3. We are a corporation and its officers have exercised their right of exemption per c. 152, §1(4), and we have no employees. [No workers' comp. insurance required]**

4. We are a non-profit organization, staffed by volunteers, with no employees. [No workers' comp. insurance req.]

Business Type (required):

5. Retail

6. Restaurant/Bar/Eating Establishment

7. Office and/or Sales (incl. real estate, auto, etc.)

8. Non-profit

9. Entertainment

10. Manufacturing

11. Health Care

12. Other

*Any applicant that checks box #1 must also fill out the section below showing their workers' compensation policy information
 **If the corporate officers have exempted themselves, but the corporation has other employees, a workers' compensation policy is required and such an organization should check box #1.

I am an employer that is providing workers' compensation insurance for my employees. Below is the policy information.

Insurance Company Name: NA

Insurer's Address: _____

City/State/Zip: _____

Policy # or Self-ins. Lic. # _____ Expiration Date: _____

Attach a copy of the workers' compensation policy declaration page (showing the policy number and expiration date).

Failure to secure coverage as required under Section 25A of MGL c. 152 can lead to the imposition of criminal penalties of a fine up to \$1,500.00 and/or one-year imprisonment, as well as civil penalties in the form of a STOP WORK ORDER and a fine of up to \$250.00 a day against the violator. Be advised that a copy of this statement may be forwarded to the Office of Investigations of the DIA for insurance coverage verification.

I do hereby certify, under the pains and penalties of perjury that the information provided above is true and correct.

Signature: [Signature] Date: 3/24/16

Phone #: _____

Official use only. Do not write in this area, to be completed by city or town official

City or Town: _____ Permit/License # _____

Issuing Authority (circle one):
 1. Board of Health 2. Building Department 3. City/Town Clerk 4. Licensing Board 5. Selectmen's Office
 6. Other _____

Contact Person: _____ Phone #: _____

Chapter 422 of the Acts of 2002

AN ACT RELATIVE TO CERTAIN MOTOR VEHICLE DEALERS.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

SECTION 1. Chapter 140 of the General Laws is hereby amended by striking out section 58 and inserting in place thereof the following section:-

Section 58. (a) Licenses granted under sections 59 and 59A shall be classified in accordance with subsections (b) to (d), inclusive.

(b) *Class 1.* Any person who is a recognized agent of a motor vehicle manufacturer or a seller of motor vehicles made by such manufacturer whose authority to sell the same is created by a written contract with such manufacturer or with some person authorized in writing by such manufacturer to enter into such contract, and whose principal business is the sale of new motor vehicles, the purchase and sale of second hand motor vehicles being incidental or secondary thereto, may be granted an agent's or a seller's license; provided, that with respect to second hand motor vehicles purchased for the purpose of sale or exchange and not taken in trade for new motor vehicles, such dealer shall be subject to all provisions of this chapter applicable to holders of licenses of Class 2, except subsection (c), and to rules and regulations made under those provisions; and provided further, that such dealer maintains or demonstrates access to repair facilities sufficient to enable him to satisfy the warranty repair obligations imposed by section 7N! of chapter 90, and shall remain liable for all warranty repairs made and other obligations imposed by said section 7N! of said chapter 90.

(c) *Class 2.* A person whose principal business is the buying or selling of second hand motor vehicles, a person who purchases and displays second hand motor vehicles for resale in retail transactions, and any other person who displays second hand motor vehicles not owned by him pursuant to an agreement in which he receives compensation, whether solely for displaying the vehicles, upon the sale of each vehicle, or otherwise, may be granted a used car dealer's license and shall be subject to the following conditions:

(1) The person shall obtain a bond, or equivalent proof of financial responsibility as described in paragraph (5), and continue in effect a surety bond or other equivalent proof of financial responsibility satisfactory to the municipal licensing authority in the amount of \$25,000 executed by a surety company authorized by the insurance department to transact business in the commonwealth. The bond or its equivalent shall be for the benefit of a person who purchases a vehicle from a Class 2 licensee, and who suffers loss on account of:-

(i) the dealer's default or nonpayment of valid bank drafts, including checks drawn by the dealer for the purchase of motor vehicles;

(ii) the dealer's failure to deliver, in conjunction with the sale of a motor vehicle, a valid motor vehicle title certificate free and clear of any prior owner's interests and all liens except a lien created by or expressly assumed in writing by the buyer of the vehicle;

(iii) the fact that the motor vehicle purchased from the dealer was a stolen vehicle;

(iv) the dealer's failure to disclose the vehicle's actual mileage at the time of sale;

(v) the dealer's unfair and deceptive acts or practices, misrepresentations, failure to disclose material facts or failure to honor a warranty claim or arbitration order in a retail transaction; or

(vi) the dealer's failure to pay off a lien on a vehicle traded in as part of a transaction to purchase a vehicle when the dealer had assumed the obligation to pay off the lien.

(2) Recovery against the bond or its equivalent may be made by any person who obtains a final judgment in a court of competent jurisdiction against the dealer for an act or omission on which the bond is conditioned if the act or omission occurred during the term of the bond. Every bond shall also provide that no suit may be maintained to enforce any liability on the bond unless brought within 1 year after the event giving rise to the cause of action.

(3) The bond or its equivalent shall cover only those acts and omissions described in clauses (i) to (vi), inclusive, of paragraph (1). The surety on a bond shall not be liable for total claims in excess of the bond amount, regardless of the number of claims made against the bond or the number of years the bond remained in force.

(4) A separate bond shall be required for each different name under which the dealer conducts his business and for each city or town in which the dealer has a place of business.

(5) In lieu of the bond required by this section, the municipal licensing authority may allow the dealer to deposit collateral in the form of a certificate of deposit or irrevocable letter of credit, as authorized by the banking laws of the commonwealth, which has a face value equal to the amount of the bond otherwise required. The collateral may be deposited with or executed through any authorized state depository designated by the commissioner. Interest on the certificate of deposit shall be payable to the dealer who has deposited it as collateral, or to a person as the dealer or the certificate may direct.

(6) A surety shall provide to the municipal licensing authority notice of cancellation of the bond within 30 days of the cancellation.

(7) Upon receipt of notification from a surety that a bond has been cancelled, the municipal licensing authority shall notify the licensee that he has 10 days to comply with the bonding requirement. If the licensee does not comply within the 10 day period, the municipal licensing authority shall revoke the Class 2 license and shall notify the registrar who shall suspend or revoke any dealer plate issued to the licensee pursuant to section 5 of chapter 90.

(8) A municipal licensing authority shall not issue or renew a Class 2 license unless it is satisfied that a bond or equivalent proof of financial responsibility meeting the requirements of this section is in effect during the term under which the license shall be issued or renewed, and that the licensee maintains or demonstrates access to repair facilities sufficient to enable him to satisfy the warranty repair obligations imposed by section 7N! of chapter 90. A used car dealer shall remain liable for all warranty repairs made and other obligations imposed by said section 7N¼ of said chapter 90.

(d) *Class 3.* A person whose principal business is the buying of second hand motor vehicles for the purpose of remodeling, taking apart or rebuilding and selling the same, or the buying or selling of parts of second hand motor vehicles or tires, or the assembling of second hand motor vehicle parts may be

granted a motor vehicle junk license.

(e) The registrar of motor vehicles, after consulting the office of consumer affairs and business regulation, shall adopt rules and regulations defining sufficient repair facilities for the purposes of subsection (b) and paragraph (8) of subsection (c).

SECTION 2. The regulations adopted by the registrar of motor vehicles under section 58 of chapter 140 of the General Laws, as they were in force on the effective date of this act, shall continue in force until amended as provided in subsection (e) of said section 58 of said chapter 140.

Approved December 24, 2002.

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