



Ohio Revised Code

Section 5735.03 Dealer's surety bond - release - lien on property.

Effective: [October 3, 2023](#)

Legislation: [House Bill 33](#)

Except as provided in division (C)(2) of section 5735.02 of the Revised Code, every motor fuel dealer shall file with the tax commissioner a surety bond of not less than five thousand dollars, but may be required by the tax commissioner to submit a surety bond equal to three months' average tax liability, on a form approved by and with a surety satisfactory to the commissioner, upon which the motor fuel dealer shall be the principal obligor and the state shall be the obligee, conditioned upon the prompt filing of true reports and the payment by the motor fuel dealer to the commissioner of all motor fuel excise taxes levied by the state, provided that after notice is received from the state by the surety of the delinquency of any taxes, if the surety pays the taxes within thirty days after the receipt of the notice no penalties or interest shall be charged against the surety. If the surety does not pay the taxes within thirty days, but does pay within ninety days from the date of the receipt of notice from the state by the surety, no penalty shall be assessed against the surety but the surety shall pay interest at the rate of six per cent per annum on the unpaid taxes from the date the taxes are due and payable. If the surety does not pay within ninety days then the surety shall be liable for interest and penalties, and the tax commissioner may cancel all bonds issued by the surety.

The commissioner may increase or reduce the amount of the bond required to be filed by any licensed motor fuel dealer. If the commissioner finds that it is necessary to increase the bond to assure payment of the tax, the bond may be increased to an amount equal to three months/average liability or fifty thousand dollars, whichever is greater.

If liability upon the bond thus filed by the motor fuel dealer with the commissioner is discharged or reduced, whether by judgment rendered, payment made, or otherwise, or if, in the opinion of the commissioner any surety on the bond theretofore given has become unsatisfactory or unacceptable, the commissioner may require the motor fuel dealer to file a new bond with satisfactory sureties in the same amount, and if a new bond is not filed the commissioner shall forthwith cancel the license of the motor fuel dealer. If a new bond is furnished by the motor fuel dealer, the commissioner shall cancel and surrender the bond of the motor fuel dealer for which the new bond is substituted.



A surety on a bond furnished by a motor fuel dealer shall be released from all liability to the state accruing on the bond after the expiration of sixty days from the date upon which the surety lodges with the commissioner a written request to be released. The request shall not operate to release the surety from any liability already accrued, or which accrues before the expiration of the sixty-day period. The commissioner shall promptly on receipt of notice of the request notify the motor fuel dealer who furnished the bond and, unless the motor fuel dealer on or before the expiration of the sixty-day period files with the commissioner a new bond with a surety satisfactory to the commissioner in the amount and form provided in this section, the commissioner shall forthwith cancel the license of the motor fuel dealer. If the new bond is furnished by said motor fuel dealer, the commissioner shall cancel and surrender the bond of the motor fuel dealer for which the new bond is substituted.

The commissioner, in lieu of any surety bond required by this section, may accept a deposit by a motor fuel dealer of cash. Any cash thus accepted shall be deposited with the commissioner to be held for the account of such motor fuel dealer and subject to any lawful claim of the state for any excise tax upon motor fuel, and penalties and interest thereon levied by the laws of this state. The state shall have a lien upon cash thus deposited for the amount of any motor fuel excise taxes and penalty and interest due to the state from the motor fuel dealer in whose behalf they were deposited. The amount of cash to be thus accepted shall in all respects be determined in the same manner as provided in this section for the amount of surety bonds. Any cash deposited shall be subject to levy upon execution to satisfy any judgment secured in any action by the state to recover any motor fuel excise taxes, and penalties and interest found to be due to the state from such motor fuel dealer. The cash shall be released by the commissioner upon a determination that the license of the motor fuel dealer in whose behalf they have been deposited has been canceled or that other security has been accepted in lieu thereof, and that the state asserts no claim thereto.