

7411.0275 BOND.

Subpart 1. **General requirement.** A commercial driver training school must secure and submit to the commissioner with the application for program licensure a continuous surety company bond.

Subp. 2. **Bond based on student enrollment.** Except as otherwise provided in subpart 3, the surety bond for a program whose license is approved or renewed after January 1, 2004, must be based on the total number of students enrolled in the program the previous calendar year.

A. Student enrollment must be reported for all permanent and temporary locations at which the program provided instruction the previous calendar year.

B. Enrollment must be reported for all student contracts and agreements entered into by the program the previous calendar year.

C. If the program enrolled one to 100 students, a \$10,000 bond must be secured.

D. If the program enrolled 101 to 500 students, a \$20,000 bond must be secured.

E. If the program enrolled 501 or more students, a \$30,000 bond must be secured.

Subp. 3. **New ownership.** A school that assumes ownership of a previously licensed school must obtain an initial bond at the student enrollment level reported by the acquired school the previous calendar year.

Subp. 4. **Adjustments.** The bond must be adjusted after the first year of program operation after July 1, 2003, and every two years after on the date of renewal of the program license.

At the time of adjustment, the bond must be in an amount as specified in subpart 2 that reflects student enrollment for the previous calendar year.

Subp. 5. **Sureties.** The bond must be undertaken by a company authorized to do business in Minnesota.

A. The school shall furnish satisfactory evidence of coverage to the commissioner at the time of application for renewal of the school's license.

B. The bond must indicate that the concerned surety company may cancel the bond only after giving 30 days' written notice to the commissioner.

C. The bond must indicate that the surety company is relieved of all liability for the breach of a condition of the bond occurring after the effective date of cancellation.

Subp. 6. **Revocation.** If the bond is canceled, then on the date the bond cancellation becomes effective, the program's license is revoked automatically.

A program whose license has been revoked for failure to maintain a bond, may apply for license reinstatement upon meeting the bond requirements under this part.

Statutory Authority: *MS s 14.06; 169.26; 169.446; 169.974; 171.02; 171.05; 171.055; 171.0701; 171.33 to 171.41; 299A.01*

History: *28 SR 1167*

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