

Introduced by

1 A BILL for an Act to create and enact sections 39-29-01.2, 39-29-01.3, 39-29-01.4, and
2 39-29-01.5 of the North Dakota Century Code, relating to the bonding and regulation of
3 all-terrain vehicle dealers; and to provide a penalty.

4 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

5 **SECTION 1.** Section 39-29-01.2 of the North Dakota Century Code is created and
6 enacted as follows:

7 **39-29-01.2. All-terrain vehicle dealer license - Penalty.**

- 8 1. A person may not engage, advertise as being, or hold out to the public as engaging
9 in the business of buying, selling, or exchanging all-terrain vehicles without a
10 dealer's license. A person who violates this subsection is guilty of a class B
11 misdemeanor.
- 12 2. Application for a dealer's license and renewal license must be made to the director
13 on a form prescribed and furnished by the director. A dealer's license expires on
14 December thirty-first of each even-numbered year and application for renewal of a
15 dealer's license must be made before the expiration date of the current dealer's
16 license. The application fee is ten dollars and the renewal fee is ten dollars. An
17 applicant must pay an additional nonrefundable inspection fee of one hundred
18 dollars, which must accompany the initial application.
- 19 3. Upon licensure, an all-terrain vehicle dealer is entitled to be issued a dealer decal
20 distinctly marked with the dealer's license number. A dealer decal may be used
21 only on all-terrain vehicles owned by the dealership. Additional dealer decals are
22 ten dollars each per license period.

23 **SECTION 2.** Section 39-29-01.3 of the North Dakota Century Code is created and
24 enacted as follows:

1 **39-29-01.3. Requirements of dealer.**

- 2 1. An all-terrain vehicle dealer shall maintain a permanent office and place of
3 business in this state and shall maintain in that location that dealer's business
4 records relating to the sale of all-terrain vehicles in this state.
- 5 2. An all-terrain vehicle dealer shall submit any state fees, taxes, and applications
6 collected on behalf of a customer to the department within fifteen days of the date
7 of sale.

8 **SECTION 3.** Section 39-29-01.4 of the North Dakota Century Code is created and
9 enacted as follows:

10 **39-29-01.4. Bond and liability insurance required.**

- 11 1. Before the issuance of an all-terrain vehicle dealer's license, the applicant for the
12 license and at all times each dealer shall furnish a surety bond in the amount of ten
13 thousand dollars executed by the applicant or dealer as principal and executed by
14 a surety company licensed and qualified to do business within this state. The bond
15 must be conditioned upon the faithful compliance by the dealer that the dealer will
16 comply with all the laws of this state pertaining to the business of dealing in
17 all-terrain vehicles and indemnifying any person dealing or transacting business
18 with the dealer in connection with any all-terrain vehicle from any loss or damage
19 occasioned by the failure of the dealer to comply with the laws of this state. The
20 aggregate liability of the surety to all persons for all losses or damages may not
21 exceed the amount of the bond. Any third party sustaining injury within the terms
22 of the bond may proceed against the principal and the surety without making the
23 state a party to the proceeding.
- 24 2. An all-terrain vehicle dealer shall provide proof to the director of a continuous
25 policy of general liability insurance in the minimum amount of one hundred
26 thousand dollars per person and three hundred thousand dollars per accident.

27 **SECTION 4.** Section 39-29-01.5 of the North Dakota Century Code is created and
28 enacted as follows:

29 **39-29-01.5. Suspension or revocation of license - Fees.**

- 1 1. The director may adopt rules governing the suspension or revocation of a dealer's
2 license. The director may inspect a dealer's place of business in this state and any
3 record of a dealer relating to an all-terrain vehicle.
- 4 2. The director may suspend or revoke any dealer's license for the failure of the
5 licensee to comply with any law of this state or rule adopted by the director
6 governing all-terrain vehicle dealers.
- 7 3. Any dealer violating any law of this state governing all-terrain vehicle dealers must
8 be assessed one hundred dollars for the first violation in two years and two
9 hundred dollars for a second similar violation within two years of the first violation.
10 The director shall suspend the license if a third or subsequent similar violation
11 occurs within five years of the first violation.
- 12 4. The director shall deposit any fees collected under sections 39-29-01.2 through
13 39-29-01.5 with the state treasurer in the state highway fund.