

Introduced by

1 A BILL for an Act to create and enact sections 39-29.1-04.1, 39-29.1-04.2, and 39-29.1-04.3 of
2 the North Dakota Century Code, relating to the bonding and regulation of low-speed vehicle
3 dealers; to amend and reenact section 39-29.1-04 of the North Dakota Century Code, relating
4 to low-speed vehicle dealers; and to provide a penalty.

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

6 **SECTION 1. AMENDMENT.** Section 39-29.1-04 of the North Dakota Century Code is
7 amended and reenacted as follows:

8 **39-29.1-04. Low-speed vehicle dealers dealer license - Penalty.** ~~A low-speed~~
9 ~~vehicle dealer does not need a motor vehicle dealer's license. Upon application and on~~
10 ~~payment of a twenty dollar fee, a low-speed vehicle dealer is entitled to be issued registration~~
11 ~~numbers distinctively marked as dealer's registration numbers. The dealer's numbers may be~~
12 ~~used only on low-speed vehicles owned by the dealership.~~

13 1. A person may not engage, advertise as being, or hold out to the public as engaging
14 in the business of buying, selling, or exchanging low-speed vehicles without a
15 dealer's license. A person who violates this subsection is guilty of a class B
16 misdemeanor.

17 2. Application for a dealer's license and renewal license must be made to the director
18 on a form prescribed and furnished by the director. A dealer's license expires on
19 December thirty-first of each year and application for renewal of a dealer's license
20 must be made before the expiration date of the current dealer's license. The
21 application fee is twenty dollars and the renewal fee is twenty dollars. An applicant
22 must pay an additional nonrefundable inspection fee of one hundred dollars, which
23 must accompany the initial application.

- 1 3. Upon licensure, a low-speed vehicle dealer is entitled to be issued a registration
2 number distinctly marked as the dealer's registration number. The dealer's number
3 may be used only on low-speed vehicles owned by the dealership.

4 **SECTION 2.** Section 39-29.1-04.1 of the North Dakota Century Code is created and
5 enacted as follows:

6 **39-29.1-04.1. Requirements of dealer.**

- 7 1. A low-speed vehicle dealer shall maintain a permanent office and place of
8 business in this state and shall maintain in that location that dealer's business
9 records relating to the sale of low-speed vehicles in this state.
10 2. A low-speed vehicle dealer shall submit any state fees, taxes, and applications
11 collected on behalf of a customer to the department within fifteen days of the date
12 of sale.

13 **SECTION 3.** Section 39-29.1-04.2 of the North Dakota Century Code is created and
14 enacted as follows:

15 **39-29.1-04.2. Bond and liability insurance required.**

- 16 1. Before the issuance of a low-speed vehicle dealer's license, the applicant for the
17 license and at all times each dealer shall furnish a surety bond in the amount of ten
18 thousand dollars executed by the applicant or dealer as principal and executed by
19 a surety company licensed and qualified to do business within this state. The bond
20 must be conditioned upon the faithful compliance by the dealer that the dealer will
21 comply with all the laws of this state pertaining to the business of dealing in
22 low-speed vehicles and indemnifying any person dealing or transacting business
23 with the dealer in connection with any low-speed vehicle from any loss or damage
24 occasioned by the failure of the dealer to comply with the laws of this state. The
25 aggregate liability of the surety to all persons for all losses or damages may not
26 exceed the amount of the bond. Any third party sustaining injury within the terms
27 of the bond may proceed against the principal and the surety without making the
28 state a party to the proceeding. Any applicant bonded pursuant to chapter 39-22
29 may not be required to furnish the surety bond required by this section if the bond
30 issued pursuant to chapter 39-22 is written to include the requirements of this
31 section.

- 1 2. A low-speed vehicle dealer must provide proof to the director of a continuous policy
2 of general liability insurance in the minimum amount of one hundred thousand
3 dollars per person and three hundred thousand dollars per accident.

4 **SECTION 4.** Section 39-29.1-04.3 of the North Dakota Century Code is created and
5 enacted as follows:

6 **39-29.1-04.3. Suspension or revocation of license - Fees.**

- 7 1. The director may adopt rules governing the suspension or revocation of a dealer's
8 license. The director may inspect a dealer's place of business in this state and any
9 record of a dealer relating to a low-speed vehicle.
- 10 2. The director may suspend or revoke any dealer's license for the failure of the
11 licensee to comply with any law of this state or rule adopted by the director
12 governing low-speed vehicle dealers.
- 13 3. Any dealer violating any law of this state governing low-speed vehicle dealers must
14 be assessed one hundred dollars for the first violation in two years and two
15 hundred dollars for a second similar violation within two years of the first violation.
16 The director shall suspend the license if a third or subsequent similar violation
17 occurs within five years of the first violation.
- 18 4. Any fees collected by the director under sections 39-29.1-04 through 39-29.1-04.3
19 must be deposited with the state treasurer in the highway tax distribution fund.