

Fifty-fifth
Legislative Assembly
of North Dakota

HOUSE BILL NO. 1181

Introduced by

Representatives Svedjan, Carlson, Mahoney

Senators Sand, Thompson

1 A BILL for an Act to create and enact a new section to chapter 51-07 of the North Dakota
2 Century Code, relating to security deposits for motor vehicle fuel franchise agreements.

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

4 **SECTION 1.** A new section to chapter 51-07 of the North Dakota Century Code is
5 created and enacted as follows:

6 **Motor vehicle fuel franchise agreements.** A motor vehicle fuel franchise agreement
7 may not require a security deposit except for the purpose of securing against loss of or damage
8 to property. The dealer may satisfy any security deposit required by depositing cash or
9 pledging a savings account or its equivalent in a financial institution in this state. Earnings
10 accruing on a savings account or its equivalent are the property of the dealer and the dealer
11 may withdraw the earnings annually from the account.