

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:

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

1. An all-terrain vehicle dealer shall maintain a permanent office and place of business in this state and shall maintain in that location that dealer's business records relating to the sale of all-terrain vehicles in this state.
2. An all-terrain vehicle dealer shall submit any state fees, taxes, and applications collected on behalf of a customer to the department within thirty days of the date of sale. The director may waive a violation of this subsection for good cause.

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

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

1. Before the issuance of an all-terrain vehicle dealer's license, the applicant for the license and at all times each dealer shall furnish a surety bond in the amount of ten thousand dollars executed by the applicant or dealer as principal and executed by a surety company licensed and qualified to do business within this state. The bond must be conditioned upon the faithful compliance by the dealer that the dealer will comply with all the laws of this state pertaining to the business of dealing in all-terrain vehicles and indemnifying any person dealing or transacting business with the dealer in connection with any all-terrain vehicle from any loss or damage occasioned by the failure of the dealer to comply with the laws of this state. The aggregate liability of the surety to all persons for all losses or damages may not exceed the amount of the bond. Any third party sustaining injury within the terms of the bond may proceed against the principal and the surety without making the state a party to the proceeding.
2. The surety may cancel the bond as to future liability by giving notice by registered mail addressed to the principal at the address stated in the bond and to the department. Thirty days after the mailing of a notice, the cancellation is effective and the bond is void as to any subsequent liability. The surety remains liable subject to all the terms, conditions, and provisions of the bond for acts covered by the bond up to the effective date of the cancellation.

3. An all-terrain vehicle dealer shall provide proof to the director of a continuous policy of general liability insurance in the minimum amount of one hundred thousand dollars per person and three hundred thousand dollars per accident.

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

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

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