

Sixtieth  
Legislative Assembly  
of North Dakota

## HOUSE BILL NO. 1465

Introduced by

Representatives Hawken, Nelson, Weisz

Senator Nething

1 A BILL for an Act to create and enact a new subsection to section 39-01-01 of the North Dakota  
2 Century Code, relating to the definition of motor-powered recreational vehicles; and to amend  
3 and reenact sections 39-22.3-01, 39-22.3-02, 39-22.3-03, 39-22.3-04, 39-22.3-05, 39-22.3-06,  
4 39-22.3-07, 39-22.3-08, 39-22.3-09, and 39-22.3-10 of the North Dakota Century Code, relating  
5 to the licensing of motor-powered recreational vehicle dealers.

### 6 BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

7 **SECTION 1.** A new subsection to section 39-01-01 of the North Dakota Century Code  
8 is created and enacted as follows:

9 "Motor-powered recreational vehicle" means a motorcycle, off-highway vehicle as  
10 defined in section 39-29-01, or a snowmobile as defined in section 39-24-01.

11 **SECTION 2. AMENDMENT.** Section 39-22.3-01 of the North Dakota Century Code is  
12 amended and reenacted as follows:

13 **39-22.3-01. ~~Motorcycle~~ Motor-powered recreational vehicle dealer's license -**  
14 **Fees - Additional number plates.** ~~It is unlawful for any~~ A person, ~~partnership, corporation, or~~  
15 ~~limited liability company to~~ may not engage in the business of buying, selling, or exchanging of  
16 ~~motorcycles~~ motor-powered recreational vehicles without possessing a current ~~motorcycle~~  
17 motor-powered recreational vehicle dealer's license. ~~No~~ A person, ~~partnership, corporation, or~~  
18 ~~limited liability company~~ may not advertise or hold out to the public as engaging in the buying,  
19 selling, or exchanging of ~~motorcycles~~ motor-powered recreational vehicles for resale without  
20 possession of a current ~~motorcycle~~ motor-powered recreational vehicle dealer's license. The  
21 ~~motorcycle~~ motor-powered recreational vehicle dealer's license fee is twenty-five dollars per  
22 year and with which must be issued one dealer's plate. Additional dealer's plates are ten  
23 dollars each. A dealer plate may be displayed on any ~~motorcycle~~ motor-powered recreational  
24 vehicle owned by the dealer.

1           **SECTION 3. AMENDMENT.** Section 39-22.3-02 of the North Dakota Century Code is  
2 amended and reenacted as follows:

3           **39-22.3-02. Application required.** ~~No~~ A license may not be granted unless a  
4 completed application has been made in the form prescribed by the director.

5           **SECTION 4. AMENDMENT.** Section 39-22.3-03 of the North Dakota Century Code is  
6 amended and reenacted as follows:

7           **39-22.3-03. Issuance of license - Conditions - Penalty.** ~~No~~ A license may not be  
8 issued until the applicant furnishes proof satisfactory to the director that the applicant has and  
9 will continue to maintain an established place of business. An established central place of  
10 business means a permanent enclosed building or structure either owned or leased with a  
11 stated periodic rental, at which a permanent business of bartering, trading, and selling of  
12 ~~motorcycles~~ motor-powered recreational vehicles, the repair, maintenance, and servicing of  
13 ~~motorcycles~~ motor-powered recreational vehicles and the storage of parts and accessories  
14 ~~therefor, of motor-powered recreational vehicles~~ will be carried out in good faith and not for the  
15 purpose of evading this section, and where the business books, records, and files ~~shall~~ must be  
16 maintained, and does not mean a residence, tents, temporary stands, or other temporary  
17 quarters, nor permanent quarters occupied pursuant to any temporary arrangement. ~~Said~~ The  
18 central place of business may consist of several buildings, or structures, but ~~no~~ a building or  
19 structure may not be located beyond one thousand feet [304.8 meters] from any other buildings  
20 or structures of ~~said the~~ the central place of business. ~~Such~~ The central place of business must be  
21 located within ~~the this state of North Dakota.~~ The licensee must be permitted to use  
22 unimproved lots and premises for sales, storage, or display of ~~motorcycles~~ motor-powered  
23 recreational vehicles. A nonrefundable fee of fifty dollars will be charged for each inspection  
24 and must accompany each initial application for a ~~motorcycle~~ motor-powered recreational  
25 vehicle dealer's license. Any dealer violating this chapter must be assessed a one hundred  
26 dollar fee by the department for a first violation and a two hundred dollar fee by the department  
27 for a second violation within two years of the first violation. The department shall suspend the  
28 license of a ~~motorcycle~~ motor-powered recreational vehicle dealer licensed under this chapter if  
29 a third or subsequent violation of this chapter occurs within five years of the first violation.

30           **SECTION 5. AMENDMENT.** Section 39-22.3-04 of the North Dakota Century Code is  
31 amended and reenacted as follows:

**39-22.3-04. Grounds for denial, suspension, cancellation, or revocation of**

**dealer's license.** The director may deny an application for a dealer's license or suspend, revoke, or cancel ~~such a~~ the license after it has been granted for the following reasons:

1. For any material misstatement by an applicant in the application for the license.
2. For any willful failure to comply with ~~the provisions of~~ this chapter or with any rule adopted by the director.
3. For knowingly permitting any salesperson to sell or exchange, or offer or attempt to sell or exchange any ~~motorcycle~~ motor-powered recreational vehicle except for the licensed ~~motorcycle~~ motor-powered recreational vehicle dealer by whom the salesperson is employed, or to offer, transfer, or assign any sale or exchange that they may have negotiated to any other dealer.
4. For having violated any law relating to the sale, distribution, or financing of motorcycles.
5. For having ceased to have an established place of business ~~as herein defined~~.

**SECTION 6. AMENDMENT.** Section 39-22.3-05 of the North Dakota Century Code is amended and reenacted as follows:

**39-22.3-05. Bond required.** The license applicant shall furnish a continuous surety bond executed by a surety company, licensed and qualified to do business within ~~the state of North Dakota, which~~ this state and the bond must run to the state of North Dakota in the amount of ten thousand dollars and be conditioned upon the faithful compliance by ~~said the~~ the applicant with all the statutes of ~~the state of North Dakota~~ this state, regulating or being applicable to a dealer in ~~motorcycles~~ motor-powered recreational vehicles, and indemnifying any person having a ~~motorcycle~~ motor-powered recreational vehicle transaction with ~~said the~~ the dealer from any loss of damage occasioned by the failure of ~~such the~~ the dealer to comply with any statutory requirement of ~~such the~~ the transaction. The bond must be filed with the director ~~prior to~~ before the issuance of a license. The aggregate liability of the surety of all persons may ~~in no event not~~ not exceed the amount of the bond. Any third party sustaining injury within the terms of the bond may proceed against the principal and surety without making the state a party of any ~~such~~ proceedings. The bond may be canceled by the surety, as to future liability, by giving written notice by certified mail, addressed to the principal at the address stated in the bond, and to the department. Thirty days after the mailing of the notice, the bond is null and void as to

any subsequent liability ~~thereafter arising~~. The surety remains liable, subject to the terms, conditions, and provisions of the bond, until the effective date of the cancellation.

**SECTION 7. AMENDMENT.** Section 39-22.3-06 of the North Dakota Century Code is amended and reenacted as follows:

**39-22.3-06. Disposition of fees.** Fees from registration of dealers must be deposited with the state treasurer and credited to the ~~highway tax distribution fund~~ the registration fund to be used exclusively for enforcement of this chapter.

**SECTION 8. AMENDMENT.** Section 39-22.3-07 of the North Dakota Century Code is amended and reenacted as follows:

**39-22.3-07. Dealer permitting license to be used by another dealer - License revoked - Penalty.** A dealer who permits any other dealer to use that first dealer's license, or permits the use of ~~such~~ the license for the benefit of any other dealer, is guilty of an infraction. The director shall revoke the license of any dealer who violates this section.

**SECTION 9. AMENDMENT.** Section 39-22.3-08 of the North Dakota Century Code is amended and reenacted as follows:

**39-22.3-08. Dealers to furnish information to director.** All dealers engaged in the sale of ~~motorcycles~~ motor-powered recreational vehicles in this state shall furnish the director with ~~such~~ information as to models, specifications, selling prices, and ~~such~~ other data requested by the director as may be necessary in carrying out ~~the provisions of~~ this chapter.

**SECTION 10. AMENDMENT.** Section 39-22.3-09 of the North Dakota Century Code is amended and reenacted as follows:

**39-22.3-09. Powers of the director.** In addition to other powers provided by law, the director ~~has the following powers and duties which must be exercised~~ in conformity with this chapter:

1. ~~To~~ May cancel, revoke, or suspend a dealer's license as provided for in this chapter;
2. ~~To~~ May prescribe rules not inconsistent with this chapter governing the application for dealer's licenses and the cancellation or suspension or revocation of a dealer's license; and
3. ~~To~~ May employ and pay ~~such~~ persons ~~as the director may deem~~ necessary to inspect dealers in this state, investigate dealers for the information of the director,

1                    ~~to~~ and procure evidence in connection with any prosecution or other action to  
2                    suspend, revoke, or cancel a dealer's license in relation to any matter in which the  
3                    director has any duty to perform.

4                    **SECTION 11. AMENDMENT.** Section 39-22.3-10 of the North Dakota Century Code is  
5 amended and reenacted as follows:

6                    **39-22.3-10. Examination of books and records.** The director or the director's duly  
7 authorized representative may inspect the books, letters, records, and contracts of any licensed  
8 ~~motorcycle~~ motor-powered recreational vehicle dealer relating to any specific complaint made  
9 against ~~such~~ the dealer and held to be in violation of any ~~of the provisions~~ provision of this title.