

Introduced by

1 A BILL for an Act to create and enact chapter 39-24.2 of the North Dakota Century Code,
2 relating to the bonding and regulation of snowmobile dealers; and to provide a penalty.

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

4 **SECTION 1.** Chapter 39-24.2 of the North Dakota Century Code is created and
5 enacted as follows:

6 **39-24.2-01. Snowmobile dealer license - Penalty.**

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

21 **39-24.2-02. Requirements of dealer.**

- 22 1. A snowmobile dealer shall maintain a permanent office and place of business in
23 this state and shall maintain in that location that dealer's business records relating
24 to the sale of snowmobiles in this state.

- 1 2. A snowmobile dealer shall submit any state fees, taxes, and applications collected
2 on behalf of a customer to the department within thirty days of the date of sale.
3 The director may waive a violation of this subsection for good cause.

4 **39-24.2-03. Bond and liability insurance required.**

- 5 1. Before the issuance of a snowmobile dealer's license, the applicant for the license
6 and at all times each dealer shall furnish a surety bond in the amount of ten
7 thousand dollars executed by the applicant or dealer as principal and executed by
8 a surety company licensed and qualified to do business within this state. The bond
9 must be conditioned upon the faithful compliance by the dealer that the dealer will
10 comply with all the laws of this state pertaining to the business of dealing in
11 snowmobiles and indemnifying any person dealing or transacting business with the
12 dealer in connection with any snowmobile from any loss or damage occasioned by
13 the failure of the dealer to comply with the laws of this state. The aggregate liability
14 of the surety to all persons for all losses or damages may not exceed the amount
15 of the bond. Any third party sustaining injury within the terms of the bond may
16 proceed against the principal and the surety without making the state a party to the
17 proceeding.
- 18 2. The surety may cancel the bond as to future liability by giving notice by registered
19 mail addressed to the principal at the address stated in the bond and to the
20 department. Thirty days after the mailing of a notice, the cancellation is effective
21 and the bond is void as to any subsequent liability. The surety remains liable
22 subject to all the terms, conditions, and provisions of the bond for acts covered by
23 the bond up to the effective date of the cancellation.
- 24 3. A snowmobile dealer shall provide proof to the director of a continuous policy of
25 general liability insurance in the minimum amount of one hundred thousand dollars
26 per person and three hundred thousand dollars per accident.

27 **39-24.2-04. Suspension or revocation of license - Fees.**

- 28 1. The director may adopt rules governing the suspension or revocation of a dealer's
29 license. The director may inspect a dealer's place of business in this state and any
30 record of a dealer relating to a snowmobile.

- 1 2. The director may suspend or revoke any dealer's license for the failure of the
2 licensee to comply with any law of this state or rule adopted by the director
3 governing snowmobile dealers.
- 4 3. Any dealer violating any law of this state governing snowmobile dealers must be
5 assessed one hundred dollars for the first violation in two years and two hundred
6 dollars for a second similar violation within two years of the first violation. The
7 director shall suspend the license if a third or subsequent similar violation occurs
8 within five years of the first violation.
- 9 4. The director shall deposit any fees collected under sections 39-24.2-01 through
10 39-24.2-04 with the state treasurer in the state highway fund.