

CS FOR SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 146(JUD)

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-FIRST LEGISLATURE - SECOND SESSION

BY THE HOUSE JUDICIARY COMMITTEE

Offered: 3/2/20

Referred: Labor and Commerce

Sponsor(s): REPRESENTATIVE CLAMAN

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to an application for a license to operate as a dealer in motor vehicles;**
2 **and requiring a dealer in motor vehicles to maintain liability and property insurance."**

3 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4 * **Section 1.** AS 08.66.030 is amended to read:

5 **Sec. 08.66.030. Form of application.** The department shall prescribe and
6 furnish the form of application for dealer registration under AS 08.66.010. The
7 application must contain

8 (1) the name under which the business is conducted;

9 (2) the location **and telephone number** of the business;

10 (3) the name and address of all persons having an interest in the
11 business and, in the case of a corporation, the application shall contain the name and
12 address of the two principal officers;

13 (4) the name and make of all vehicles handled;

14 (5) a statement of whether or not used vehicles are handled;

(6) a statement that the applicant is a bona fide dealer in motor vehicles with an established business at the location given;

(7) a statement that no person holding a five percent or greater interest in the business has, during the five-year period immediately preceding the date of the application, been convicted of a felony if the felony involved fraud, embezzlement, or misappropriation of property;

(8) a statement that the applicant has reviewed the workers' compensation insurance requirements of AS 23.30 and will maintain applicable workers' compensation insurance as required under AS 23.30;

(9) a copy of a certificate of insurance documenting that the applicant maintains the insurance coverage required under AS 08.66.085;

(10) if the applicant sells a motor vehicle as a new or current model motor vehicle having a manufacturer's warranty, the name of the manufacturer of the motor vehicle and the date and duration of the applicant's sales and service agreement with the manufacturer; and

(11) [(8)] other information the department requires to administer this chapter.

* **Sec. 2.** AS 08.66.060(a) is amended to read:

(a) An applicant for a dealer registration under AS 08.66.010 shall file with the application and shall maintain in force while registered a bond in favor of the state that is executed by a surety approved by the commissioner. The amount of the bond shall be \$100,000 [\$50,000], except that the amount of a bond for a dealer who sells only motorcycles shall be \$25,000. The bond must be conditioned on the dealer's

(1) doing business in compliance with this chapter and the other laws of this state; and

(2) not committing fraud or making fraudulent representations in the course of doing business as a dealer.

* **Sec. 3.** AS 08.66 is amended by adding a new section to read:

Sec. 08.66.085. Insurance requirements. A dealer in motor vehicles shall maintain public liability and property damage insurance on the dealer's operations in the state in amounts of not less than \$50,000 for damage to property, \$100,000 for

- 1 injury, including death, to any one person, and \$200,000 for injury, including death, to
- 2 more than one person.