

**HOUSE BILL NO. 36**

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-SECOND LEGISLATURE - FIRST SESSION

**BY REPRESENTATIVE CLAMAN**

**Introduced: 2/18/21**

**Referred: Labor and Commerce, Finance**

**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.