

SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 146
IN THE LEGISLATURE OF THE STATE OF ALASKA
THIRTY-FIRST LEGISLATURE - SECOND SESSION

BY REPRESENTATIVES CLAMAN, Josephson, Story

Introduced: 5/6/19

Referred: Judiciary, Labor & Commerce

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;

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

3 (7) a statement that no person holding a five percent or greater
4 interest in the business has, during the 10-year period immediately preceding the
5 date of the application, been convicted of a felony;

6 (8) a copy of a certificate of insurance documenting workers'
7 compensation insurance coverage required under AS 23.30, if applicable;

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

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

14 (11) [(8)] other information the department requires to administer this
15 chapter.

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

17 (a) An applicant for a dealer registration under AS 08.66.010 shall file with
18 the application and shall maintain in force while registered a bond in favor of the state
19 that is executed by a surety approved by the commissioner. The amount of the bond
20 shall be \$250,000 [\$50,000], except that the amount of a bond for a dealer who sells
21 only motorcycles shall be \$25,000. The bond must be conditioned on the dealer's

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

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

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

27 **Sec. 08.66.085. Insurance requirements.** A dealer in motor vehicles shall
28 maintain public liability and property damage insurance on the dealer's operations in
29 the state in amounts of not less than \$50,000 for damage to property, \$100,000 for
30 injury, including death, to any one person, and \$200,000 for injury, including death, to
31 more than one person.