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IN THE SENATE BY RULES COMMITTEE
BY REQUEST OF THE GOVERNOR

SENATE BILL NO. 161

IN THE LEGISLATURE OF THE STATE OF ALASKA

SECOND LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to registration of motor vehicle dealers; amending Sec. 5, Ch. 135, SLA 1959, as amended by Sec. 1, Ch. 159, SLA 1960; and providing for an effective date."

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

Section 1. Sec. 5, Ch. 135, SLA 1959, as amended by Sec. 1, Ch. 159, SLA 1960, is amended to read as follows:

Sec. 5. BOND. (1) Every applicant for a dealer's registration or for the renewal of such dealer's registration shall file with the application or request for renewal, and shall thereafter maintain in force while so registered, a bond, in favor of the State of Alaska, executed by an authorized corporate surety approved by the Commissioner of Revenue, in the amount of \$10,000.00, or in lieu thereof the Commissioner may, in his sole discretion, accept a bond in that amount with at least two individual sureties, each justifying with real property in twice the amount of the bond. In the event a bond with individual sureties is offered, the Commissioner shall make such investigation as may be necessary to determine the actual financial responsibility of such sureties. The bond shall be conditioned that the applicant will conduct his business in accordance with the provisions of this Act and will not commit fraud or make

1 fraudulent representations in the course thereof.

2 (2) Any such bond shall be held in the office of
3 the Commissioner of Revenue. The surety or sureties may
4 cancel the bond upon thirty days advance notice in writing
5 filed with the Commissioner. Provided, however, that the
6 cancellation shall not relieve the surety or sureties of
7 liability arising on the bond from a sale made by the bonded
8 dealer prior to cancellation or any liability which has
9 accrued upon the bond prior to cancellation. The Commissioner
10 shall retain the cancelled bond on file and may not relieve
11 the surety or sureties of any liability arising prior to
12 cancellation. [ANY SUCH BOND SHALL BE HELD IN THE OFFICE
13 OF THE COMMISSIONER OF REVENUE AND SHALL REMAIN IN FORCE
14 UNTIL THE SURETY OR SURETIES ARE RELEASED FROM THE LIABILITY
15 BY THE COMMISSIONER, OR UNTIL THE BOND IS CANCELLED BY THE
16 SURETY OR SURETIES AS SET FORTH HEREIN. WITHOUT PREJUDICE
17 TO ANY LIABILITY ACCRUED PRIOR TO CANCELLATION, THE SURETY
18 OR SURETIES MAY CANCEL THE BOND UPON THIRTY DAYS ADVANCE
19 NOTICE IN WRITING FILED WITH THE COMMISSIONER, AND THE COM-
20 MISSIONER SHALL CANCEL SUCH BOND SIX MONTHS AFTER RECEIPT OF
21 NOTICE IN WRITING FROM THE SURETY OR SURETIES THAT THE
22 DEALER HAS CEASED TO DO SUCH BUSINESS IN THE STATE.]

23 Sec. 2. This Act takes effect on the day after its passage
24 and approval or on the day it becomes law without such approval.
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