

MAINE STATE LEGISLATURE

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FIRST REGULAR SESSION

ONE HUNDRED AND NINTH LEGISLATURE

Legislative Document

No. 1384

S. P. 435

In Senate, March 21, 1979

Referred to the Committee on Business Legislation. Sent down for concurrence and 2,500 ordered printed.

Presented by Senator Danton of York.

MAY M. ROSS, Secretary of the Senate

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-NINE

AN ACT Concerning the Licensing of Wholesale Used Vehicle Dealers.

Be it enacted by the People of the State of Maine, as follows:

Sec. 1. 29 MRSA § 341, sub-§ 3, as enacted by PL 1973, c. 529, § 1, is amended by adding at the end a new sentence to read:

This definition shall not apply to the place of business, if any, of a wholesale dealer.

Sec. 2. 29 MRSA § 341, sub-§ 11, as enacted by PL 1977, c. 481, § 10, is amended by adding at the end a new sentence to read:

This definition shall not apply to the business location of a wholesale dealer.

Sec. 3. 29 MRSA § 341, sub-§ 13, is enacted to read:

13. Wholesale dealer. “Wholesale dealer” means a dealer who sells, offers to negotiate the sale of or exchanges used vehicles to other dealers and at auctions and who does not sell or offer to negotiate the sale of used vehicles to the public, except that a wholesale dealer need not have an established place of business as set out in subsection 1.

Sec. 4. 29 MRSA § 342, 3rd paragraph, as amended by PL 1975, c. 731, § 30, is further amended to read:

Failure to obtain such a license or to comply with any provision of sections 347 or 348-A shall be a ~~misdemeanor~~ **Class E crime**.

Sec. 5. 29 MRSA § 343, sub-§ 1, first sentence, as repealed and replaced by PL 1977, c. 694, § 493, is amended to read:

To qualify as a dealer under this subchapter, **except for wholesale dealers**, the applicant shall have at least the following facilities and personnel:

Sec. 6. 29 MRSA § 343, sub-§ 1-A is enacted to read:

1-A. Facilities and requirements for wholesale dealers. To qualify as a wholesale dealer under this subchapter the applicant shall have at least the following facilities and meet the following requirements:

A. Have an office where records of the business are kept, which may be in the name of the dealer;

B. Have filed with the Secretary of State an insurance bond in an amount to be determined by the Secretary of State to be sufficient to insure against flaws in the title of motor vehicles in which the applicant will be dealing;

C. Have filed with the Secretary of State such other insurance policies as the Secretary of State may reasonably require; and

D. Have filed with the Secretary of State an insurance bond in an amount to be determined by the Secretary of State as insurance against fraudulent actions. For the purposes of this paragraph fraud shall include, but shall not be limited to, misrepresentation of mileage, failure to comply with statutes requiring disclosure of former damage to a motor vehicle which has been repaired or tampering with any title documents to any motor vehicle.

Sec. 7. 29 MRSA § 344, sub-§ 3, as enacted by PL 1973, c. 529, § 1, is amended by adding at the end a new paragraph to read:

Paragraphs A, B and C shall not apply to applicants who are wholesale dealers.

Sec. 8. 29 MRSA § 347, first sentence, as amended by PL 1975, c. 589, § 15, is further amended to read:

Except as sections 357 and 358 provide, the annual fee for every license, **except a license as a wholesale dealer**, shall be \$30.

Sec. 9. 29 MRSA § 347, as amended by PL 1975, c. 589, § 15, is further amended by adding after the first sentence a new sentence to read:

The annual fee for a license as a wholesale dealer shall be \$100.

Sec. 10. 29 MRSA § 348, as enacted by PL 1973, c. 529, § 1, is amended to read:

§ 348. Display and content of license

The licenses of vehicle dealers shall specify the location of each place of business or branch or other location occupied or to be occupied by the licensee in

conducting his business as such and the license or supplemental license issued therefor shall be conspicuously displayed at each of such premises **or, in the case of a wholesale dealer shall, if not displayed, be carried on the dealer's person.** Additionally, every new car dealer's license shall state the type or types of vehicles in which the licensee is authorized to deal and the locations from which particular types may be dealt in.

Sec. 11. 29 MRSA § 350-A, sub-§ 1, ¶¶ C, D and E, as enacted by PL 1977, c. 694, § 497, are amended to read:

C. Being a motor vehicle dealer, trailer or semitrailer dealer, **except wholesale dealers,** failure to have an established place of business as defined in this subchapter;

D. Except in regard to wholesale dealers, Failure failure to notify the Secretary of State in writing 30 days prior to moving location;

E. Defrauding any retail **or wholesale** buyer to the buyer's damage or any other person in the conduct of the licensee's business;

Sec. 12. 29 MRSA § 357, 2nd paragraph, first sentence, as enacted by PL 1973, c. 529, § 1, is amended to read:

Every manufacturer or dealer in motorcycles or motor driven cycles shall annually pay a fee of \$10 for a registration certificate to handle, demonstrate, sell and exchange motorcycles or motor driven cycles, **except that the annual fee for a wholesale dealer in motorcycles or motor driven cycles shall be \$100.**

Sec. 13. 29 MRSA § 358, first sentence, as enacted by PL 1973, c. 529, § 1, is amended to read:

Every manufacturer or dealer in boat or snowmobile trailers shall annually pay a fee of \$10 for a registration certificate to handle, demonstrate, sell and exchange boat or snowmobile trailers, **except that the annual fee for a wholesale dealer in boat or snowmobile trailers shall be \$100.**

Sec. 14. 29 MRSA § 363, first paragraph, first sentence, as enacted by PL 1973, c. 529, § 1, is amended to read:

Any person licensed under this subchapter, excepting those holding a transporter license or only a loaner license **and excepting wholesale dealers,** may, upon the sale or exchange of a motor vehicle or trailer, attach to the rear of such motor vehicle or trailer a temporary registration plate and the purchaser of such motor vehicle or trailer may operate the same for a period not to exceed 10 consecutive days thereafter without payment of a regular fee.

Sec. 15. 29 MRSA § 363, 2nd paragraph, first sentence, as enacted by PL 1973, c. 529, § 1, is amended to read:

Any person licensed under this subchapter, excepting those holding a transporter license or only a loaner license **and excepting wholesale dealers,**

shall, upon attaching a temporary registration plate to a vehicle sold or exchanged by him, mark thereon the date when said license expires and immediately notify the Secretary of State of said sale or exchange, giving the name and address of the purchaser, the number of the temporary plate and such further information as the Secretary of State may require.

STATEMENT OF FACT

The purpose of this bill is to provide special licensing provisions for wholesale used vehicle dealers who are presently forced to comply with the provisions relating to retail dealers.