

MAINE STATE LEGISLATURE

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132nd MAINE LEGISLATURE

SECOND REGULAR SESSION-2026

Legislative Document

No. 2179

S.P. 884

In Senate, January 27, 2026

An Act to Amend Certain Motor Vehicle Laws

Submitted by the Secretary of State pursuant to Joint Rule 203.
Reference to the Committee on Transportation suggested and ordered printed.

A handwritten signature in black ink, appearing to read "D M Grant", is positioned above the printed name of the Secretary of the Senate.

DAREK M. GRANT
Secretary of the Senate

Presented by Senator NANGLE of Cumberland.

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

2 **Sec. 1. 29-A MRSA §451, sub-§6**, as amended by PL 2023, c. 421, §4, is repealed.

3 **Sec. 2. 29-A MRSA §951, sub-§1**, as amended by PL 1997, c. 776, §29, is further
4 amended to read:

5 **1. Definition.** A person is "engaged in the business of buying, selling, exchanging,
6 offering to negotiate, negotiating or advertising a sale of vehicles or equipment" if that
7 person:

8 A. Buys or acquires vehicles or equipment for the purpose of resale;

9 B. Sells more than 5 vehicles or pieces of equipment in any 12-month period; ~~or~~

10 C. Advertises in any form 3 or more vehicles or pieces of equipment for sale or displays
11 3 or more vehicles or pieces of equipment for sale within a 30-day period, in any
12 location, including on premises controlled by that person;

13 D. Acts in any capacity as an agent, representative or intermediary for the owner of a
14 vehicle or piece of equipment for the purpose of selling, leasing, consigning, brokering
15 or otherwise transferring the vehicle or piece of equipment; or

16 E. Acts in any capacity as an agent, representative or intermediary for a purchaser,
17 lessee or other person seeking to buy, lease or acquire a vehicle or piece of equipment.

18 Vehicles owned and registered by that person for at least 6 months are not included for
19 purposes of this definition.

20 **Sec. 3. 29-A MRSA §951, sub-§2**, as amended by PL 2005, c. 433, §13 and
21 affected by §28, is further amended to read:

22 **2. Dealers must be licensed.** A person may not engage in the business of buying,
23 selling, exchanging, offering to negotiate, negotiating or advertising a sale of vehicles or
24 equipment unless that person has been issued a license under this subchapter. A dealer
25 licensed by any other jurisdiction ~~who~~ that sells vehicles or equipment only to licensed
26 dealers in this State is exempt from this subsection. Violation of this subsection is a Class
27 E crime.

28 **Sec. 4. 29-A MRSA §951, sub-§4**, as amended by PL 2005, c. 71, §1, is further
29 amended to read:

30 **4. Exemptions.** Financial institutions, as defined in Title 9-B, section 131, subsections
31 17 and 17-A, are exempt from the requirements of this section when selling vehicles or
32 equipment repossessed and sold by full-time employees of the institution. Financial
33 institutions that do not use full-time employees to repossess and sell vehicles or equipment
34 must use dealers licensed pursuant to this chapter.

35 Any public or nonprofit organization that, for the purpose of making vehicles available to
36 low-income persons, accepts donated vehicles and provides them to low-income persons
37 at a cost that is no more than the cost of ensuring that the vehicle is in good operating
38 condition is exempt from the requirements of this section. A public or nonprofit
39 organization that transfers a vehicle under this subsection is subject to the provisions of
40 Title 10, chapter 217 and shall register with the Secretary of State and maintain a certificate
41 of training as required by the Secretary of State.

1 Any public or nonprofit organization whose sole or primary purpose is to provide
2 transportation for persons 65 years of age or older that accepts donated vehicles for the
3 purpose of providing that transportation or accepts in trade for transportation services the
4 vehicles belonging to persons 65 years of age or older who use those transportation services
5 is exempt from the requirements of this section. A public or nonprofit organization that
6 transfers a vehicle under this subsection is subject to the provisions of Title 10, chapter 217
7 and shall register with the Secretary of State and maintain a certificate of training as
8 required by the Secretary of State.

9 **Sec. 5. 29-A MRSA §954-A, sub-§3**, as enacted by PL 1993, c. 683, Pt. A, §2 and
10 affected by Pt. B, §5 and reallocated by PL 2023, c. 257, §7, is amended to read:

11 **3. Trucks.** A temporary registration plate may not be used on a loaded truck ~~without~~
12 ~~a written permit from the Secretary of State.~~

13 **Sec. 6. 29-A MRSA §958** is enacted to read:

14 **§958. Online used car dealer licensure and regulation**

15 **1. Online used car dealer; definition.** As used in this section, unless the context
16 otherwise indicates, "online used car dealer" means a licensed used motor vehicle dealer
17 that conducts sales exclusively through electronic or digital platforms and does not operate
18 a physical retail display location in this State. An online used car dealer may partner with
19 a service center or inspection station licensed in this State as required by law but may not
20 maintain an in-person sales lot.

21 **2. Licensure and regulation.** The bureau shall conduct a 2-year pilot program to
22 license and regulate online used car dealers operating under this section. The bureau may
23 license and regulate online used car dealers operating under this section.

24 **3. Eligibility.** To qualify for licensure as an online used car dealer, an applicant must:

25 A. Hold valid authority as a corporation or limited liability entity in good standing
26 with the Secretary of State;

27 B. Demonstrate motor vehicle sales in multiple jurisdictions within the United States;

28 C. Provide proof of a minimum of 100 annual motor vehicle sales; and

29 D. Meet all background check requirements established by the Secretary of State.

30 **4. Application for license.** The following provisions govern the application for a
31 license for an online used car dealer.

32 A. An online used car dealer shall apply for a license in accordance with the
33 requirements under section 901.

34 B. An online used car dealer is exempt from the established place of business
35 requirements set forth in sections 851 to 952 but may maintain a physical location in
36 this State. If an online used car dealer elects to establish or operate a physical office,
37 inspection station or repair facility in this State, that location must fully comply with
38 all applicable dealer licensing standards and regulatory requirements in effect for used
39 car dealer licensees.

40 C. An online used car dealer shall file with the Secretary of State and maintain a surety
41 bond of \$350,000.

1 D. The annual fee for an online used car dealer license is \$500.

2 **5. License requirements.** Unless expressly modified by this section, an online used
3 car dealer is subject to and shall comply with all applicable laws, rules and regulations
4 governing the licensing and sale of new and used motor vehicles in this State.

5 **6. Disclosure requirements.** The following provisions govern online used car dealer
6 disclosures.

7 A. An online used car dealer is exempt from the physical display requirements set
8 forth in Title 10, sections 1474 and 1475. At the time of an electronic or digital display
9 on an electronic or digital platform, an online used car dealer shall provide a consumer
10 with a disclosure consistent with the requirements of Title 10, chapter 217 and the
11 Federal Trade Commission's Used Motor Vehicle Trade Regulation Rule in 16 Code
12 of Federal Regulations, Part 455.

13 B. A disclosure form authorized by this State must be provided to the purchaser at the
14 time of delivery to the purchaser, signed by the purchaser and retained by the online
15 used car dealer in compliance with the record-keeping requirements of Title 10, chapter
16 217.

17 **7. Inspection requirements.** The following provisions govern inspections of motor
18 vehicles under this section.

19 A. A motor vehicle sold by an online used car dealer must pass an inspection in this
20 State prior to sale. A reconstructable motor vehicle as defined in Title 10, section 1471,
21 subsection 6-A or an unsafe motor vehicle may not be sold by an online used car dealer.

22 B. A motor vehicle sold to a purchaser in this State must be inspected by an inspection
23 station licensed in this State prior to delivery to the purchaser and must display a valid
24 inspection sticker issued within 60 days of sale.

25 **8. Inspection stations; repair facilities.** The following provisions govern inspection
26 stations and repair facilities in relation to online used car dealers.

27 A. An online used car dealer may obtain a license for an inspection station in this State.
28 All standards governing inspection stations apply to such an inspection station.

29 B. An online used car dealer may partner with an inspection station in this State. The
30 partner inspection station must be included in the application for licensure and renewal.
31 The partnership must be set out in writing. Any changes to the partnership must be
32 immediately disclosed to the bureau.

33 C. The failure of an online used car dealer to obtain a license for an inspection station
34 in this State or to have a partner inspection station in this State is grounds for
35 suspension of a license issued pursuant to subsection 4.

36 D. An online used car dealer that does not maintain a repair facility in this State shall,
37 in writing, disclose to a vehicle purchaser the name, address and contact information
38 of a designated repair facility or a partner location authorized to perform required
39 warranty service. The disclosure must be provided at or before the time of the vehicle
40 sale and included in the online used car dealer's warranty documentation.

9. Records. All sales and transaction records must be maintained in accordance with section 956, may be kept electronically and must be produced within one business day upon request of the Secretary of State, the Attorney General or a law enforcement officer.

10. Plates. An online used car dealer is not eligible for dealer plates. Temporary plates issued by this State may be issued only for sales to purchasers in this State.

11. Contact information. An online used car dealer shall:

A. Provide a direct-access telephone number to a designated corporate representative of the online used car dealer who is authorized to assist the bureau and the Office of the Attorney General in resolving consumer complaints and inquiries and in obtaining required records;

B. Provide written customer support contact information, including a toll-free telephone number and electronic communication address, to each purchaser at the time of sale; and

C. Maintain business hours at reasonable times during which a customer can contact the online used car dealer.

12. Enforcement. The following provisions govern enforcement of this section.

A. An online used car dealer's failure to comply with the provisions of this section, including inspection, disclosure, warranty obligations or record retention, constitutes grounds for license suspension or revocation under section 903.

B. Breach of a consumer sales contract by an online used car dealer is expressly grounds for administrative action, including license suspension or revocation under section 903.

C. An online used car dealer shall designate an agent registered in this State to accept service of process. The name and contact information of the registered agent must be provided to the bureau.

13. Rulemaking. The Secretary of State may adopt rules to implement this section, including licensing procedures, disclosure formats, inspection coordination and reporting requirements. Rules adopted under this subsection are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.

14. Repeal. This section is repealed December 31, 2028.

Sec. 7. Report. The Secretary of State shall submit a report to the joint standing committee of the Legislature having jurisdiction over transportation matters no later than January 15, 2028 evaluating the effectiveness, risks and consumer protection outcomes of online used car dealer licensure and regulation established in the Maine Revised Statutes, Title 29-A, section 958. The joint standing committee of the Legislature having jurisdiction over transportation matters may report out legislation regarding the Secretary of State's report to the Second Regular Session of the 133rd Legislature.

SUMMARY

This bill makes the following changes to the laws governing motor vehicles.

1. It eliminates the requirement to produce license plates at the Bolduc Correctional Facility.

1 2. It amends the definition of "engaged in the business of buying, selling, exchanging,
2 offering to negotiate, negotiating or advertising a sale of vehicles" to add equipment.

3 3. It provides that a loaded truck cannot be operated on a temporary registration plate.

4 4. It authorizes the Department of the Secretary of State, Bureau of Motor Vehicles,
5 until December 31, 2028, to license and regulate used car dealers that sell vehicles
6 exclusively online. The Secretary of State must submit a report to the joint standing
7 committee of the Legislature having jurisdiction over transportation matters no later than
8 January 15, 2028 evaluating the effectiveness, risks and consumer protection outcomes of
9 online used car dealer licensure and regulation. The joint standing committee of the
10 Legislature having jurisdiction over transportation matters may report out legislation
11 regarding the Secretary of State's report to the Second Regular Session of the 133rd
12 Legislature.