

# MAINE STATE LEGISLATURE

The following document is provided by the  
**LAW AND LEGISLATIVE DIGITAL LIBRARY**  
at the Maine State Law and Legislative Reference Library  
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied  
(searchable text may contain some errors and/or omissions)

---

---

ONE HUNDRED AND FIRST LEGISLATURE

---

---

Legislative Document

No. 1388

H. P. 954

House of Representatives, February 13, 1963

Referred to Committee on Transportation. Sent up for concurrence and ordered printed.

HARVEY R. PEASE, Clerk

Presented by Mr. Finley of Washington.

---

---

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED  
SIXTY-THREE

---

---

AN ACT Relating to the Licensing of Motor Vehicle Manufacturers, Distributors and Wholesalers.

---

---

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

**Sec. 1. R. S., c. 22, § 1, amended.** Section 1 of chapter 22 of the Revised Statutes, as amended, is further amended by adding, in alphabetical order, the following paragraphs :

“Distributor” or “wholesaler” means any person, firm, association, partnership, corporation or trust, resident or non-resident, qualified to do business in this State, or not so qualified, who in whole or in part sells or distributes new and used motor vehicles to motor vehicle dealers, or who maintains distributor representatives within the State.

“Distributor branch” means a branch office similarly maintained by a distributor or wholesaler for the same purposes a factory branch is maintained.

“Distributor representative” means a representative similarly employed by a distributor, distributor branch or wholesaler.

“Factory branch” means a branch office maintained by a manufacturer which manufactures or assembles motor vehicles for sale to distributors and to motor vehicle dealers, or which is maintained for directing and supervising the representatives of the manufacturer, in whole or in part.

“Factory representative” means a representative employed by a manufacturer, or employed by a factory branch, for the purpose of making or promoting the sale of motor vehicles or for supervising, serving or contacting motor vehicle dealers or prospective motor vehicle dealers.

**“Manufacturer” means any person, firm, association, partnership, corporation or trust, resident or non-resident, qualified to do business in this State, or not so qualified, who manufactures and assembles new and unused motor vehicles. Each branch or division of a manufacturer which manufactures and assembles new and unused motor vehicles shall be considered a separate entity for the purpose of this chapter.’**

**Sec. 2. R. S., c. 22, § 21, amended.** Section 21 of chapter 22 of the Revised Statutes is amended to read as follows:

**‘Sec. 21. Motor Vehicle Board.** ~~The Maine Motor Vehicle Dealer Registration Board~~ **Motor Vehicle Board**, as heretofore established, shall consist of 5 members, 2 of whom shall be new motor vehicle dealers, 2 of whom shall be used motor vehicle dealers and one of whom shall be a person other than a motor vehicle dealer. The members of the board shall be appointed by the Governor with the advice and consent of the Council for terms of 3 years. The members of the board may be removed for cause, by the Governor, with the advice and consent of the Council. Any vacancy shall be filled by appointment for the unexpired term. The members shall serve until their successors are appointed and qualified.’

**Sec. 3. R. S., c. 22, § 25, amended.** Section 25 of chapter 22 of the Revised Statutes, as amended, is further amended by adding at the end thereof a new paragraph as follows:

**‘It shall be the duty of the board to examine all applications for licenses by motor vehicle manufacturers, distributors and wholesalers and their respective factory branches, distributor branches, factory representative and distributor representatives, presented to the Secretary of State and in accordance with this chapter, order the Secretary of State to issue or refuse to issue such licenses. The board is further vested with the power and duties necessary and proper to enable it fully and effectively to carry out the provisions and objects of this chapter.’**

**Sec. 4. R. S., c. 22, § 26-A, amended.** The first sentence of section 26-A of chapter 22 of the Revised Statutes, as enacted by section 5 of chapter 200 of the public laws of 1955 and as amended, is further amended to read as follows:

**‘Finance companies, heavy equipment dealers, farm machinery dealers, trailer dealers, semi-trailer dealers, dealers in mobile homes, junk dealers and service stations may make application to the ~~Motor Vehicle Dealer Registration Board~~ Motor Vehicle Board upon a blank provided for the purpose for a registration certificate and plate, for the purpose of movement on highways of such vehicles owned or controlled by them.’**

**Sec. 5. R. S., c. 22, § 26-D, additional.** Chapter 22 of the Revised Statutes is amended by adding a new section 26-D, as follows:

**‘Sec. 26-D. Licensing provisions; fees. Every motor vehicle manufacturer, distributor, and wholesaler and their respective factory branches, distributor branches, factory representative and distributor representatives, whether the same be a person, firm, association, partnership, corporation or trust, shall, be-**

fore engaging in business in this State, in any way, make application for a license to do so to the Secretary of State upon a blank provided by the board. Each factory branch and distributor branch which manufactures, assembles or distributes motor vehicles shall be considered a separate entity or unit and shall be requested to obtain and hold a current license. The board, if satisfied that the applicant is eligible to receive a license, shall order the Secretary of State to issue same. Each application for license shall be accompanied by the appropriate fee therefor in accordance with the schedule therefor. In the event any such application is denied and the license applied for is not issued, the entire license fee shall be returned to the applicant. All licenses issued under this section shall expire on December 31st following the date of issue.

The license fees to be charged and received by the board for licenses issued hereunder shall be \$100 for each manufacturer, distributor or wholesaler, factory branch or distributor branch, and \$20 for each factory or distributor representative. The licenses issued to each manufacturer, distributor, wholesaler, factory branch and distributor branch shall specify the location of the factory, office or branch thereof. In case such location is changed, the board shall endorse the change of location on the license without charge. Licenses issued to factory and distributor representatives shall state the name of the manufacturer, distributor, wholesaler, factory branch or distributor branch represented by them. Each manufacturer, distributor, wholesaler, factory branch and distributor branch shall have his license in public view upon the premises where he conducts his business. Each factory representative and distributor representative shall have his license upon his person when engaged in his business, and shall display the same upon request.'

**Sec. 6. R. S., c. 22, § 27, amended.** The last paragraph of section 27 of chapter 22 of the Revised Statutes, as enacted by section 2 of chapter 205 of the public laws of 1955 and as amended, is further amended to read as follows:

'The State Police are authorized to investigate the use of dealer or transit plates and shall report their finding from time to time to the ~~Dealer Registration Board~~ **Motor Vehicle Board.**'

**Sec. 7. R. S., c. 22, § 27-A, additional.** Chapter 22 of the Revised Statutes is amended by adding a new section 27-A, as follows:

'**Sec. 27-A. Denial, suspension or revocation of license; hearing.** When the board, after examining an applicant for the license provided for in section 26-D, decides not to order the Secretary of State to issue same, it shall notify said applicant in writing of its decision and of time and place for hearing when said applicant may appear and show cause why such license should not be denied. The board may review any such license issued and, after hearing, may order the Secretary of State to suspend or revoke such license for any of the following reasons:

**I. Unfitness.** For unfitness of the applicant or the licensee, as the case may be, to conduct his business in the public interest and to comply with the standards established and set forth in this chapter.

II. **Fraud.** For fraud practiced or any material misstatement made by an applicant in any application for license under this chapter.

III. **Failure to comply with law.** For failure to comply with any provisions of this chapter or with any rule or regulation adopted or promulgated by the board under authority vested in it by this chapter.

IV. **Change of conditions.** For change of condition after license is granted, or for failure to maintain the qualifications for license.

V. **Coercion.** Being a manufacturer of motor vehicles, distributor, wholesaler, factory branch or distributor branch, factory representative or distributor representative, for coercing, or attempting to coerce, any motor vehicle dealer:

A. To order or accept delivery of any motor vehicle or vehicles, appliances, equipment, parts or accessories therefor, or advertising in connection therewith, or any other commodity or commodities or services or advertising or merchandising material in connection therewith, which shall not have been voluntarily ordered by said motor vehicle dealer;

B. To order or accept delivery of any motor vehicle with special features, appliances, accessories or equipment not included in the list price of said motor vehicle as publicly advertised by the manufacturer thereof;

C. To order for any person any parts, accessories, equipment, machinery, tools, appliances or any commodity whatsoever;

D. To enter into any agreement with such manufacturer, distributor, wholesaler, factory branch, distributor branch, or any representative thereof, or to do any other act or adopt any practice unfair to said dealer, by canceling or failing to renew, or threatening to cancel or fail to renew, any franchise, or sales or contractual agreement, existing between such manufacturer, distributor, wholesaler, factory branch or distributor branch and said dealer, whether such franchise or sales or contractual agreement was executed or was in force before or after the effective date of this act;

E. To enter into any agreement with such manufacturer, distributor, wholesaler, factory branch, distributor branch, or representative thereof, or to do any other act or adopt any practice unfair to said dealer by granting or making, or threatening to grant or make, an additional franchise or franchises, or sales or contractual agreement or agreements, covering or affecting the territory covered by said dealer's existing franchise, or sales or contractual agreement.

VI. **Other reasons.** Being a manufacturer of motor vehicles, distributor, wholesaler, factory branch or distributor branch, factory representative or distributor representative, for

A. Refusing to deliver to any licensed motor vehicle dealer having a franchise, or sale or contractual agreement, for the retail sale of new and unused motor vehicles sold or distributed by such manufacturer, distributor, wholesaler, factory branch or distributor branch, any motor vehicle

publicly advertised for immediate delivery, equipped as offered by the manufacturer and specified by the dealer, within 60 days after such dealer's order shall have been received by the manufacturer from the motor vehicle dealer, unless prevented therefrom by act of God or strike; or arbitrarily or capriciously refusing to deliver such motor vehicle within a reasonable time;

B. Unfairly without due regard to the equities of said dealer and without just provocation, cancelling or refusing to renew the franchise, or sales or contractual agreement, of any motor vehicle dealer, whether such franchise or agreement was executed or was in force before or after the effective date of this act. The cancellation or non-renewal of a franchise, or sales or contractual agreement, without just provocation or cause shall be a violation of this paragraph, regardless of the terms or provisions of such franchise or agreement.

C. Refusing to extend to a motor vehicle dealer the privilege of selecting the mode, manner or route of available transportation facilities which said dealer desires to be used or employed in receiving deliveries of said motor vehicles to him;

D. Failing in connection with a sale of a motor vehicle by it to comply with the manufacturer's guaranty applicable to such sale, and to its obligations to the dealer with respect thereto.

No such license shall be suspended or revoked except after hearing by the board. The board shall notify the licensee of its intention to order the Secretary of State to suspend or revoke the said license in writing and give at least 7 days' notice of the time and place for hearing thereon, at which time said licensee may appear and show cause why such license should not be suspended or revoked. The board may request the attendance of the Attorney General or his authorized representative to assist in conducting any hearing.'

Sec. 8. R. S., c. 22, § 28-A, additional. Chapter 22 of the Revised Statutes is amended by adding a new section 28-A, as follows:

'Sec. 28-A. Appeal from board's decision to deny, suspend or revoke license. Any motor vehicle manufacturer, distributor, and wholesaler, and their respective factory branches, distributor branches, factory representatives and distributor representatives whose application for the license provided for in this chapter has been denied by the Secretary of State by order of the board, or whose license has been suspended or revoked by the Secretary of State by order of the board, may, within 30 days thereafter, appeal by filing a complaint in the Superior Court, stating therein the grounds upon which an appeal is sought. The court shall fix a time and place for hearing and cause notice thereof to be given to the board. After hearing, the court may affirm, modify or reverse the decision of the board and the decision of the court shall be final. Pending judgment of the court, such license shall remain in full force and effect.'