

MAINE STATE LEGISLATURE

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ONE HUNDRED AND THIRD LEGISLATURE

Legislative Document

No. 1533

H. P. 1066

House of Representatives, March 15, 1967

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

BERTHA W. JOHNSON, Clerk

Presented by Mr. Roy of Winslow.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SIXTY-SEVEN

AN ACT Revising the Motor Vehicle Dealer Registration Law.

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

Sec. 1. R. S., T. 5, § 2301, sub-§ 1, amended. The 10th line from the end of subsection 1 of section 2301 of Title 5 of the Revised Statutes is repealed as follows:

~~Maine Motor Vehicle Dealer Registration Board.~~

Sec. 2. R. S., T. 29, § 295, repealed and replaced. Section 295 of Title 29 of the Revised Statutes is repealed and the following enacted in place thereof:

§ 295. Powers and duties

It shall be the duty of the board to examine all applications for new car dealer, used car dealer, equipment dealer, loaner and transporter plates presented to the Secretary of State, and in accordance with this Title, order the Secretary of State to issue or to refuse to issue such new car dealer, used car dealer, equipment dealer, loaner or transporter registration plates. The board may delegate authority to the Secretary of State to issue renewal applications that are considered to be unquestionable under the rules established by the board. The board is further empowered to order the Secretary of State to suspend or revoke, in accordance with this Title, any new car dealer, used car dealer, equipment dealer, transporter or loaner plates already issued.

Sec. 3. R. S., T. 29, § 331, repealed and replaced. Section 331 of Title 29 of the Revised Statutes is repealed and the following enacted in place thereof:

§ 331. Dealer registration plates; application; fees

Every manufacturer or dealer in new or used cars or motor trucks or both may, instead of registering each car or motor truck or both, owned or controlled by him, make application upon a blank provided by the Secretary of State for a general distinguishing number, color or mark. The Secretary of State shall forthwith present said application to the board. The board, is satisfied that the applicant will be actively engaged in the business of buying and selling of cars or motor trucks or both, and is satisfied with the other facts stated in the application, and if satisfied that the applicant meets the minimum standards set forth, or set by the board, shall order the Secretary of State to issue a certificate of registration. Such certificate of registration shall contain the name, place, of residence and business of the applicant and the general distinguishing number, color or mark assigned to him and made in such form as the Secretary of State may determine, and all vehicles owned or controlled by such applicant shall be regarded as registered under such general distinguishing number, color or mark until sold or exchanged. To be eligible for the renewal of such car or motor truck dealer registration plates or both, the applicant must maintain in said State a permanent place of business where said applicant is engaged in the business of buying and selling cars or motor trucks or both, and must continue to meet the minimum standards herein set forth or those set by the board. To qualify as a dealer in new cars or motor trucks or both, for the purpose of this Title, an applicant must possess a franchise contract from a manufacturer of cars or motor trucks or both, and furnish the board with a certificate from said manufacturer or its distributor that said contract is in force, and must maintain a garage to the minimum standards established by the board, and must keep employed a full-time mechanic and must be equipped to perform the usual and normal repair and servicing of cars or motor trucks or both; said facilities shall be upon or adjacent to a lot where selling will be done and books and records are kept and which is devoted actively to the car or motor truck business or both in which the repair of cars and motor trucks is subordinate or incidental to the business of buying and selling or exchanging of the same, all in accordance with the rules, regulations and standards promulgated and established by the board. To qualify as a dealer in used cars or motor trucks or both for the purpose of this Title, an applicant must maintain a garage to the minimum standards established by the board, and must keep employed a full-time mechanic, and must be equipped to perform the usual and normal repair and servicing of cars and motor trucks; said facilities shall be upon or adjacent to a lot where selling will be done and books and records are kept and which is devoted actively to the car or motor truck business or both, in which the repair of cars and motor trucks is subordinate or incidental to the business of buying, selling or exchanging of the same; all in accordance with the rules, regulations and standards promulgated and established by the board. The requirements as to dealers in used cars or motor trucks or both pertaining to repair and servicing facilities and mechanics shall not apply to present holders of car or motor truck dealer registration plates or both who were holders on September 21, 1963, or to holders of transporter registration plates who did file evidence as required by law of at least 12 bona fide sales of motor vehicles during the 12 months preceding September 21, 1963. The board is authorized and empowered to prom-

ulgate and establish rules, regulations and standards, not contrary to the laws of the State, to effecuate the purposes of the law relating to new car dealer, used car dealer, equipment dealer, transporter and loaner vehicle registration in the manner prescribed by Title 5, chapters 301 to 307. The annual fee for every such certificate of registration shall be \$65. The Secretary of State shall furnish the applicant with 2 registration number plates free of cost. Upon payment of \$5 per plate, additional plates may be furnished, the number of any additional plates to be issued shall be determined by the board. Extra registration plates shall be furnished to replace lost or mutilated plates for \$1 each. On application for registration, or for additional plates applied for during the period between the first day of September and the 31st day of December in any year, $\frac{1}{2}$ of the registration fee shall be charged. New car dealers and used car dealers who have qualified shall give the Secretary of State at least 30 days written notice of their intention to move their place of business, except where fire, flood or other disaster has suddenly rendered their place of business unusable, in which case they shall notify the Secretary of State as soon as possible after said disaster.

Sec. 4. R. S., T. 29, § 332, repealed and replaced. Section 332 of Title 29 of the Revised Statutes is repealed and the following enacted in place thereof.

§ 332. Transporter registration plates; application; fee

1. Application. Garage owners, body shops, trailer dealers, semitrailer dealers, dealers in mobile homes, finance companies, banks and junk dealers may make application upon a blank provided by the Secretary of State for a transporter registration certificate and plate instead of registering each vehicle owned by them or temporarily in their custody, to be used for the transportation or delivery of such vehicles. The Secretary of State shall forthwith present said application to the board. The board if satisfied with the facts stated in the application shall order the Secretary of State to issue a certificate of registration. Such enumeration shall be deemed a partial enumeration and shall not operate to exclude other persons, firms or corporations from making such application, provided the transportation and delivery of such vehicles is an ordinary and usual incident to the operation of their business.

2. Fees. The annual fee for every such certificate of registration shall be \$65. The Secretary of State shall furnish the applicant with 2 registration number plates free of cost. Upon payment of \$5 per plate additional plates may be furnished and the number of any additional plates to be issued shall be determined by the board. New car dealer or used car dealer registration holders, who find having transporter plates a necessity, may purchase the same for the cost of additional plates without paying the transporter certificate of registration fee. Extra registration plates shall be furnished to replace lost or mutilated plates for \$1 each. On application for registration, or for additional plates applied for during the period between the first day of September and the 31 day of December in any year, $\frac{1}{2}$ of the registration fee shall be charged. Transporter plate holders shall give the Secretary of State at least 30 days written notice of their intention to move their place of business, except where fire, flood or other disaster has suddenly rendered their place of business unusable, in which

case they shall notify the Secretary of State as soon as possible after said disaster.

Sec. 5. R. S., T. 29, §§ 332-A - 332-B, additional. Title 29 of the Revised Statutes is amended by adding 2 new sections, to be numbered 332-A and 332-B, to read as follows:

§ 332-A. Equipment dealer registration plates; application; fee

Every manufacturer or dealer in new or used heavy equipment or farm machinery may, instead of registering each piece of equipment or machinery owned or controlled by him, make application upon a blank provided by the Secretary of State for a general distinguishing number, color or mark. The Secretary of State shall forthwith present said application to the board. The board, if satisfied that the applicant will be actively engaged in the business of buying and selling of heavy equipment or farm machinery, and is satisfied with the other facts stated in the application, and if satisfied that the applicant meets the minimum standards set forth or those set by the board, shall order the Secretary of State to issue a certificate of registration. Such certificate of registration shall contain the name, place of residence and business of the applicant and the general distinguishing number, color or mark assigned to him and made in such form as the Secretary of State may determine, and all such vehicles owned or controlled by such applicant shall be regarded as registered under such general distinguishing number, color or mark until sold or exchanged. To be eligible for the renewal of such equipment dealer registration plates, the applicant must maintain in said State a permanent place of business where said applicant is engaged in the business of buying and selling of heavy equipment or farm machinery and must continue to meet the minimum standards set forth including those set by the board. To qualify as an equipment dealer or machinery dealer for the purpose of this Title, the applicant must be actively engaged in the business of buying, selling or exchanging of heavy equipment or farm machinery and must maintain a garage to the minimum standards established by the board, and must keep employed a full-time mechanic and must be equipped to perform the usual and normal repair and servicing of heavy equipment or farm machinery; said facilities shall be upon or adjacent to a lot where selling will be done and books and records are kept and be devoted actively to the equipment business, in which the repair of said equipment is subordinate or incidental to the business of buying, selling or exchanging of the same all in accordance with the rules, regulations and standards promulgated and established by the board. The annual fee for every such certificate of registration shall be \$65. The Secretary of State shall furnish the applicant with 2 registration number plates free of cost. Upon payment of \$5 per plate, additional plates may be furnished and the number of any additional plates to be issued shall be determined by the board. Extra registration plates shall be furnished to replace lost or mutilated plates for \$1 each. On application for registration, or for additional plates applied for during the period between the first day of September and the 31st day of December in any year, $\frac{1}{2}$ of the registration fee shall be charged. Heavy equipment dealers and farm machinery dealers shall give the Secretary of State at least 30 days written notice of their intention to move their place of business, except where fire flood or other disaster has suddenly

rendered their place of business unusable, in which case they shall notify the Secretary of State as soon as possible after said disaster.

§ 332-B. Loaner plates; application; fee

New car dealers, used car dealers, body shops, transmission shops and general repair garages which find it necessary to loan cars to their customers while the customer's car is being repaired, may make application upon a blank provided by the Secretary of State for a loaner registration certificate and plate instead of registering each vehicle owned by them to be used for the loaning of such vehicles. The Secretary of State shall forthwith present said application to the board. The board if satisfied with the facts stated in the application shall order the Secretary of State to issue a certificate of registration. The annual fee for every such certificate of registration shall be \$65. The Secretary of State shall furnish the applicant with 2 registration number plates free of cost. Upon payment of \$5 per plate, additional plates may be furnished and the number of any additional plates to be issued shall be determined by the board. New car dealer or used car dealer registration holders, who find having loaner plates a necessity, may purchase the same for the cost of additional plates, without paying the loaner certificate of registration fee. On application for registration, or for additional plates applied for during the period between the first day of September and the 31st day of December in any year, $\frac{1}{2}$ of the registration fee shall be charged. Loaner plate holders shall give the Secretary of State at least 30 days written notice of their intention to move their place of business, except where fire, flood or other disaster has suddenly rendered their place of business unusable, in which case they shall notify the Secretary of State as soon as possible after said disaster.

Sec. 6. R. S., T. 29, § 334, repealed and replaced. Section 334 of Title 29 of the Revised Statutes is repealed and the following enacted in place thereof:

§ 334. Denial, suspension or revocation of plates

When the board, after examining an application for new car dealer plates, used car dealer plates, equipment dealer plates, transporter or loaner registration plates, decides to order the Secretary of State not to issue same, it shall notify said applicant in writing of its decision and of time and place of hearing when said applicant may appear and show cause why such new car dealer, used car dealer, equipment dealer, transporter or loaner registration plates should not be denied. The board may review any new car dealer, used car dealer, equipment dealer, transporter or loaner registration granted and, after notice and hearing may order the Secretary of State to suspend or revoke any such registration plates for any of the following reasons:

1. No permanent place of business; moves without notification. On proof that new car dealer, used car dealer, equipment dealer or transporter registration holder no longer maintain a permanent place of business for buying and selling motor vehicles, or moves his place of business without notifying the Secretary of State at least 30 days prior to date of move, or ceases to meet the minimum standards established by sections 331, 332 and 332-A, or set by the board. Failure to notify the Secretary of State of a move will result in a suspension until such time as an investigation has been made to determine whether the new loca-

tion meets the minimum standards established by sections 331, 332 and 332-A, or by the board.

2. Repairs. On proof that the holder of loaner plate registrations no longer maintains a permanent place of business for repairing vehicles, or moves his place of business without notifying the Secretary of State at least 30 days prior to date of move, or ceases to meet the minimum standards established by section 332-B or set by the board. Failure to notify the Secretary of State of a move may result in a suspension until such time as the investigation has been made to determine whether the new location meets the minimum standards established by section 332-B or set by the board.

3. Not actively engaged in buying and selling. On proof that the holder of a new car dealer, used car dealer or equipment dealer is no longer actively engaged in the business of buying and selling motor vehicles.

4. Repairs. On proof that the holder of loaner plates is no longer actively engaged in the business of repairing motor vehicles.

5. Records. On proof that the holder of new car dealer, used car dealer, equipment dealer or transporter plates fails to keep and submit any records provided for by law.

6. Loaning cars. On proof that the holder of loaner plates fails to retain proper records as required by section 336, subsection 10 or proof that they are loaning cars to persons other than their customers while the customer's car is in their care and custody.

7. Violating. On proof that the new car dealer, used car dealer, equipment dealer, transporter or loaner plate holder has been convicted of a violation of any of the provisions of sections 295 to 340 or of section 832.

8. Use of plates. On proof that the new car dealer, used car dealer, equipment dealer, transporter or loaner plate holders have used or permitted the use of his plate on a motor vehicle not owned or controlled by the dealer or holder of loaner or transporter plates. The use of any such plate on any vehicle shall be prima facie evidence that such was permitted by the dealer or holder of transporter or loaner plates.

9. Temporary plates. On proof that new car dealer, used car dealer, equipment dealer or transporter plate holders has issued or permitted the issuance of a temporary plate for use on motor vehicles not sold by the dealer or holder of transporter plates. The use of any such plate on any vehicle shall be prima facie evidence that such use was permitted by the dealer or holder of transporter plate.

10. Limitation of use. On proof that the holder of a transporter or loaner plate registration certificate has violated any limitations of use imposed on such certificate under sections 332 and 332-B, or by the board.

11. Selling stolen motor vehicle. On proof that new car dealer, used car dealer, equipment dealer or transporter plate holder has been knowingly selling stolen motor vehicles. In which event his registration may be revoked for a period not to exceed 5 years.

12. **Personal use.** On proof that loaner plates were used by the person to whom they were issued by the board on any car owned by him, or owned by anyone else, in lieu of registration for personal use or pleasure.

Sec. 7. R. S., T. 29, § 336, sub-§ 2, amended. Subsection 2 of section 336 of Title 29 of the Revised Statutes is amended by adding at the end the following new sentence:

If a dealer has a customer's car in his care and custody, he may allow a customer the use of one of his cars and the dealer may charge a nominal fee.

Sec. 8. R. S., T. 29, § 336, sub-§ 6, amended. Subsection 6 of section 336 of Title 29 of the Revised Statutes, as enacted by chapter 109 of the public laws of 1965, is amended to read as follows:

6. Wreckers. Notwithstanding any other provisions of this Title, anyone issued new car or used car dealer registration plates or transporter registration plates by said board shall have the right to operate his motor vehicle wrecker ~~or service automobile~~ in connection with his business on such dealer or transporter plate.

Sec. 9. R. S., T. 29, § 336, sub-§§ 7-10, additional. Section 336 of Title 29 of the Revised Statutes is amended by adding 4 new subsections, numbered 7 to 10, to read as follows:

7. Dealer plates. New car dealer and used car dealer plates may be used on any new or used automobile or motor truck, owned or controlled by the dealer when such vehicle is used:

A. In the automobile or truck business of such dealer, or

B. For the personal use of such dealer or the members of his family, or when such dealer is a corporation for the personal use of not more than 3 members of the corporation, who are actively engaged in its business, or the immediate members of their families, or for the personal use of regular employees of such dealer or corporation when operated by such employee, or

C. For teaching a new operator how to operate an automobile or motor truck, if such new operator has procured a learner's permit, and for such new operator to take an examination for an operator's license, or

D. For testing automobiles or motor trucks in the possession of such dealer, or

E. For demonstrating automobiles or motor trucks owned or controlled by such dealer and such automobiles or motor trucks as may be operated by a prospective purchaser, when licensed as an operator or permittee, provided that the person when licensed as a dealer using dealer plates, new or used car, shall not demonstrate or use a loaded truck bearing dealer plates except with a permit as stated in paragraphs A and C, or

F. For loaning as a substitute for a customer when customer's car is in for repairs, or

G. For transportation and demonstration for any type vehicle purchased for resale or taken in trade.

8. Equipment dealer plates. Equipment dealer plates shall be issued to the farm equipment and heavy equipment dealers to be used on the following new and used equipment:

- A. Motorized graders.
- B. Power shovels.
- C. Front end loaders.
- D. Backhoes.
- E. Rubber tired bulldozers.
- F. Large 4-wheel drive type trucks and snowplows.
- G. Motor cranes.
- H. Road sweepers.
- I. Sidewalk cleaners.
- J. Log skidders.
- K. Other related heavy equipment.
- L. Farm tractors.
- M. Self-propelled combines.
- N. Harvesters.
- O. Other related farm equipment.
- P. Any equipment or motor vehicle taken in trade.

A vehicle loaned by a dealer to a customer for demonstration, loaded or unloaded equipment, or emergency purposes may be operated on the registration plates of the dealer for not more than 7 consecutive days. The Secretary of State may in his discretion extend said period of 7 consecutive days to no more than 30 consecutive days whenever he finds the need for such extension is justified. This plate cannot be used for lease or hire or for pleasure.

9. Transporter plates. Transporter plates may be used for the movement of new or used mobile homes, on new or used semitrailers, by banks and finance companies to repossess and move a repossessed vehicle to a dealer or sales point, by wrecking lots for the purpose of bringing in cars or trucks which have been wrecked to be dismantled or for pulling wrecks off the highway to their own place of business, by fleet owners who do their own service and maintain shops for service of their own vehicles such as pulp and paper companies who have unregistered vehicles operating on private roads to or from service points, by body manufacturers who mount bodies and have to pick up and deliver the chassis to purchasers, by repair garages to bring unregistered vehicles to their shops for inspection and repair and for delivery of the same. Transporter

plates may not be used on towing units except on wreckers not requiring public utility plates. Transporter plates may not be used for demonstration and they may not be used in lieu of registration for personal use, personal business or personal pleasure at any time. Each use of a transporter plate shall be considered a one-time movement to or from a service point.

10. **Loaner plates.** Loaner plates may be used on a car loaned by a holder of such plate, while the customer's car is in his care and custody for the purpose of repair or overhaul. When a car is operated on a loaner plate, a complete record must be kept for inspection at any time stating the hour and date the car is loaned and when it is returned, the serial number of the car loaned, the loaner plate number and the registration number of the loanee's car in his care and custody, and he must see that the operator has a current operator's license before releasing a car to him and shall record his name and address. Loaner plates may not be used by the owner on his car or on a car owned by anyone else in lieu of registration for personal use or pleasure. A nominal fee may be charged for the use of this plate.

Sec. 10. R. S., T. 29, § 339, repealed and replaced. Section 339 of Title 29 of the Revised Statutes is repealed and the following enacted in place thereof:

§ 339. **Registration fee for manufacturer, dealer or holder of transporter registration certificate payable before January 1st**

Every manufacturer or dealer in new or used cars or motor trucks, or both, heavy equipment, farm machinery or trailers, or holders of a transporter or loaner registration certificate, boat trailer dealers or motorcycle dealers shall pay to the Secretary of State the required registration fee for the succeeding year on or before the 31st day of December annually. Any manufacturer or dealer in new or used cars or motor trucks, or both, heavy equipment, farm machinery or trailers or holders of a transporter or loaner registration certificate, boat trailer dealer or motorcycle dealer commencing business after the first day of January of any year shall pay the fee at the time of commencing business. The word "dealer" as used in this Title shall mean any person, firm or corporation which is a recognized agent of a car or motor trucks, or both, made by such manufacturer whose authority to sell the same is created by a written contract with such manufacturer or with some person authorized in writing by such manufacturer to enter into such contract, and whose principal business is the sale of new cars or motor trucks, or both, the sale of secondhand cars or motor trucks, or both, being incidental thereto. The words "used car dealer" as used in this Title shall mean any person, firm or corporation whose principal business is the buying and selling of secondhand cars or motor trucks, or both. The words "equipment dealer" as used in this Title shall mean any person, firm or corporation whose principal business is the buying and selling of heavy equipment and farm machinery.

Sec. 11. R. S., T. 29, § 340, repealed and replaced. Section 340 of Title 29 of the Revised Statutes, as amended, is repealed and the following enacted in place thereof:

§ 340. **Temporary number plates; notification; cost**

A manufacturer, new car dealer, used car dealer, equipment dealer, motorcycle

dealer or holder of a transporter registration certificate or boat trailer or trailer registration certificate may, upon the sale or exchange of a motor vehicle, boat trailer or trailer attach to rear plate holder of such motor vehicle, boat trailer or trailer a registration plate, and the purchaser of such motor vehicle, boat trailer or trailer may operate the same for a period not to exceed 10 consecutive days thereafter without payment of a regular fee. If the purchaser of such vehicle, boat trailer or trailer is a nonresident members of the Armed Services, said purchaser may operate the same for a period not to exceed 20 consecutive days thereafter without payment of a regular fee. A temporary registration plate may not be used on a loaded truck without a written permit from the Secretary of State. No manufacturer, new car dealer, used car dealer, equipment dealer, motorcycle dealer or holder of a transporter registration certificate shall attach to the rear plate holder of a house trailer or mobile home any temporary registration plate unless the operator of the vehicle hauling the trailer has in his possession the written certificate from the tax collector required by section 336, subsection 5. Temporary registration plates issued under this section for motorcycles shall be the same side as the regular motorcycle plates.

A manufacturer, new car dealer, used car dealer, equipment dealer, motorcycle dealer or holder of transporter registration certificate or boat trailer or trailer dealer registration certificate shall, upon attaching a temporary registration plate to a motor vehicle, boat trailer or trailer 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. The markings required by this paragraph to be placed on a temporary registration plate shall be made not less than one inch in height, with indelible or waterproof ink.

The Secretary of State may issue temporary registration plates to bona fide new car dealers, used car dealers, equipment dealers or holders of transporter registration certificates, boat trailer or trailer registration certificates or motorcycle dealers who request them under such rules and regulations as he shall deem necessary, and shall receive for them 50c per plate.

Sec. 12. R. S., T. 29, § 832, repealed and replaced. Section 832 of Title 29 of the Revised Statutes is repealed and the following enacted in place thereof:

§ 832. Insurance before registration for dealers and transporters

The Secretary of State shall not issue new car dealer, used car dealer, equipment dealer, transporter, loaner, motorcycle dealer or boat trailer dealer registration plates until the applicant therefor shall have procured and filed with the Secretary of State a certificate showing that the applicant is covered by an automobile bodily injury and property damage liability insurance policy providing coverage as set forth in this Title with respect to the plates issued, approved by the Insurance Commissioner, insuring against any legal liability in accordance with the terms of said policy for personal injury or death of any one person in the sum of \$10,000 and for any number of persons in the sum of \$20,000 and against property damage in the sum of \$5,000, which injury, death or damage may result from or have been caused by the operation of any vehicle bearing

such registration plates. In lieu of such insurance, the applicant may file with said Secretary of State a bond or bonds issued by a surety company authorized to do business in the State in the amount of at least \$10,000 on account of injury to or death of any one person, and subject to such limits as respects injury to or death of one person, of at least \$20,000 on account of any one accident resulting in injury to or death of more than one person, and of at least \$5,000 for damage to property of others.

The Secretary of State shall suspend, without hearing, such registration within 10 days of receipt of written notice from the company that the insurance policy or bond required has been cancelled. He shall likewise suspend said registration upon the expiration of the policy and shall not restore same until new certification of coverage is filed by the company.