

MAINE STATE LEGISLATURE

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(EMERGENCY)

ONE HUNDRED AND SEVENTH LEGISLATURE

Legislative Document

No. 10

H. P. 5

Office of the Clerk of the House

Filed November 25, 1974 under Joint Rule 6 by Mrs. Boudreau of Portland.
To be printed and delivered to the House of Representatives of the 107th
Legislature.

E. LOUISE LINCOLN, Clerk

Presented by Mrs. Boudreau of Portland.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-FIVE

**AN ACT to Clarify Motor Vehicle Finance Charges in the Maine Consumer
Credit Code.**

Emergency preamble. Whereas, Acts of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, the provisions on motor vehicle financing rates in the Maine Consumer Credit Code were drafted in terms subject to an interpretation different from what the Legislature intended with regard to interest rates; and

Whereas, such an interpretation would have a serious and harmful effect on consumers and businessmen of the State of Maine; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,

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

9-A MRSA, § 2.201, sub-§ 9, §§ A, B and C, as enacted by PL 1973, c. 762, § 1, are amended to read:

A. On any new motor vehicle designated by the manufacturer by a year model not earlier than the year in which the sale is made, ~~\$7 per \$100~~ 13% per year on the unpaid balances of the amount financed;

B. On any new motor vehicle not included in paragraph A and on any used motor vehicle designated by the manufacturer by a year model of the same or not more than 3 years prior to the year in which the sale is made, ~~\$11 per \$100~~ 20% per year on the unpaid balances of the amount financed; or

C. On any used motor vehicle not included in paragraph B, ~~\$13 per \$100~~ 23.5% per year on the unpaid balances of the amount financed.

Emergency clause. In view of the emergency cited in the preamble, this Act shall take effect when approved.

STATEMENT OF FACT

The amendment to the Maine Consumer Credit Code bill which was intended to change the financing rates for motor vehicles down to the rates provided in the current law was mistakenly drafted. These rates as now set forth in the code could be interpreted as being substantially lower than what the Legislature intended in adopting the amendment. Motor vehicle dealers cannot do business at such rates.

The purpose of this bill is to correct this problem by restating the rates at the level the Legislature intended and in the form of annual percentage rates in conformity with the rest of the code.