

MAINE STATE LEGISLATURE

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ONE HUNDRED AND EIGHTH LEGISLATURE

Legislative Document

No. 552

H. P. 446

House of Representatives, February 17, 1977

On motion of Mr. Carroll of Limerick, referred to Committee on Transportation. Sent up for concurrence and ordered printed.

EDWIN H. PERT, Clerk

Presented by Mr. Strout of Corinth.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-SEVEN

**AN ACT to Revise the Certificate of Title and Anti-theft Laws under the
Motor Vehicle Division.**

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

Sec. 1. 29 MRSA § 2352, sub-§ 3 is enacted to read:

3. **Exemption.** Owners of vehicles who are exempt from registration fees shall also be exempt from title fees.

Sec. 2. 29 MRSA § 2362, sub-§§ 8 - 10, are enacted to read:

8. **A vehicle owned by a resident of this State but registered in another;**

9. **Any house trailer even though registered in this State;**

10. **All vehicles loaned by automobile dealers to municipalities for use in driver education in the secondary schools and all motor vehicles loaned by automobile dealers to private secondary schools for use in driver education in such schools.**

Sec. 3. 29 MRSA § 2364, sub-§ 1, 1st sentence, as enacted by PL 1973, c. 586, § 1, is amended to read:

The application for the first certificate of title **in this State** of a vehicle ~~in this State~~ shall be made by the owner to the Secretary of State on the form he prescribes and shall contain:

Sec. 4. 29 MRSA § 2364, sub-§ 1, ¶ B, as enacted by PL 1973, c. 586, § 1, is amended to read:

B. A description of the vehicle including, so far as the following data exists, its make, model, **year**, identification number, type of body, the number of cylinders and whether new or used;

Sec. 5. 29 MRSA § 2364, sub-§ 2, as repealed and replaced by PL 1975, c. 745, § 18, is amended to read:

2. —**purchased from the dealer.** If the application refers to a vehicle purchased from a dealer, it shall contain the name and address of any lienholder or assignee holding a security interest created or reserved at the time of sale and the date of his security agreement and be signed by the owner and the dealer, or, in the case of a security interest created or reserved at the time of sale, the lienholder or assignee shall ~~promptly~~ **within 20 days after the time of sale** mail or deliver the application to the Secretary of State.

Sec. 6. 29 MRSA § 2372, sub-§ 5 is enacted to read:

5. **Death.** Upon the death of a married resident owner of a motor vehicle registered in this State, ownership of the vehicle shall pass to the surviving spouse whenever the estate of an individual includes an automobile as long as no will provides otherwise and permission is granted by any lienholder. Registration and title of the vehicle shall be transferred to the surviving spouse at no fee and this transaction will be exempt from the provisions of the purchase and use tax on motor vehicles.

Sec. 7. 29 MRSA § 2373, as enacted by PL 1973, c. 586, § 1, is amended to read:

§ 2373. **Resale by dealer**

If a dealer buys a vehicle and holds it for resale and procures the certificate of title from the owner or the lienholder within 10 days after delivery to him of the vehicle, he need not send the certificate to the Secretary of State but, upon transferring the vehicle to another person other than by the creation of a security interest, shall ~~promptly~~ **within 20 days of the date of the sale** execute the assignment and warranty of title by a dealer, showing the names and addresses of the transferee and of the lienholder holding a security interest created or reserved at the time of the resale and the date of his security agreement, in the spaces provided therefor on the certificate or as the Secretary of State prescribes and mail or deliver the certificate to the Secretary of State, **or in the case of a security interest created or reserved at the time of the sale, the lienholder or assignee shall within 20 days of the date of the sale mail or deliver the certificate to the Secretary of State,** with the transferee's application for a new certificate. **A dealer shall not transfer to any individual unless and until the original certificate of title is in his possession.**

Sec. 8. 29 MRSA § 2376, as enacted by PL 1973, c. 586, § 1, is amended by adding at the end the following new paragraph:

The Secretary of State may require before he issues a certificate of title that any vehicle for which an application for certificate of title is made be inspected in a manner prescribed by him for conformity to the description given in the application.

Sec. 9. 29 MRSA § 2377, last sentence, as enacted by PL 1973, c. 586, § 1, is amended to read:

A certificate of title of the vehicle shall not again be issued except upon application for certificate of title containing the information the Secretary of State requires, an application for vehicle identification number in accordance with section 103, accompanied by a certificate of inspection in the form and content specified in section 2364.

Sec. 10. 29 MRSA § 2378, as enacted by PL 1973, c. 586, § 1, is amended to read:

§ 2378. Suspension or revocation of certificate

1. Findings. The Secretary of State shall suspend or revoke a certificate of title or a certificate of registration, upon notice and reasonable opportunity to be heard in accordance with section 2354, if he finds;

A. The certificate of title or registration was fraudulently procured or erroneously issued, or

B. The vehicle has been scrapped, dismantled or destroyed, or

C. A person fails to mail or deliver an application for certificate of title within 10 days after the time required by this chapter.

2. Validity. Suspension or revocation of a certificate of title does not, in itself, affect the validity of a security interest noted on it.

3. Certificate mailed. When the Secretary of State suspends or revokes a certificate of title or certificate of registration, the owner or person in possession of it shall, immediately upon receiving notice of the suspension or revocation, mail or deliver the certificate of title or certificate of registration and registration plates to the Secretary of State.

4. Seizure. The Secretary of State or his authorized agents may seize and impound any certificate of title or certificate of registration and registration plates which ~~has~~ have been suspended or revoked.

Sec. 11. 29 MRSA § 2402, sub-§ 1, as enacted by PL 1973, c. 586, § 1, is amended to read:

1. Perfected. Unless excepted by section 2401, a security interest in a vehicle of a type for which a certificate of title is ~~required~~ issued is not valid against creditors of the owner or subsequent transferees or lienholders of the vehicle unless perfected as provided in this subchapter.

Sec. 12. 29 MRSA § 2405, as enacted by PL 1973, c. 586, § 1, is amended to read:

§ 2405. Release of security interest

Upon the satisfaction of a security interest in a vehicle for which the certificate of title is in the possession of the lienholder, he shall within 10 days after demand and, in any event, within ~~30~~ 20 days, execute a release of his security interest in the space provided therefor on the certificate and release to the next lienholder named herein, or, if none, to the owner or any person who delivers to the lienholder an authorization from the owner to receive

the certificate. The owner, other than a dealer holding the vehicle for resale, shall promptly within 20 days cause the certificate and release to be mailed or delivered to the Secretary of State, who shall release the lienholder's rights on the certificate or issue a new certificate.

Upon the satisfaction of a security interest in a vehicle for which the certificate of title is in the possession of a prior lienholder, the lienholder whose security interest is satisfied shall within 10 days after demand and, in any event, within ~~30~~ 20 days execute a release in the form the Secretary of State prescribes and deliver the release to the owner or any person who delivers to the lienholder an authorization from the owner to receive it. The lienholder in possession of the certificate of title shall ~~either deliver the certificate to the owner or the person authorized by him, for delivery, to the Secretary of State or, upon receipt of the release, mail or deliver it with the certificate to the Secretary of State~~ upon receipt of the release, either deliver the certificate and release to the owner or the person authorized by him, for delivery to the Secretary of State or mail or deliver the certificate and release to the Secretary of State, who shall release the subordinate lienholder's rights on the certificate or issue a new certificate.

Sec. 13. 29 MRSA § 2442, sub-§ 1, ¶ E is enacted to read:

E. Sells or exchanges, offers to sell or exchange or gives away any certificate of title or any manufacturer's vehicle identification number plate of any vehicle.

STATEMENT OF FACT

The purpose of this bill is to clarify and improve the administration of the Maine motor vehicle certificate of title and anti-theft provisions.