

MAINE STATE LEGISLATURE

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L.D. 1575
(Filing No. H- 348)

STATE OF MAINE
HOUSE OF REPRESENTATIVES
112TH LEGISLATURE
FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 1084, L.D. 1575, Bill, "AN ACT to Amend the Laws Related to Motor Vehicle Dealers and to Address Certain Problems Related to Motor Vehicle Auctions in Maine."

Amend the bill by striking out everything after the enacting clause and inserting in its place the following:

'Sec. 1. 29 MRSA §57, as amended by PL 1971, c. 360, §6, is further amended to read:

§57. Records open to public; complaint confidential

All records of the Secretary of State pertaining to the applications and registration of vehicles and to operators' licenses shall be open to public inspection during office hours. Complaints in writing may be regarded as confidential and certain control numbers used in the titling of motor vehicles may be regarded as confidential as well.

Sec. 2. 29 MRSA §341, sub-§5, as enacted by PL 1973, c. 529, §1, is amended to read:

5. Immediate family. "Immediate family" means wife, husband, son, or daughter, ~~son-in-law, daughter-in-law~~ residing in the same household as the dealer.

Sec. 3. 29 MRSA §341, sub-§12, as enacted by PL 1977, c. 481, §10, is amended to read:

12. Full-time salesman. "Full-time salesman" means any person who is employed by a dealer and works at his established place of business at least 30 hours per week and is a person employed by a deal-

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1 er who, under any form of contract, sells, offers for
2 sale or attempts to negotiate a sale or exchange of
3 an interest in a vehicle.

4 Sec. 4. 29 MRSA §343, sub-§1, as repealed and
5 replaced by PL 1977, c. 694, §493, is amended to
6 read:

7 1. Facilities and personnel. To qualify as a
8 dealer under this subchapter, the applicant shall
9 have and maintain at least the following facilities
10 and personnel:

11 A. Proper facilities for the display of the ve-
12 hicles being handled;

13 B. Repair department for the repair of 2 vehi-
14 cles simultaneously;

15 C. Sufficient tools and equipment for proper
16 servicing of the vehicles handled;

17 D. A suitable office from which business is con-
18 ducted and records of the business are kept; and

19 E. At least one mechanic, who may be the owner,
20 who has a thorough knowledge of the vehicles be-
21 ing handled.

22 Each licensee shall maintain a current record of all
23 full-time personnel employed at his established place
24 of business. The record shall at all times be avail-
25 able for inspection by the Secretary of State or his
26 duly authorized agents.

27 Sec. 5. 29 MRSA §343, sub-§2, as enacted by PL
28 1977, c. 694, §493, is amended to read:

29 2. Exemptions. Those who held used car registra-
30 tion plates on January 1, 1964, shall be exempt from
31 only those requirements of this section established
32 by subsection 1, paragraphs B and E. However, the ex-

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1 exemption from these requirements will expire in the
2 case of any person who held used car dealer registra-
3 tion plates on January 1, 1964, in the event that he
4 sells ~~or~~, discontinues his business or is not li-
5 censed, using these exemptions, for the year begin-
6 ning January 1, 1985.

7 Sec. 6. 29 MRSA §344, sub-§4 is enacted to read:

8 4. Surety bond. All vehicle dealers licensed
9 pursuant to this subchapter shall be required to file
10 with the Secretary of State and maintain a surety
11 bond in the amount of \$25,000 for the purpose of
12 guaranteeing title and mileage on vehicles sold.

13 Sec. 7. 29 MRSA §345, sub-§§3 and 4 are enacted
14 to read:

15 3. License; new vehicle dealer. No person may
16 engage in the business of buying, selling or offering
17 to negotiate the sale of new vehicles unless licensed
18 by the Secretary of State as a new vehicle dealer.

19 4. Failure to comply with this section. Failure
20 to comply which this section is a Class E crime.

21 Sec. 8. 29 MRSA §346, as enacted by PL 1973, c.
22 529, §1, is amended to read:

23 §346. Initial application fee

24 The initial application for a license under this
25 subchapter must be accompanied by a fee of ~~\$20~~ \$150.
26 This fee is not refundable.

27 Sec. 9. 29 MRSA §347, as amended by PL 1983, c.
28 818, §8, is further amended to read:

29 §347. License and plate fees

30 Except as sections 357 and 358 provide, the annu-
31 al fee for every license shall be ~~\$50~~ \$150. The an-

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1 nual fee for plates shall be \$20 per plate, except
2 that on application for additional plates applied for
3 during the period between the first day of September
4 and the 31st day of December in any year, 1/2 of the
5 plate fee shall be charged. Dealer plates shall be
6 valid from January 1st to December 31st in any year.
7 On and after December 25th of each calendar year, it
8 shall be lawful to use and display on motor vehicles
9 the number plates issued for the next succeeding
10 year. The dealer certificate of registration and li-
11 cense shall be displayed at the dealer's place of
12 business.

13 All branch or annex locations must be approved
14 and licensed by the Secretary of State. The annual
15 fee for each branch or annex location shall be \$75.

16 The number of dealer plates issued to each dealer
17 shall be determined by the Secretary of State.

18 Failure to comply with the provisions of this
19 section is a Class E crime.

20 Sec. 10. 29 MRSA §350-A, sub-§1, ¶¶J and K, as
21 enacted by PL 1977, c. 694, §497, are amended to
22 read:

23 J. Failure to appear at a hearing required by
24 the Secretary of State; ~~or~~

25 K. Failure to comply or to maintain compliance
26 with section 832-; or

27 Sec. 11. 29 MRSA §354, sub-§1, as amended by PL
28 1981, c. 696, §3, is further amended to read:

29 1. Vehicle manufacturers and new and used vehi-
30 cle dealers. No vehicle manufacturer, new vehicle
31 dealer or used vehicle dealer may operate or permit
32 to be operated a vehicle owned or controlled by the
33 vehicle manufacturer, new vehicle dealer or used ve-
34 hicle dealer using a dealer registration plate and no

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- 1 person shall operate a vehicle using a dealer regis-
2 tration plate except:
- 3 A. For the purpose of testing or adjusting these
4 vehicles;
- 5 A. For purposes directly connected with the
6 business of buying, selling, testing, adjusting,
7 demonstrating or exchanging those vehicles;
- 8 B. For purposes directly connected with the
9 business of buying, servicing, selling, demon-
10 strating or exchanging of those vehicles;
- 11 C. For personal use of a manufacturer or dealer.
12 There shall be no more than one dealer plate for
13 the personal use of the manufacturer or dealer
14 and no more than one dealer plate for the immedi-
15 ate family of the dealer;
- 16 D. For the use of those vehicles in funerals or
17 in public parades when no charge is made for the
18 use;
- 19 E. For the use of a full-time salesman, general
20 manager, sales manager or service manager who is
21 on the dealer's payroll, but not the immediate
22 family or members of the household of a salesman,
23 general manager, sales manager or service manag-
24 er;
- 25 F. For use by customers for the purpose of dem-
26 onstrating those vehicles for a period not to ex-
27 ceed 7 days;
- 28 G. A violation of paragraphs A to F is a traffic
29 infraction; or
- 30 H. For use of vehicles by manufacturers or deal-
31 ers provided the combined weight of the vehicle
32 and any load does not exceed 10,000 pounds.

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1 This paragraph does not apply to any vehicle
2 which, by design, exceeds 10,000 pounds without a
3 load, such as large trucks and trucks with perma-
4 nently attached equipment and dealer wreckers
5 registered pursuant to subsection 3.

6 In order for any vehicle having a net weight of
7 more than 10,000 pounds to carry a load a permit
8 must be issued pursuant to subsection 4.

9 This subsection is to be applicable to all new and
10 used car dealers and holders of transporter registra-
11 tions and plates issued pursuant to chapter 5, sub-
12 chapter III-A.

13 Anyone licensed pursuant to this subchapter as a new
14 or used vehicle dealer may attach to his service ve-
15 hicles a specially designed service vehicle plate
16 that may be used only in the direct connection of the
17 licensee's business. No new or used vehicle dealer
18 may obtain more than 3 service vehicle plates, and
19 the weight limitation for service vehicles, including
20 combined weight of vehicle and any load, shall not
21 exceed 18,000 pounds. The fee for a specially de-
22 signed service vehicle plate shall be the same as the
23 fee for wreckers, as stipulated in subsection 3.

24 Sec. 12. 29 MRSA §357, 2nd ¶, as amended by PL
25 1981, c. 456, Pt. A, §92, is further amended to read:

26 Every manufacturer or dealer in motorcycles or
27 motor driven cycles shall annually pay a fee of ~~15~~
28 \$50 for a registration certificate to handle, demon-
29 strate, sell and exchange motorcycles or motor driven
30 cycles. Upon payment of \$5 per plate, plates shall be
31 issued, the number to be determined by the Secretary
32 of State, who is authorized to prescribe reasonable
33 limitations on the use of such plates. Extra regis-
34 tration plates shall be furnished to replace lost or
35 mutilated plates for ~~1~~ \$5 each.

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1 Sec. 13. 29 MRSA §358, as amended by PL 1981, c.
2 456, Pt. A, §93, is further amended to read:

3 §358. Boat or snowmobile trailer dealers; fee

4 Every manufacturer or dealer in boat or snowmo-
5 bile trailers shall annually pay a fee of ~~\$15~~ \$50 for
6 a registration certificate to handle, demonstrate,
7 sell and exchange boat or snowmobile trailers. Upon
8 payment of \$5 per plate, plates shall be issued, the
9 number to be determined by the Secretary of State,
10 who is authorized to prescribe limitations of use of
11 such plates. Extra registration plates shall be fur-
12 nished to replace lost or mutilated plates for ~~\$2~~ \$5
13 each.

14 Sec. 14. 29 MRSA §360, first ¶, as enacted by PL
15 1973, c. 529, §1, is amended to read:

16 Garage owners, body shops, finance companies,
17 banks and ~~junk~~ salvage dealers may apply for a trans-
18 porter registration license and plates for the pur-
19 pose of transportation and delivery of vehicles owned
20 or temporarily in their custody. The holder of a
21 transporter registration plate may transport or de-
22 liver using this plate only if the vehicle is accom-
23 panied by the owner or someone in his employ. In no
24 event shall any transporter plate be used in lieu of
25 registration plates issued under this Title or be
26 loaned to any person or be used by the holder for
27 personal reasons. Transporter plates shall not be
28 used on a towing vehicle.

29 Sec. 15. 29 MRSA §361, 2nd ¶, as amended by PL
30 1975, c. 731, §31, is further amended to read:

31 A complete record must be kept at the dealer's or
32 licensee's place of business for inspection at any
33 time stating the hour and date the motor vehicle is
34 loaned and when it is returned, the serial number of
35 the motor vehicle loaned, the loaner plate number and
36 the registration number of the customer's motor vehi-

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1 cle in his care and custody and he must see that the
2 operator has a current operator's license before re-
3 leasing a vehicle to him and shall record his name
4 and address. Failure to keep such a record shall be
5 a misdemeanor. Loaner plates may not be used by the
6 registrant on his motor vehicle or on a motor vehicle
7 owned by anyone else in lieu of registration for per-
8 sonal use or pleasure.

9 Sec. 16. 29 MRSA §2352, sub-§1, as amended by PL
10 1983, c. 567, §1, is further amended to read:

11 1. Fees. The Secretary of State shall be paid
12 the following fees:

13 A. ~~§7~~ §10:

14 (1) For a certificate of search of the
15 records of the Motor Vehicle Division for
16 each name or identification number searched
17 against; and

18 (2) For a certificate of title issued pur-
19 suant to section 895-B and 2364;

20 B. ~~§7~~ §10:

21 (1) For filing an application for a first
22 certificate of title including security in-
23 terest;

24 (2) For filing notice of a security inter-
25 est after the first certificate of title has
26 been issued;

27 (3) For a certificate of title after a
28 transfer; and

29 (4) For a certificate of salvage pursuant
30 to section 2377;

31 C. ~~§6~~ §10:

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1 (1) For a corrected certificate of title or
2 certificate of salvage; and

3 (2) For duplicate certificate of title or
4 certificate of salvage pursuant to section
5 2377; and

6 D. \$2.50:

7 (1) For each subsequent security interest
8 noted upon a certificate of title;

9 (2) For filing an assignment of a security
10 interest; and

11 (3) For an ordinary certificate of title
12 issued upon surrender of a distinctive cer-
13 tificate; and

14 E. Vehicle dealers licensed pursuant to this Ti-
15 tle shall not charge, for titling purposes, fees
16 in excess of those described in this section.

17 All other fees charged for document processing
18 shall be disclosed to any purchaser prior to the
19 final sale of any vehicle.

20 Failure to comply with this subsection is a Class
21 E crime.

22 Sec. 17. 29 MRSA §2364, sub-§1, ¶B, as amended
23 by PL 1973, c. 294, §6, is further amended to read:

24 B. A description of the vehicle including, so
25 far as the following data exists, its make, mod-
26 el, model year, identification number, type of
27 body, the number of cylinders, current mileage
28 and whether new or used;

29 Sec. 18. 29 MRSA §2367, sub-§1, ¶E, as amended
30 by PL 1975, c. 745, §19, is further amended to read:

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1 E. A description of the vehicle including, ~~see~~
2 ~~for~~ insofar as the following data exists, its
3 make, model, model year designation, identifica-
4 tion number, type of body, number of cylinders,
5 whether new or used, current mileage and, if a
6 new vehicle, the date of the first sale of the
7 vehicle for use; and

8 Sec. 19. 29 MRSA §2373, as repealed and replaced
9 by PL 1983, c. 818, §25, is amended by adding after
10 the first paragraph 2 new paragraphs to read:

11 Any vehicle being sold or displayed for sale at
12 an auction, as defined by section 341, subsection 13,
13 must be accompanied by a valid certificate of title
14 at the time of its sale or display for sale.

15 Any vehicle exempt under section 2362 and any ve-
16 hicle coming from a jurisdiction which does not issue
17 certificates of title must be accompanied by any in-
18 formation and documents the Secretary of State rea-
19 sonably requires to establish the ownership of the
20 vehicle and the existence or nonexistence of a secu-
21 rity interest in it.

22 Sec. 20. 29 MRSA §2405, sub-§2, as enacted by PL
23 1981, c. 437, §25, is amended to read:

24 2. Lien satisfied; title released. If the lien
25 was satisfied in conjunction with the sale of the ve-
26 hicle and if a subordinate lienholder does not exist,
27 release the title to the owner or to any person who
28 delivers to the lienholder an authorization from the
29 owner to receive the certificate; or

30 Sec. 21. 29 MRSA §2405, sub-§3, as enacted by PL
31 1981, c. 437, §25, is repealed and the following en-
32 acted in its place:

33 3. Certificate mailed to owner and Secretary of
34 State notified. Mail or deliver this certificate to

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1 the owner named on the certificate and notify the
2 Secretary of State that the lien has been satisfied.
3 The notification shall be issued in a manner pre-
4 scribed by the Secretary of State.

5 Sec. 22. 29 MRSA §2442, sub-§4 is enacted to
6 read:

7 4. Vehicles to become property of State; dispos-
8 al. As stipulated in this chapter, impounded vehi-
9 cles that are unclaimed, recovered stolen or
10 unidentifiable shall become the property of the State
11 and the Secretary of State shall dispose of those ve-
12 hicles in the following manner.

13 A. The Secretary of State shall notify within 10
14 days, after impoundment, by registered or certi-
15 fied mail, return receipt requested, the last
16 known owner and all lienholders of record pursu-
17 ant to this chapter, "Title of Motor Vehicles."
18 The notice shall describe the year, make, model
19 and vehicle identification number, if known. The
20 notice shall state that the failure of the owner
21 or lienholders to exercise their rights to re-
22 claim the vehicle within 30 days from receipt of
23 notice shall be deemed a waiver by the owner or
24 lienholders of all rights, title and interest in
25 the vehicle.

26 B. After the notification, the Secretary of
27 State may, in his discretion, dispose of the ve-
28 hicle at a public auction.

29 Sec. 23. 29 MRSA §2452, as amended by PL 1983,
30 c. 818, §28, is further amended to read:

31 §2452. License fees

32 The initial application for a license under this
33 subchapter shall be accompanied by a ~~\$20~~ \$150
34 nonrefundable application fee. The application fee
35 for every license issued under this subchapter shall

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1 be ~~\$50~~ \$150, except those businesses licensed by the
2 Secretary of State as new car, used car and equipment
3 dealers pursuant to chapter 5, subchapter III-A, will
4 be exempt from an additional ~~\$50~~ \$150 license fee.

5 Sec. 24. Allocation. The following funds are
6 allocated from the Highway Fund to carry out the pur-
7 poses of this Act.

8		<u>1985-86</u>	<u>1986-87</u>
9	<u>SECRETARY OF STATE,</u>		
10	<u>DEPARTMENT OF</u>		
11	Division of Motor Vehicles		
12	Administration, Motor Vehicle		
13	Positions	(15)	(15)
14	Personal Services	\$236,299	\$334,518
15	All Other	70,486	93,981
16	Capital Expenditures	<u>41,156</u>	<u> </u>
17	Total	\$347,941	\$428,499

18 FISCAL NOTE

19 The various license and fee increases included in
20 this bill are expected to raise Highway Fund revenues
21 by approximately \$807,278 in fiscal year 1986 and
22 \$1,076,370 in fiscal year 1987.

23 The Division of Motor Vehicles estimates that it
24 will need 15 positions to carry out the purposes of
25 this bill. Highway Fund allocations of \$347,941 in
26 fiscal year 1986 and \$428,499 in fiscal year 1987
27 will be needed.'

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STATEMENT OF FACT

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The purpose of this amendment is to restructure

3

fees and to eliminate proposed provisions which have

4

been already addressed in other legislation.

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Reported by the Committee on Transportation
Reproduced and distributed under the direction of the
Clerk of the House

6/6/85

(Filing No. H-348)