

MAINE STATE LEGISLATURE

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FIRST REGULAR SESSION

ONE HUNDRED AND THIRTEENTH LEGISLATURE

Legislative Document

NO. 181

H.P. 140 House of Representatives, February 3, 1987
Reference to the Committee on Transportation suggested
and ordered printed.

EDWIN H. PERT, Clerk
Presented by Representative MACOMBER of South Portland.
Cosponsored by Representative STROUT of Corinth.

STATE OF MAINE

IN THE YEAR OF OUR LORD
NINETEEN HUNDRED AND EIGHTY-SEVEN

1 AN ACT to Amend the Title Laws of Maine.
2

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

5 Sec. 1. 29 MRSA §1, sub-§10-C, as enacted by PL
6 1979, c. 464, §1, is amended to read:

7 10-C. Rebuilt vehicles. "Rebuilt vehicles" means
8 ~~meter~~ vehicles that have been reconstructed in a way
9 to change the original steering, ~~brakes~~ braking
10 system, power train, suspension system or ~~original~~
11 body design. Repairs to ~~meter~~ vehicles that replace
12 parts with similar parts shall not be deemed recon-
13 struction, unless these parts are component parts as
14 defined by chapter 21. Rebuilt vehicles include, but
15 are not limited to, dune buggies, street rods, pas-
16 senger cars converted to pickup trucks and manufac-

1 tured vehicle bodies mounted on other manufactured
2 chassis.

3 Sec. 2. 29 MRSA §2351, sub-§1-A, as enacted by
4 PL 1983, c. 314, §2, is amended to read:

5 1-A. Component part. "Component part" means any
6 part of a vehicle, other than a tire, having a manu-
7 facturer's identification number or an identification
8 number issued by the Secretary of State of the fol-
9 lowing parts of a vehicle: Engine or motor; transmis-
10 sion; chassis, frame or equivalent part; door; hood;
11 tailgate, deck lid or hatchback; quarter panel and
12 fender. Motorcycle component parts include the front
13 fork and crankcase and in the case of a truck, in-
14 clude the cargo bed.

15 Sec. 3. 29 MRSA §2351, sub-§1-B is enacted to
16 read:

17 1-B. Dismantled vehicle. "Dismantled vehicle"
18 means a vehicle with any component part removed.

19 Sec. 4. 29 MRSA §2351, sub-§2, as enacted by PL
20 1973, c. 586, §1, is amended to read:

21 2. Identification number. "Identification num-
22 ber" means the vehicle identification number and any
23 other numbers and letters, if any, on a vehicle des-
24 ignated by a manufacturer or the Secretary of State
25 or other equivalent authority in another state for
26 the purpose of identifying the vehicle.

27 Sec. 5. 29 MRSA §2351, sub-§5-B, as enacted by
28 PL 1983, c. 476, §1, is amended to read:

29 5-B. Recycler. "Recycler" means a person engaged
30 in the business of dismantling, destroying, scrapping
31 or storing vehicles for the purpose of reselling any
32 of their usable parts or acquiring vehicles for the
33 benefit of their parts or the materials in them, in-
34 cluding the rebuilding or repairing of salvage vehi-
35 cles.

36 Sec. 6. 29 MRSA §2351, sub-§5-C, as enacted by
37 PL 1983, c. 476, §1, is amended to read:

1 5-C. Salvage vehicle. "Salvage vehicle" means a
2 vehicle which has no marketable value other than the
3 value of the basic materials and parts used in the
4 construction of the vehicle, including, but not limited
5 to, engine, engine compartment, transmission,
6 passenger compartment, truck cab, left door assembly,
7 frame and dash assemblies or a vehicle, by reason of
8 its condition or circumstance, which is declared a
9 total loss by an insurer or owner.

10 Sec. 7. 29 MRSA §2351, sub-§§5-D and 5-E are en-
11 acted to read:

12 5-D. Rebuilt vehicle. "Rebuilt vehicle" means a
13 vehicle in which any component part has been re-
14 placed.

15 5-E. Scrap processor. "Scrap processor" means a
16 person engaged in the business of scrapping, com-
17 pressing or destroying salvage vehicles for the basic
18 material in them, but who is not engaged in the busi-
19 ness of selling parts or rebuilding or repairing sal-
20 vage vehicles.

21 Sec. 8. 29 MRSA §2363, 3rd ¶, as enacted by PL
22 1973, c. 586, §1, is repealed.

23 Sec. 9. 29 MRSA §2364, sub-§2, as repealed and
24 replaced by PL 1983, c. 818, §23, is amended to read:

25 2. Purchased from the dealer. If the applica-
26 tion refers to a vehicle purchased from a dealer, it
27 shall contain the name and address of any lienholder
28 or assignee holding a security interest created or
29 reserved at the time of sale and the date of his se-
30 curity agreement and be signed by the owner and the
31 dealer. If there is no lienholder or assignee, the
32 dealer shall, within 20 days after the time of sale,
33 mail or deliver the application to the Secretary of
34 State. If there is a security interest created or
35 reserved at the time of sale, the dealer shall, with-
36 in ~~10~~ 20 days after the time of sale, mail or deliver
37 the original application to the lienholder or assign-
38 ee. The lienholder or assignee shall mail or deliver
39 that original application to the Secretary of State
40 within ~~10~~ 20 days after receiving it from the dealer.

1 Sec. 10. 29 MRSA §2364, sub-§4, as enacted by PL
2 1981, c. 110, §12, is amended to read:

3 4. Vehicle declared total loss. If a vehicle, by
4 reason of its condition or circumstance, is declared
5 a total loss by an owner or insurer, the insurance
6 company or any first person who purchases or acquires
7 such a vehicle for operation on the highways to be
8 repaired or rebuilt for operation on the highway
9 highways shall file an application for certificate of
10 salvage pursuant to section 2377. The application
11 shall contain or be accompanied by:

12 A. A certificate of title or, manufacturer's
13 certificate of origin or certificate of salvage;
14 and

15 B. Any other information or documents the Secre-
16 tary of State reasonably requires.

17 Sec. 11. 29 MRSA §2373, first ¶, as repealed and
18 replaced by PL 1983, c. 818, §25, is repealed and the
19 following enacted in its place:

20 Except as required by section 2377, subsection 2,
21 if a dealer holds a vehicle for resale and procures
22 the certificate of title or certificate of salvage
23 from the owner or the lienholder within 20 days after
24 delivery to him of the vehicle, he need not send the
25 certificate to the Secretary of State but, upon
26 transferring the vehicle to another person other than
27 by the creation of a security interest, shall, within
28 20 days of the date of the transfer, execute the as-
29 ignment and warranty of title by a dealer, showing
30 the names and addresses of the transferees in the
31 spaces provided on the certificate or as the Secre-
32 tary of State prescribes, and mail or deliver the
33 certificate to the Secretary of State with the
34 transferee's application for a new certificate of title.
35 If a security interest is created or reserved
36 at the time of the transfer, the dealer shall mail or
37 deliver the certificate to the lienholder or assignee
38 within 20 days of the transfer with the transferee's
39 application for a new certificate of title. The
40 lienholder or assignee shall, within 20 days of re-
41 ceipt of the certificate and application, mail or de-
42 liver the certificate and application to the Secre-

1 tary of State. A dealer may not transfer the vehicle
2 to any person unless he has a properly assigned cer-
3 tificate of title or certificate of salvage in his
4 possession or unless such certificate is forthcoming
5 from a lienholder who shall release the certificate
6 to the dealer in accordance with section 2405. A
7 dealer may not transfer a salvage vehicle to any per-
8 son unless a certificate of salvage has been issued
9 for that vehicle.

10 Sec. 12. 29 MRSA §2377, sub-§1, as amended by PL
11 1983, c. 476, §3, is repealed and the following en-
12 acted in its place:

13 1. Assignment of ownership. When a vehicle, as
14 defined by section 1, subsection 20, is, by reason of
15 condition or circumstance declared a salvage vehicle,
16 as defined by this chapter, by an insurer or owner,
17 the insurance company or its authorized agent or, if
18 uninsured, the owner shall endorse the assignment of
19 ownership on the certificate of salvage and surrender
20 it to the buyer of the salvage vehicle. The salvage
21 vehicle may not again be titled or registered for op-
22 eration on the highways of this State or be offered,
23 advertised or exposed for sale unless there is com-
24 pliance with subsection 3.

25 Sec. 13. 29 MRSA §2377, sub-§2, as amended by PL
26 1983, c. 476, §4, is further amended to read:

27 2. Surrender and cancellation of certificate.
28 Surrender and cancellation of a certificate shall
29 conform to the following.

30 A. An owner who scraps, dismantles, compresses
31 or destroys a vehicle in this State shall surren-
32 der the certificate of title or certificate of
33 salvage issued in this State or any other state
34 to the Secretary of State for cancellation at the
35 time he scraps, dismantles, compresses or de-
36 stroys the vehicle.

37 B. Any person who purchases or acquires a vehi-
38 cle to be scrapped, dismantled, compressed or de-
39 stroyed in this State shall immediately surrender
40 the certificate of title or certificate of sal-
41 vage issued by this State or any other state to
42 the Secretary of State for cancellation.

1 C. Any person who repairs or rebuilds for opera-
2 tion on the highway a vehicle which, by reason of
3 its condition or circumstance, has been declared
4 purchases or acquires a salvage vehicle, as de-
5 defined by this chapter, by an owner or insurance
6 company, for operation on the highways or to be
7 repaired or rebuilt for operation on the highways
8 shall comply with subsection 3 and shall:

9 (1) If the vehicle was not previously in-
10 sured, obtain the certificate of title from
11 the owner of the vehicle and make applica-
12 tion for certificate of salvage in accord-
13 ance with section 2364; or

14 (2) If the vehicle was previously insured,
15 obtain a certificate of salvage from the in-
16 surance company if a certificate of salvage
17 was last issued in this State or in another
18 jurisdiction whose laws require the issuance
19 of certificates of salvage; or, if no cer-
20 tificate of salvage was issued by another
21 jurisdiction for a vehicle last registered
22 and titled there, obtain a certificate of
23 title from the insurance company and, in ac-
24 cordance with section 2364, make application
25 for certificate of salvage in this State.

26 Sec. 14. 29 MRSA §2377, sub-§3, as amended by PL
27 1983, c. 476, §5, is repealed and the following en-
28 acted in its place:

29 3. Titling and registering. If a vehicle, which
30 was declared a salvage vehicle, as defined by this
31 chapter, by an owner or by an insurance company, is
32 purchased or acquired for operation on the highways
33 or is repaired or rebuilt for operation on the high-
34 ways, the vehicle may not be issued a certificate of
35 salvage or registered for operation in this State un-
36 less:

37 A. The identification number of the vehicle and
38 its component parts are inspected for identity,
39 and a licensed inspection station certifies that
40 the vehicle is able to pass a safety inspection
41 in accordance with the Maine motor vehicle in-
42 spection laws;

1 B. If necessary, the Secretary of State assigns
2 a new vehicle identification number to the vehi-
3 cle upon application for a vehicle identification
4 number in accordance with section 103. A new ve-
5 hicle identification number must be assigned if
6 damage or the repairing or rebuilding process
7 causes removal of the vehicle's original public
8 vehicle identification number from any location
9 or if the vehicle is an altered vehicle in ac-
10 cordance with section 2504, subsection 2; and

11 C. Upon demand of the Secretary of State or his
12 authorized agents, a repairer or rebuilder
13 produces receipts of purchase of the vehicle or
14 for component parts used in the repairing or re-
15 building process, or both, and provides the vehi-
16 cle identification number of the vehicles from
17 which used parts were taken.

18 Sec. 15. 29 MRSA §2406, as enacted by PL 1973,
19 c. 586, §1, is amended to read:

20 §2406. Lienholder to furnish information

21 A lienholder named in a certificate of title
22 shall, upon written request of the owner ~~or~~, of an-
23 other lienholder named on the certificate or of a
24 dealer to which the vehicle has been transferred,
25 disclose any pertinent information as to his security
26 agreement on the indebtedness secured by it and, not-
27 withstanding section 57, may reveal certificate of
28 title or certificate of salvage numbers.

29 Sec. 16. 29 MRSA §2442, sub-§3, as amended by PL
30 1985, c. 429, §22, is further amended to read:

31 3. Vehicle identification numbers. Every manu-
32 facturer or assembler of a vehicle sold in this State
33 shall provide that vehicle with a vehicle identifica-
34 tion number and shall upon request supply the Secre-
35 tary of State, or his designee, and the Chief of
36 State Police, or his designee, with all available in-
37 formation concerning the location or locations of ev-
38 ery vehicle identification number and other identify-
39 ing numbers on that vehicle. The Secretary of State
40 may refuse to register or issue a certificate of ti-

1 tle for any vehicle made by a manufacturer or assem-
2 bler who fails to comply with this section. The con-
3 tent of the vehicle identification number for any mo-
4 tor vehicle shall conform with the requirements of
5 the Federal Government.

6 Sec. 17. 29 MRSA §2448, as enacted by PL 1983,
7 c. 476, §6, is amended to read:

8 §2448. License required

9 No person may engage in business as a salvage ve-
10 hicle dealer, recycler or as a ~~repairer~~ scrap
11 processor without having been issued a license under
12 this subchapter. The terms of each license shall be
13 for the period beginning from the date of issuance of
14 that license and ending on the 31st day of December
15 next following.

16 A person is engaged in the business of salvage
17 vehicles, as a recycler or as a ~~repairer~~ scrap
18 processor when that person ~~is in the business of buy-~~
19 ing more than 5 purchases or acquires salvage vehi-
20 cles within a 12-month period for the purpose of re-
21 selling component parts or rebuilding or repairing
22 salvage vehicles for the purpose of resale, or for
23 the purpose of selling the basic materials in the
24 salvage vehicles; or when that person sells component
25 parts or basic materials from salvage vehicles, or
26 permits the display of salvage vehicles or parts
27 thereof upon premises owned or controlled by him.
28 Failure to obtain such a license is a Class E crime.

29 Sec. 18. 29 MRSA §2451, sub-§2, ¶C, as enacted
30 by PL 1983, c. 476, §6, is amended to read:

31 C. Whether the applicant has been found guilty
32 of any ~~felony~~ criminal offense within the past 5
33 years ~~involving moral turpitude, or for any~~
34 ~~misdeemeanor~~ concerning fraud or conversion, or
35 suffering has suffered any judgment in any civil
36 action involving fraud, misrepresentation or con-
37 version and, in. In the case of a corporation or
38 partnership, the application shall provide the
39 information required in this subsection for all
40 directors, officers or partners;

1 Sec. 19. 29 MRSA §2453, sub-§2, as enacted by PL
2 1983, c. 476, §6, is repealed and the following en-
3 acted in its place:

4 2. Renewal application. The Secretary of State,
5 after a thorough investigation, shall act upon an ap-
6 plication for renewal of a motor vehicle dealer's li-
7 cence within 90 days after receipt of the applica-
8 tion, by renewing that license or refusing to grant
9 the license. If the Secretary of State refuses to
10 renew a recycler's or scrap processor's license, no-
11 notice will be given to that applicant that an opportu-
12 nity for hearing before the Secretary of State or his
13 deputy will be provided upon request to show cause
14 why that renewal should be issued.

15 The records and the established place of business
16 shall at all times be available for inspection by the
17 Secretary of State, his duly authorized agents or the
18 Chief of the State Police or his designee.

19 Sec. 20. 29 MRSA §2455, sub-§1, ¶F, as enacted
20 by PL 1983, c. 476, §6, is repealed and the following
21 enacted in its place:

22 F. Having been convicted of any fraudulent act
23 in connection with the business of selling motor
24 vehicles or has suffered any judgment in any civ-
25 il action involving fraud, misrepresentation or
26 conversion;

27 Sec. 21. 29 MRSA §2455, sub-§1, ¶G, as enacted
28 by PL 1983, c. 476, §6, is amended to read:

29 G. Any violation of Title 5, sections 206 to
30 212, unfair trade practices law, or violation of
31 Title 17, section 3203 or a violation of Title
32 30, chapter 215, subchapter I;

33 Sec. 22. 29 MRSA §2456, as enacted by PL 1983,
34 c. 476, §6, is amended to read:

35 §2456. Suspension and revocation

36 Notwithstanding Title 4, section 1151, subsection
37 2, and Title 5, sections 10003 and 10051, the Admin-

1 administrative Court or the Secretary of State may sus-
2 pend, revoke or deny any license, registration or
3 renewal issued pursuant to this subchapter.

4 STATEMENT OF FACT

5 Section 1 clarifies the definition of rebuilt ve-
6 hicles and makes it consistent with the usage of re-
7 built vehicles in the Maine Revised Statutes, Title
8 29, chapter 21.

9 Section 2 clarifies the definition of component
10 part by specifying what vehicle parts are component
11 parts.

12 Section 3 enacts a definition of dismantled vehi-
13 cle for use in Title 29, chapter 21.

14 Section 4 clarifies the definition of identifica-
15 tion number.

16 Section 5 defines the term "recycler."

17 Section 6 expands the definition of salvage vehi-
18 cle.

19 Section 7 enacts definitions of rebuilt vehicle
20 and scrap processor for use in Title 29, chapter 21.

21 Section 8 repeals the requirements of noting on a
22 registration whether or not a title has been issued.

23 Section 9 gives dealers and lienholders 20 days
24 to process title applications.

25 Section 10 amends certificate of salvage proce-
26 dures so that the first person acquiring a salvage
27 vehicle must apply for a salvage certificate instead
28 of an insurance company.

29 Section 11 makes Title 29, section 2373 consist-
30 ent with section 2364, subsection 2 and with proposed
31 amendments to section 2377.

1 Sections 12, 13 and 14 follow the procedure out-
2 lined in section 10 and gives requirements which must
3 be met before a salvage vehicle can be titled, regis-
4 tered or sold.

5 Section 15 allows a lienholder to give lien in-
6 formation and a title number to a vehicle dealer.

7 Section 16 allows vehicles to have a nonconform-
8 ing vehicle identification number, but keeps federal
9 approval for all motor vehicles.

10 Section 17 clarifies who is required to have a
11 salvage recycler or scrap processor license.

12 Sections 18 to 20 and 22 make recycler and scrap
13 processor licensing procedures parallel with vehicle
14 dealer licensing procedures.

15 Section 21 allows the Secretary of State to take
16 action against recyclers and scrap processors for vi-
17 olations of Title 30, chapter 215, subchapter I, Au-
18 tomobile Junkyards.

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