

MAINE STATE LEGISLATURE

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L.D. 1892

(Filing No. S- 505)

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**STATE OF MAINE
SENATE
114TH LEGISLATURE
SECOND REGULAR SESSION**

COMMITTEE AMENDMENT " A " to S.P. 717, L.D. 1892, Bill, "An Act to Amend the Definition of Dealer Under the Used Car Information Laws"

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

Sec. 1. 10 MRSA §1471, sub-§2, as amended by PL 1989, c. 198, §1, is further amended to read:

2. Dealer. "Dealer" means and includes a natural person, firm, corporation, partnership and any other legal entity that is engaged in the business of selling, offering for sale or negotiating the sale of used motor vehicles, except ~~auetioneers~~ auetioneers auction businesses licensed by the Secretary of State and includes the officers, agents and employees thereof. "Dealer" also includes, but is not limited to, persons licensed to engage in the business of selling, offering for sale or negotiating the sale of used motor vehicles in states other than this State, finance companies, and banks, except when the finance company or bank engages in the wholesale sale of a repossessed vehicle through an auction business licensed by the Secretary of State or to a vehicle dealer licensed by the Secretary of State, car rental companies and insurance companies that sell or transfer title to used motor vehicles within the State at licensed auction locations in this State or by any other means. "Dealer" does not include departments or agencies of the State when selling, offering for sale or negotiating the sale of used state-owned motor vehicles.

2 **Sec. 2. 10 MRSA §1475, sub-§2, ¶F**, as amended by PL 1985, c.
265, §2, is further amended to read:

4 F. A statement, if applicable, disclosing that the vehicle
6 was returned to the manufacturer, its agent or authorized
8 dealer, for its nonconformity with express warranties. The
 statement shall must identify the nature of the
 nonconformities; and

10 **Sec. 3. 10 MRSA §1475, sub-§2, ¶G**, as enacted by PL 1985, c.
12 265, §3, is amended to read:

14 G. The Division of Motor Vehicles may promulgate rules
16 related to this section including, but not limited to, rules
18 establishing uniform disclosure forms and stickers. The
20 Division of Motor Vehicles may include in any such rule
22 establishing uniform disclosure forms and stickers any
24 information which that the Federal Trade Commission requires
26 to be disclosed on a sticker pursuant to the Motor Vehicle
 Trade Regulation Rule, published in 16 Code of Federal
 Regulations, Part 455, except that the Division of Motor
 Vehicles shall may not include in any such uniform
 disclosure form or sticker information from the Federal
 Trade Commission rule which that conflicts in any manner
 with the information required by this section; and

28 **Sec. 4. 10 MRSA §1475, sub-§2, ¶H** is enacted to read:

30 H. If the vehicle is repossessed, a statement identifying
 this fact.

32 **Sec. 5. 10 MRSA §1475, sub-§3**, as amended by PL 1989, c. 198,
34 §2, is further amended to read:

36 **3. Written statement.** A dealer shall obtain from the
38 seller of a used motor vehicle a written statement containing the
 following information:

40 A. The make, model, model year and any identification or
 serial numbers of the motor vehicle;

42 B. The name and address of the seller, the principal use to
44 which the motor vehicle was put by the seller, such as
 personal transportation, police car, daily rental car, taxi
 or other descriptive term;

46 C. A statement identifying any and all mechanical defects
48 known to the seller at the time of sale; and

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2 D. A statement identifying the type of damage, if any, that
the vehicle has sustained, such as fire, water or
4 substantial collision damage, if such information is known
to the seller.

6 Any dealer who offers for sale to consumers a repossessed vehicle
that has been obtained by the dealer through a wholesale
8 transaction is not subject to the provisions of this subsection.

10 The seller of the used motor vehicle shall sign this written
statement and the dealer who buys the vehicle shall maintain a
12 record of it for one year following the sale of the motor vehicle.

14 The word "seller," as used in this subsection, includes any
person who sells a used motor vehicle to a dealer, including, but
16 not limited to, individuals, other new or used motor vehicle
dealers and insurance companies.

18 As used in subsections 2 and 3, "substantial collision damage"
20 means any damage to a motor vehicle from a collision when the
costs of repair of that damage, at the time of repair, including
22 replacement of mechanical and body parts, exceeded by 3 times the
amount of damage that would at the time of the collision have
24 required a report of the collision to a law enforcement agency
under the provisions of Title 29, section 891.'

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STATEMENT OF FACT

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32 The original bill exempted finance companies and banks who
are selling repossessed cars from the requirement that used cars
must pass inspection and from the requirement of reporting prior
34 damages. This amendment exempts those institutions when they are
wholesaling these cars, but not when they are selling them at
36 retail.

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This amendment additionally requires that repossessed cars
offered for sale at retail be identified as repossessed and
40 removes the selling dealers from the responsibility of obtaining
a statement of damages and defects from the previous owner.

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Reported by Senator Baldacci for the Committee on Business
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