

MAINE STATE LEGISLATURE

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OK
H. of S.

L.D. 1930

(Filing No. S-475)

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STATE OF MAINE
SENATE
114TH LEGISLATURE
SECOND REGULAR SESSION

COMMITTEE AMENDMENT "A" to S.P. 731, L.D. 1930, Bill, "An Act to Amend the Motor Vehicle Title Laws"

Amend the bill in section 9 by striking out all of the amending clause and inserting in its place the following:

'Sec. 9. 29 MRSA §2374, sub-§2, as enacted by PL 1973, c. 586, §1, is amended to read:'

Further amend the bill in section 9 in subsection 2 by inserting after the 2nd sentence the following:

'If the last certificate of title or certificate of salvage is not available to the lienholder or transferee, the lienholder may transfer the vehicle by executing an assignment in the space provided on the certificate of lien. The lienholder may also apply for a certificate of title or certificate of salvage in the lienholder's name, and transfer the vehicle by executing an assignment on the space provided on the certificate of title or certificate of salvage.'

Further amend the bill in section 11 in subsection 4 in the first line (page 4, line 23 in L.D.) by striking out the following: "**Endorsement or new**" and inserting in its place the following: '**New**'

Further amend the bill in section 12 in that part designated "**§2405.**" in the last paragraph in the 9th line (page 5, line 18 in L.D.) by striking out the following: "certificate" and inserting in its place the following: 'release'

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COMMITTEE AMENDMENT "A" to S.P. 731, L.D. 1930

2 Further amend the bill in section 12 in that part designated
"§2405." in the last paragraph by striking out the 2nd sentence
4 (page 5, lines 18 to 26 in L.D.) and inserting in its place the
following:

6 ~~'The lienholder in possession of the certificate of title~~
shall, ~~upon receipt of the release, either deliver the~~
8 ~~certificate and release to the owner or the person authorized by~~
him, ~~for delivery to the Secretary of State or mail or deliver~~
10 ~~the certificate and release to the Secretary of State, who shall~~
release the subordinate lienholder's rights on the certificate or
12 ~~issue a new certificate.~~ The subordinate lienholder whose
security interest is satisfied shall mail or deliver a copy of
14 the release to the first lienholder named in the certificate of
title or certificate of salvage for the vehicle and shall notify
16 the Secretary of State that the lien has been satisfied in a
manner prescribed by the Secretary of State.'

18 Further amend the bill by inserting at the end before the
20 statement of fact the following:

22 'Sec. 13. Allocation. The following funds are allocated from
the Highway Fund to carry out the purposes of this Act.

24
26 **1990-91**
28 **SECRETARY OF STATE, DEPARTMENT OF THE**
Administration - Motor Vehicles

30 All Other \$72,629
32 Provides funds for anticipated postage, data
34 processing and other related expenses
36 associated with the mailing of a certificate
of lien.

38 **Sec. 14. Effective date.** This Act takes effect January 1, 1991.

40 **FISCAL NOTE**

42 Enactment of this bill would require a Highway Fund
44 allocation to the Department of the Secretary of State, Division
of Motor Vehicles, in the amount of \$72,629 for fiscal year
46 1990-91. This allocation would provide funds for anticipated
expenses associated with mailing a certificate of lien to 210,521
48 lienholders. The costs would be for the data processing,
postage, forms and envelopes associated with the proposed
50 mailing.'

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STATEMENT OF FACT

This amendment retains the original intent of the bill to modify the procedure for recording a lien on a motor vehicle. The certificate of title would list the lienholders, but be mailed to the owner. A certificate of lien would be mailed to the lienholder or lienholders.

The amendment adds a provision to the Maine Revised Statutes, Title 29, section 2374, which states that lienholders may dispose of a repossessed vehicle using a certificate of lien if the title to the vehicle is unavailable.

The amendment to Title 29, section 2465 clarifies the process a subordinate lienholder must use in releasing a lien while a first lien is still in effect.

The amendment also adds a fiscal note and an allocation for fiscal year 1990-91 of \$72,629 from the Highway Fund to the Department of the Secretary of State, Division of Motor Vehicles, for anticipated expenses of mailing the certificates of lien.

Finally, the amendment makes technical corrections and sets an effective date of January 1, 1991.

Reported by Senator Twitchell for the Committee on Transportation.
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