

# MAINE STATE LEGISLATURE

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# 114th MAINE LEGISLATURE

## SECOND REGULAR SESSION - 1990

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Legislative Document

No. 1930

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S.P. 731

In Senate, December 13, 1989

Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 26.

Received by the Secretary of the Senate on December 13, 1989. Referred to the Committee on Transportation and 1,600 ordered printed pursuant to Joint Rule 14.

A handwritten signature in cursive script that reads "Joy J. O'Brien".

JOY J. O'BRIEN  
Secretary of the Senate

Presented by Senator DUTREMBLE of York.

Cosponsored by Representative MACOMBER of South Portland.

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STATE OF MAINE

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IN THE YEAR OF OUR LORD  
NINETEEN HUNDRED AND NINETY

---

An Act to Amend the Motor Vehicle Title Laws.

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

2  
3 Sec. 1. 29 MRSA §2352, sub-§1, ¶C, as amended by PL 1985, c.  
4 401, §16, is further amended to read:

6 C. §10:

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

10 (2) For a duplicate certificate of title or  
11 certificate of salvage pursuant to section 2377; and

12 (3) For a duplicate certificate of lien;

14  
16 Sec. 2. 29 MRSA §2364, sub-§2, as amended by PL 1987, c. 485,  
17 §9, is further amended to read:

18  
19 2. Purchased from the dealer. If the application refers to  
20 a vehicle purchased from a dealer, it shall contain the name and  
21 address of any lienholder or assignee holding a security interest  
22 created or reserved at the time of sale and the date of his the  
23 security agreement and be signed by the owner and the dealer. If  
24 there is no lienholder or assignee, the The dealer shall, within  
25 20 days after the time of sale, mail or deliver the application  
26 to the Secretary of State. If there is a security interest  
27 created or reserved at the time of sale, the dealer shall, within  
28 20 days after the time of sale, mail or deliver the original  
29 application to the lienholder or assignee. The lienholder or  
30 assignee shall mail or deliver that original application to the  
31 Secretary of State within 20 days after receiving it from the  
32 dealer.

34 Sec. 3. 29 MRSA §2368, as amended by PL 1981, c. 110, §22, is  
35 repealed and the following enacted in its place:

36 **§2368. Mailing certificate**

38  
39 The certificate of title or certificate of salvage must be  
40 mailed to the owner named on either certificate. A certificate  
41 of lien must be mailed to the first lien holder named on the  
42 certificate of title or certificate of salvage. The certificate  
43 of lien must contain the same information required to be on the  
44 certificate of title by section 2367, subsection 1, and a place  
45 for the release of each lien.

46  
47 Sec. 4. 29 MRSA §2371, sub-§1, as amended by PL 1981, c. 110,  
48 §25, is further amended to read:

49 1. Application. If a certificate is lost, stolen,  
50 mutilated or destroyed or becomes illegible, the first lienholder  
51 or, if none, the owner or legal representative of the owner named  
52

2 in the certificate, as shown by the records of the Secretary of  
4 State, shall promptly make application for and may obtain a  
6 duplicate upon furnishing information satisfactory to the  
8 Secretary of State. The duplicate certificate of title or  
10 certificate of salvage shall contain the legend, "This is a  
12 duplicate certificate and may be subject to the rights of a  
14 person under the original certificate." It shall be mailed to the  
first-lienholder named on it or, if none, to the owner named on  
the certificate unless that owner gives written authorization to  
mail the certificate to another person. If a certificate of lien  
has been lost, stolen, mutilated or destroyed or becomes  
illegible, the first lienholder shown on the certificate may  
apply for and obtain a duplicate upon furnishing information  
satisfactory to the Secretary of State.

16 **Sec. 5. 29 MRSA §2372, sub-§1**, as amended by PL 1989, c. 481,  
18 Pt. A, §30, is further amended to read:

20 **1. Transfer; owner.** If an owner transfers interest in a  
22 vehicle, other than by the creation of a security interest, the  
24 owner shall, at the time of delivery of the vehicle, execute an  
26 assignment and warranty of title to the transferee in the space  
28 provided therefor on the certificate or as the Secretary of State  
30 prescribes, including the odometer information required by  
section 364-A, and cause the certificate and assignment to be  
mailed or delivered to the transferee or to the Secretary of  
State. Except as provided in section 2373, an owner must provide  
the transferee with a properly released certificate of lien if a  
certificate was issued to any lienholder listed on the owner's  
title or salvage certificate.

32 **Sec. 6. 29 MRSA §2372, sub-§2**, as enacted by PL 1973, c. 586,  
34 §1, is amended to read:

36 **2. Transfer.** Upon request of the owner or transferee, a  
38 lienholder in possession of the certificate of title, certificate  
of salvage or certificate of lien shall, unless the transfer was  
40 a breach of his the security agreement, either deliver the  
42 certificate to the transferee for delivery to the Secretary of  
44 State or, upon receipt from the transferee of the owner's  
assignment, the transferee's application for a new certificate  
and the required fee, mail or deliver them to the Secretary of  
State. The delivery of the certificate does not affect the rights  
of the lienholder under his a security agreement.

46 **Sec. 7. 29 MRSA §2373, first ¶**, as repealed and replaced by PL  
48 1987, c. 485, §11, is repealed and the following enacted in its  
place:

50 If a dealer holds a vehicle for resale, upon transferring  
52 the vehicle to another person the dealer, within 20 days of the  
date of the transfer, must execute a transfer of ownership on the

2 certificate of title or certificate of salvage to the vehicle, or  
3 as the Secretary of State prescribes, and must mail or deliver  
4 the certificate to the Secretary of State with the transferee's  
5 application for a new certificate. If a security interest is  
6 created or reserved at the time of the transfer, the dealer must  
7 state the security interest on the application for a certificate  
8 of title or certificate of salvage and mail or deliver a copy of  
9 the application to the first lienholder or assignee shown on the  
10 application. A dealer may not transfer the vehicle to any person  
11 unless the dealer has a properly assigned certificate of title or  
12 certificate of salvage in the dealer's possession, unless the  
13 certificate is forthcoming from a lienholder who releases the  
14 certificate under section 2405. If the title to the vehicle  
15 being held by the dealer for resale shows an unreleased security  
16 interest, the dealer may not transfer the vehicle to any person  
17 without a properly released certificate of lien, unless the  
18 certificate is forthcoming from a lienholder who releases the  
19 certificate under section 2405.

20 **Sec. 8. 29 MRSA §2374, sub-§1, as amended by PL 1981, c. 110,**  
21 **§30, is further amended to read:**

22  
23 **1. Other than voluntary transfer.** If the interest of an  
24 owner in a vehicle passes to another, other than by voluntary  
25 transfer, the owner must surrender the title immediately to the  
26 transferee or to the Secretary of State. The transferee  
27 shall, except as provided in subsection 2, promptly mail or  
28 deliver to the Secretary of State the last certificate of title  
29 or certificate of salvage, if available, proof of the transfer  
30 and his application for a new certificate in the form the  
31 Secretary of State prescribes.

32  
33 **Sec. 9. 39 MRSA §2374, sub-§2, as enacted by PL 1973, c. 586,**  
34 **§1, is amended to read:**

35  
36 **2. Interest terminated.** If the interest of the owner is  
37 terminated or the vehicle is sold under a security agreement by a  
38 lienholder named in the certificate of title or certificate of  
39 salvage, the owner must immediately surrender the title to the  
40 lienholder or to the Secretary of State if it is in the owner's  
41 possession. The transferee shall promptly mail or deliver to the  
42 Secretary of State the last certificate of title or certificate  
43 of salvage, his if available, an application for a new  
44 certificate in the form the Secretary of State prescribes and an  
45 affidavit made by or on behalf of the lienholder that the vehicle  
46 was repossessed and that the interest of the owner was lawfully  
47 terminated or sold pursuant to the terms of the security  
48 agreement. If the lienholder succeeds to the interest of the  
49 owner and holds the vehicle for resale, he the lienholder need  
50 not secure a new certificate of title or certificate of salvage,  
51 but, upon transfer to another person, shall promptly mail or  
52 deliver to the transferee or to the Secretary of State the

2 certificate of title or certificate of salvage showing the lien  
3 to be released or a certificate of lien properly released, the  
4 affidavit and other documents required to be sent to the  
Secretary of State by the transferee.

6 **Sec. 10. 29 MRSA §2376, first ¶**, as enacted by PL 1973, c. 586,  
7 §1, is amended to read:

8  
9 The Secretary of State upon receipt of a properly assigned  
10 certificate of title or certificate of salvage, with an  
11 application for a new certificate of ~~title~~, the required fee and  
12 any other documents required by law, shall issue a new  
13 certificate of title or certificate of salvage in the name of the  
14 transferee as owner and mail that certificate to the ~~first~~  
15 ~~lienholder--named--in--it--or,--if--none,--to--the~~ owner. If a  
16 lienholder is named on the certificate of title or certificate of  
17 salvage, the Secretary of State must mail a certificate of lien  
18 to the first named lienholder.

20 **Sec. 11. 29 MRSA §2403, sub-§4**, as enacted by PL 1973, c. 586,  
21 §1, is amended to read:

22  
23 **4. Endorsement or new certificate.** Upon receipt of the  
24 certificate of title or certificate of salvage, the application  
25 and the required fee, the Secretary of State shall ~~either endorse~~  
26 ~~the certificate or~~ issue a new certificate containing the name  
27 and address of the new lienholder, and mail the certificate to  
28 the owner and a certificate of lien to the first lienholder named  
29 in it on that certificate.

30  
31 **Sec. 12. 29 MRSA §2405**, as amended by PL 1985, c. 401, §§20  
32 and 21, is further amended to read:

34 **§2405. Release of security interest**

35  
36 Upon the satisfaction of a security interest in a vehicle  
37 for which the certificate of title, certificate of salvage or  
38 certificate of lien is in the possession of the lienholder, he  
39 the lienholder shall, within 10 days after demand and, in any  
40 event, within 20 days, execute a release of ~~his~~ the security  
41 ~~interest~~ interest in the space provided on the certificate. The  
42 lienholder shall:

44 **1. Release of certificate to lienholder.** Release the  
45 certificate of title, certificate of salvage or certificate of  
46 lien to the subordinate lienholder if one was named in the  
47 certificate;

48  
49 **2. Lien satisfied; certificate released.** If the lien was  
50 satisfied in conjunction with the sale of the vehicle and if a  
51 subordinate lienholder does not exist, release the certificate of  
52 title, certificate of salvage or certificate of lien to the owner

2 or to any person who delivers to the lienholder an authorization  
from the owner to receive the certificate; or

4 **3. Certificate mailed to owner and Secretary of State**  
**notified.** Mail or deliver this certificate to the owner named on  
6 the certificate and notify the Secretary of State that the lien  
has been satisfied. The notification shall be issued in a manner  
8 prescribed by the Secretary of State.

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

### 28 STATEMENT OF FACT

30 This bill makes a number of changes concerning motor vehicle  
32 titles, security interests, lien procedures and documentation.