MAINE STATE LEGISLATURE

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115th WAINE LEGISLATURE

FIRST REGULAR SESSION-1991

Legislative Document

No. 860

H.P. 600

House of Representatives, February 27, 1991

Reference to the Committee on Business Legislation suggested and ordered printed.

EDWIN H. PERT, Clerk

Presented by Representative MAYO of Thomaston.
Cosponsored by Representative STEVENS of Sabattus, Senator CONLEY of Cumberland and Representative ERWIN of Rumford.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED AND NINETY-ONE

An Act to Amend the Warranty and Disclosure Requirements Applicable to Certain Sellers of Repossessed Vehicles.



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

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Sec. 1. 10 MRSA §1475, sub-§2-A, as enacted by PL 1989, c. 878, Pt. F, §3, is amended by amending the last blocked paragraph to read:

Any dealer who offers for sale to the consuming public a repossessed vehicle that has been obtained by the dealer through a wholesale transaction any transaction other than a retail sale and who meets the warranty and disclosure requirements of section 1474 and subsection 1 and this subsection has no other liability under this chapter, except for any additional warranties negotiated between the dealer and the consumer.

Sec. 2. 10 MRSA §1475, sub-§3, as amended by PL 1989, c. 684, §5, is further amended by amending the 4th blocked paragraph from the end to read:

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

STATEMENT OF FACT

The 1989 amendments to the Maine Revised Statutes, Title 10, chapter 217, make clear that a financial institution that repossesses a motor vehicle in accordance with a note and security agreement and sells it to a consumer is subject to the requirements of the warranty and disclosure laws in that chapter. When a vehicle is repossessed, however, the financial institution often is unable to obtain information necessary to comply with the laws. The 1989 amendments recognize problems faced by the seller of a repossessed vehicle when the seller obtains that vehicle from the financial institution repossessed it. The amendments do not, however, provide the same benefits to the financial institution that, instead of selling the vehicle to a dealer in a wholesale transaction, chooses to sell the vehicle itself. This bill treats such a financial institution on an equal basis with a dealer who obtains a repossessed vehicle from a financial institution and subsequently sells it to a consumer.

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