

MAINE STATE LEGISLATURE

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115th MAINE LEGISLATURE

SECOND REGULAR SESSION-1992

Legislative Document

No. 2112

H.P. 1500

House of Representatives, January 7, 1992

Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 26.
Reference to the Committee on Transportation suggested and ordered printed.

A handwritten signature in cursive script that reads "Ed Pert".

EDWIN H. PERT, Clerk

Presented by Representative MACOMBER of South Portland.

Cosponsored by Representative STROUT of Corinth, Senator THERIAULT of Aroostook
and Representative BAILEY of Township 27.

STATE OF MAINE

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

An Act to Amend the Motor Vehicle Salvage Laws.



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

2
4 **Sec. 1. 29 MRSA §2364, sub-§4**, as amended by PL 1987, c. 485,
§10, is further amended to read:

6 **4. Vehicle declared total loss.** If a vehicle, by reason of
8 its condition or circumstance, is declared a total loss by an
owner or insurer, the ~~insurance-company~~ insurer or ~~any person who~~
10 ~~purchases or acquires such a vehicle for operation on the highway~~
owner shall file an application for certificate of salvage
12 pursuant to section 2377. The application ~~shall contain or~~ must
be on a form prescribed by the Secretary of State and be
accompanied by:

14 A. A certificate of title or manufacturer's certificate of
16 origin; and

18 B. Any other information or documents the Secretary of
State reasonably requires; and

20 C. The required fee.

22 **Sec. 2. 29 MRSA §2373, 2nd ¶**, as enacted by PL 1985, c. 401,
24 §19, is amended to read:

26 Any A vehicle being sold or displayed for sale at an
28 auction, as defined by section 341, subsection 13, must be
accompanied by a valid certificate of title at the time of its
30 sale or display for sale. A salvage vehicle sold or displayed
for sale at an auction or insurance salvage pool, as described in
section 2448, must be accompanied by a valid certificate of
salvage at the time of its sale or display for sale, unless it is
accompanied by a certificate of title from a jurisdiction that
does not issue certificates of salvage.

36 **Sec. 3. 29 MRSA §2377, sub-§1**, as repealed and replaced by PL
1987, c. 485, §12, is amended to read:

38 **1. Certificate of salvage.** When a vehicle, ~~as defined in~~
40 ~~section 1, subsection 20,~~ for which a certificate of title has
been issued by this State is declared, by reason of condition or
42 circumstance, a salvage vehicle, as defined by this chapter, by
an insurer ~~or owner~~, the ~~insurance company~~ insurer or its
44 authorized agent ~~or, if uninsured, the owner~~ shall ~~endorse the~~
~~assignment of ownership on the certificate of title or~~
46 ~~certificate of salvage and~~ surrender it ~~to the buyer of the~~
salvage vehicle certificate of title to the Secretary of State
48 and apply for a certificate of salvage, in accordance with
section 2364, within 20 days of the settlement of the insurance
50 claim. When the owner of a vehicle for which a certificate of

2 title has been issued by this State declares a vehicle, by reason
4 of its condition or circumstance, a salvage vehicle, the owner
6 shall surrender the certificate of title to the Secretary of
8 State and apply for a certificate of salvage in accordance with
10 section 2364 prior to transfer of the vehicle, unless the owner
12 transfers the vehicle to a salvage dealer or recycler licensed
14 under this chapter. At the time the salvage vehicle is
16 transferred, the insurer, the insurer's authorized agent or the
18 owner shall endorse the assignment of ownership on the
20 certificate of salvage and surrender it to the transferee of the
22 salvage vehicle. If a vehicle owner retains a salvage vehicle as
24 part of a settlement with an insurer, the insurer shall comply
26 with this subsection and endorse the assignment of ownership on
28 the certificate of salvage and surrender it to the vehicle
30 owner. The salvage vehicle may not again be titled or registered
32 for operation on the highways of this State, unless there is
34 compliance with subsection 3.

36 **Sec. 4. 29 MRSA §2377, sub-§2, as amended by PL 1987, c. 485,**
38 **§13, is further amended to read:**

40 **2. Surrender and cancellation of certificate.** Surrender and
42 cancellation of a certificate shall must conform to the
44 following.

46 A. An owner who scraps, dismantles, compresses or destroys
48 a vehicle in this State shall surrender the certificate of
title or certificate of salvage issued in this State or any
other state to the Secretary of State for cancellation at
the time he the owner scraps, dismantles, compresses or
destroys the vehicle.

B. Any A person who purchases or acquires a vehicle to be
scrapped, dismantled, compressed or destroyed in this State
shall immediately surrender the certificate of title or
certificate of salvage issued by this State or any other
state to the Secretary of State for cancellation. If an
owner transfers a vehicle, for which a certificate of
salvage has not been issued, to a salvage dealer or recycler
licensed under this chapter, the vehicle is deemed declared
by the owner to be a salvage vehicle, and the salvage dealer
or recycler shall immediately apply for a certificate of
salvage for the vehicle in accordance with section 2364,
unless the vehicle's certificate of title is surrendered in
compliance with this subsection.

C. Any person who repairs or rebuilds for operation on the
highway a vehicle which that, by reason of its condition or
circumstance, has been declared a salvage vehicle, as

2 defined by this chapter, by an owner or insurance company, shall
3 comply with subsection 3 and shall:

4 (1) If the vehicle was not previously insured, obtain
5 the certificate of title from the owner of the vehicle
6 and make application for certificate of salvage in
7 accordance with section 2364; or

8 (2) If the vehicle was previously insured, obtain a
9 certificate of salvage from the insurance company if a
10 certificate of salvage was last issued in this State or
11 in another jurisdiction whose laws require the issuance
12 of certificates of salvage; or, if no certificate of
13 salvage was issued by another jurisdiction for a
14 vehicle last registered and titled there, obtain a
15 certificate of title from the insurance company and, in
16 accordance with section 2364, make application for
17 certificate of salvage in this State.

18
19 **Sec. 5. 29 MRSA §2377, sub-§3, ¶C, as enacted by PL 1981, c.**
20 **110, §34, is amended to read:**

21
22 C. Upon demand of the Secretary of State or his-authorized
23 agents a transferee, a repairer or rebuilder produces shall
24 produce receipts of purchase of the vehicle or for component
25 parts used in the repairing or rebuilding process, or both.
26 If new parts are not used to rebuild a salvage vehicle, the
27 rebuilder shall produce the vehicle identification number of
28 the vehicles from which the parts were taken and the
29 certificates of title or the certificates of salvage for the
30 vehicles if not already surrendered. The repairer or
31 rebuilder shall disclose, in writing, to the transferee of a
32 repaired or rebuilt salvage vehicle the fact that the
33 vehicle was a salvage vehicle and shall disclose what
34 repairs were made to the vehicle.

35
36 **Sec. 6. 29 MRSA §2377, sub-§6, as enacted by PL 1987, c. 485,**
37 **§14, is amended to read:**

38
39 **6. Distinctive.** The following legends shall apply to title
40 certificates and of title issued subsequent to issuance of
41 certificates of salvage for vehicles.

42
43 A. The legend "salvage" shall must appear on a salvage
44 certificate of title if:

45
46 (1) A vehicle has no marketable value other than the
47 value of the basic materials or parts used in the
48 construction of the vehicle;

2 (2) A vehicle is sold with a stipulation that it is
only to be used for the benefit of its parts; or

4 (3) A certificate of title ~~or certificate of salvage~~
has previously been issued by the Secretary of State or
6 by any other state jurisdiction bearing the legend
"salvage;" "salvage" accompanies an application to the
8 State for a subsequent certificate of title.

10 B. The legend "rebuilt salvage" shall must appear on a
salvage certificate of title for a rebuilt salvage vehicle
12 if:

14 (1) Two or more vehicles with different frames are
joined; ~~or~~

16 (2) A salvage vehicle has 5 or more component parts
18 replaced; or

20 (3) A certificate of title with the legend "rebuilt
salvage" issued by the Secretary of State or by any
22 other jurisdiction accompanies an application to the
State for a subsequent certificate of title.

24 C. The legend "rebuilt" shall must appear on a salvage
26 certificate of title for a rebuilt salvage vehicle if a
~~salvage vehicle has at least one, but less than 5, component~~
28 ~~parts replaced; and;~~

30 (1) A salvage vehicle has at least one, but less than
5, component parts replaced; or

32 (2) A certificate of title with the legend "rebuilt"
34 issued by the Secretary of State or by any other
jurisdiction accompanies an application to the State
36 for a subsequent certificate of title.

38 D. If a salvage vehicle, for which a state certificate of
salvage title has been issued by this State with any of the
40 legends described in this section, is subsequently titled in
another state jurisdiction and later retitled in this State,
42 any subsequent state certificate of title ~~certificate shall~~
from this State must also contain the legends appearing on
44 the ~~original state~~ previous certificate of title from this
State.

46

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STATEMENT OF FACT

4 This bill requires an insurer to obtain a certificate of
6 salvage within 20 days of settling a total loss claim on a
8 vehicle. It also requires any person who acquires a salvage
10 vehicle to obtain a certificate of salvage if one has not already
12 been issued and the vehicle is to be repaired for use on the
road. A person who repairs or rebuilds a salvage vehicle is
required to disclose any repairs made to the transferee of the
vehicle. The bill also clarifies the legends that must appear on
certificates of salvage and subsequently issued Maine titles.