

MAINE STATE LEGISLATURE

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119th MAINE LEGISLATURE

FIRST REGULAR SESSION-1999

Legislative Document

No. 2149

H.P. 1506

House of Representatives, April 5, 1999

An Act to Amend Motor Vehicle Title Laws.

Submitted by the Secretary of State pursuant to Joint Rule 204.
Reference to the Committee on Transportation suggested and ordered printed.

A handwritten signature in black ink that reads "Joseph W. Mayo".

JOSEPH W. MAYO, Clerk

Presented by Representative WHEELER of Eliot.
Cosponsored by Senator O'GARA of Cumberland and
Representatives: BOUFFARD of Lewiston, COLLINS of Wells, FISHER of Brewer, JABAR
of Waterville, SANBORN of Alton, SAVAGE of Union, WHEELER of Bridgewater.

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

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Sec. 1. 29-A MRSA §602, sub-§13, as amended by PL 1995, c. 482, Pt. A, §8, is further amended to read:

13. Salvage vehicle. "Salvage vehicle" means a vehicle that, by reason of its condition or circumstance, including but not limited to fire, theft, collision, vandalism or water damage, is declared a ~~total-loss~~ salvage vehicle, which may be rebuilt for highway use, by an insurer or owner or is transferred to a recycler ~~or salvage-dealer,~~ or a vehicle for which a certificate of salvage has been issued.

Sec. 2. 29-A MRSA §602, sub-§19, as enacted by PL 1993, 683, Pt. A, §2 and affected by Pt. B, §5, is amended to read:

19. Total loss. "Total loss" means a vehicle that is ~~transferred to an insurer due to damage, destruction or theft,~~ has sustained damages equivalent to 80% or more of the fair market value for that vehicle immediately prior to that damage, including but not limited to fire, theft, collision, vandalism or water damage as determined by the insurer or a vehicle determined by an owner to have no marketable value other than the value of the basic material and parts used in the construction of the vehicle. Total loss vehicles are considered unrebuildable vehicles unless otherwise determined by the Secretary of State.

Sec. 3. 29-A MRSA §602, sub-§§21 and 22 are enacted to read:

21. Unrebuildable vehicle. "Unrebuildable vehicle" means a vehicle that is declared a total loss by the insurer or the owner and may not be rebuilt for highway use. Unrebuildable vehicles are suitable for parts only and may not be registered or titled.

22. Certificate. "Certificate" means certificate of title, certificate of salvage, certificate of origin, certificate of total loss or certificate of lien, unless the context otherwise indicates or unless a particular type of certificate is specified.

Sec. 4. 29-A MRSA §651, sub-§4, as enacted by PL 1993, c. 683, Pt. A, §2 and affected by Pt. B, §5, is amended to read:

4. Certificate of salvage. The Secretary of State may issue a certificate of salvage upon surrender of a certificate of title and evidence that a vehicle was declared a ~~total-loss~~ salvage vehicle by an owner or an insurance company.

Sec. 5. 29-A MRSA §651, sub-§5, as amended by PL 1995, c. 645, Pt. A, §6 and affected by §18, is further amended to read:

2 **5. Certificate of lien.** The Secretary of State shall
assign a lien to the first named lienholder, when a certificate
~~of title or a certificate of salvage~~ names a lienholder.

4 **Sec. 6. 29-A MRSA §651, sub-§6** is enacted to read:

6 **6. Certificate of total loss.** The Secretary of State may
8 issue a certificate of total loss upon surrender of a certificate
of title or certificate of salvage and evidence that a vehicle
10 was declared a total loss by an owner or an insurance company.

12 **Sec. 7. 29-A MRSA §651-A**, as enacted by PL 1995, c. 645, Pt.
A, §7, is amended to read:

14 **§651-A. Require certificate**

16 Notwithstanding any other provision of this Title, the
18 Secretary of State may require a certificate ~~of lien, certificate~~
~~of title or certificate of salvage~~ when necessary to perfect a
20 lien.

22 **Sec. 8. 29-A MRSA §652, first ¶**, as enacted by PL 1993, c. 683,
Pt. A, §2 and affected by Pt. B, §5, is amended to read:

24 A certificate ~~of title or a certificate of salvage~~ is not
26 required for:

28 **Sec. 9. 29-A MRSA §654, sub-§3, ¶¶A and B**, as enacted by PL
1993, c. 683, Pt. A, §2 and affected by Pt. B, §5, are amended to
30 read:

32 A. A certificate ~~of title or a certificate of salvage~~
issued by that jurisdiction; and

34 B. The ~~certificate~~ attestation of a person authorized by
36 the Secretary of State that the identification number of the
vehicle has been inspected and found to conform to the
38 description given in the application, or other proof of the
identity of the vehicle required by the Secretary of State.

40 **Sec. 10. 29-A MRSA §654, sub-§4**, as amended by PL 1997, c.
42 437, §15, is further amended to read:

44 **4. Vehicle declared salvage vehicle or total loss.** If a
vehicle is declared a salvage vehicle or total loss by an owner
46 or insurer, the owner or insurer shall file an application for a
certificate ~~of salvage~~ pursuant to section 667. The application
48 must be on a form prescribed by the Secretary of State and, in
addition to the requirements set forth in subsection 1, must
50 include:

- 2 A. A certificate of title or a certificate of origin; and
4 B. Any other information or documents the Secretary of
6 State requires to administer the provisions of this section.

8 The Secretary of State shall act on an application for a
10 certificate of salvage or certificate of total loss within 20
12 days of receipt of an application submitted in accordance with
14 section 603, subsection 3-A or section 655.

16 **Sec. 11. 29-A MRSA §655, sub-§1**, as enacted by PL 1993, c.
18 683, Pt. A, §2 and affected by Pt. B, §5, is amended to read:

20 **1. Application for certificate.** The owner of a vehicle who
22 is unable to obtain a certificate ~~of origin, certificate of~~
24 ~~title, certificate of salvage~~ or an assignment of these documents
26 showing sale to the owner may file with the Secretary of State an
28 application for a certificate in the owner's name. The
30 application must be accompanied by the required fee.

32 **Sec. 12. 29-A MRSA §655, sub-§3, ¶B**, as enacted by PL 1993, c.
34 683, Pt. A, §2 and affected by Pt. B, §5, is amended to read:

36 B. Notify the prior owner, at the prior owner's last known
38 address, of the Secretary of State's intent to issue a
40 certificate ~~of title or a certificate of salvage~~ to the new
42 owner.

44 **Sec. 13. 29-A MRSA §655, sub-§4**, as enacted by PL 1993, c.
46 683, Pt. A, §2 and affected by Pt. B, §5, is amended to read:

48 **4. Issuance of certificate to new owner.** The Secretary of
50 State shall issue a certificate ~~of title or certificate of~~
salvage to the new owner:

A. If the prior owner or holder of the document remits the
document and properly assigns it to the new owner; or

B. When the prior owner or holder fails to provide the
document or make the necessary assignment, if:

(1) The prior owner or holder does not contest, within
15 days of receiving notice, the intent to issue a
certificate to the new owner;

(2) There is satisfactory proof of ownership; and

(3) The certificate includes the statement: "This
certificate may be subject to the rights of a prior
owner."

2 **Sec. 14. 29-A MRSA §655, sub-§5**, as amended by PL 1997, c.
437, §16, is further amended to read:

4 **5. Delivery.** The certificate ~~of title or certificate of~~
6 salvage must be sent to the owner named on the certificate. If a
lienholder is named on the certificate, the Secretary of State
8 shall send ~~a~~ the certificate ~~of title or certificate of salvage~~
to the first named lienholder.

10 **Sec. 15. 29-A MRSA §656**, as enacted by PL 1993, c. 683, Pt.
12 A, §2 and affected by Pt. B, §5, is amended to read:

14 **§656. Secretary of State to check identification number**

16 Upon receiving an application for a certificate ~~of title or~~
18 ~~certificate of salvage~~, the Secretary of State shall check the
identification number in the application against the records of
certificates issued and of stolen or converted vehicles.

20 **Sec. 16. 29-A MRSA §657**, as amended by PL 1995, c. 645, Pt.
22 A, §8 and affected by §18, is further amended to read:

24 **§657. Issuance of certificate**

26 The Secretary of State shall issue a certificate ~~of title or~~
28 ~~certificate of salvage~~ as provided in this section.

30 **1. Original certificate.** When satisfied of an
application's genuineness and regularity and that the applicant
is entitled to a certificate, the Secretary of State shall issue
32 an original certificate ~~of title or certificate of salvage~~.

34 **2. Assignment of title.** The Secretary of State, upon
receipt of a properly assigned certificate ~~of title or~~
36 ~~certificate of salvage~~ with an application for a new certificate,
the required fee and any other documents required by law, shall
38 issue a new certificate ~~of title or certificate of salvage~~ in the
name of the transferee as owner and mail that certificate to the
40 owner. If a lienholder is named on the certificate ~~of title or~~
~~certificate of salvage~~, the Secretary of State must mail ~~a~~ the
42 certificate ~~of lien, certificate of title or certificate of~~
salvage to the first named lienholder.

44 **3. New certificate.** The Secretary of State may issue a new
46 certificate ~~of title or certificate of salvage~~ as provided in
section 655.

48 **4. Involuntary transfer.** The Secretary of State, upon
50 receipt of an application for a new certificate ~~of title~~ by a

2 transferee other than by voluntary transfer, with proof of the
transfer, the required fee and any other documents required by
4 law, shall issue a new certificate of title in the name of the
transferee as owner. If the outstanding certificate of title is
6 not delivered to the Secretary of State, the Secretary of State
shall demand the outstanding certificate of title from the holder.

8 5. **Records.** The Secretary of State shall maintain a record
of issued certificates of title and salvage, which must be
10 recorded:

- 12 A. Under a distinctive title number assigned to the vehicle;
- 14 B. Under the identification number of the vehicle;
- 16 C. Alphabetically, under the name of the owner; and
- 18 D. By any other method.

20 6. **Inspection.** Before a certificate of title or a
certificate of salvage is issued, the Secretary of State may
22 require that a vehicle be inspected for conformity to the
description given in the application.

24 7. **Mailing of certificate.** The Secretary of State shall
26 mail a certificate of title or certificate of salvage to the
owner named on the certificate. ~~The Secretary of State shall~~
28 ~~also mail a certificate of lien, certificate of title or~~
~~certificate of salvage to the first lienholder named on the~~
30 ~~certificate. If a lienholder is named on the certificate, the~~
Secretary of State must mail the certificate to the first named
32 lienholder.

34 **Sec. 17. 29-A MRSA §658**, as amended by PL 1997, c. 776, §24,
is further amended to read:

36 **§658. Information contained on certificates**

38 1. **Contents.** A certificate of title or salvage must
40 contain the following information:

- 42 A. The date issued;
- 44 B. The name and address of the owner;
- 46 C. The names and addresses of lienholders, in the order of
priority as shown on the application or prior certificate;
- 48 D. The title number assigned to the vehicle;
- 50 E. A description of the vehicle, including its make, model,
52 model year designation, identification number, type of body,

2 whether new, used, rebuilt, ~~repaired~~ total loss or salvage,
current mileage and, if a new vehicle, the date of the first
4 sale of the vehicle for use. If the vehicle is a motor
home, the chassis identification number must be used and the
6 manufacturer's identification number, make, name and model
year must be designated by the Secretary of State on the
certificate; or

8
F. Any other data the Secretary of State prescribes to
10 administer this section.

12 **2. Distinctive certificate.** Unless a bond is filed as
provided in section 659, a distinctive certificate ~~of title~~ must
14 be issued for a vehicle that was last registered in another
jurisdiction that does not require that lienholders be named on a
16 certificate ~~of title~~.

18 The certificate ~~of title~~ must contain the statement: "This
vehicle may be subject to an undisclosed lien."

20
22 If no notice of a security interest in the vehicle is received
within 4 months from the issuance of the distinctive certificate
24 ~~of title~~, the Secretary of State shall, on application and
surrender of the distinctive certificate ~~of title~~, issue a
26 certificate ~~of title~~ in ordinary form.

28 **3. Forms.** The certificate ~~of title or certificate of~~
salvage must contain ~~forms~~ areas for the assignment and warranty
of title by the owner or a dealer and may contain ~~forms for an~~
30 ~~application for a certificate of title by a transferee,~~ an area
for the naming of a lienholder or the assignment or release of
32 the security interest, or a repossession section.

34 **4. Prima facie evidence.** A certificate ~~of title or~~
~~certificate of salvage~~ is prima facie evidence of the information
36 appearing on it.

38 **5. Levies.** A certificate ~~of title or certificate of~~
salvage is not subject to garnishment, attachment, execution or
40 other judicial process. This does not prevent a lawful levy upon
the vehicle.

42
Sec. 18. 29-A MRS §659, as enacted by PL 1993, c. 683, Pt.
44 A, §2 and affected by Pt. B, §5, is amended to read:

46 **§659. Withholding of certificate; bond required**

48 **1. Action by Secretary of State.** If the Secretary of State
is not satisfied as to ownership of the vehicle or the absence of
50 security interests, the Secretary of State may register the
vehicle but must either:

2 A. Withhold a certificate ~~of title or certificate of~~
3 salvage until the applicant presents documents to satisfy
4 the Secretary of State as to ownership and the absence of
5 undisclosed security interests; or

6 B. Require the applicant to file a bond executed by the
7 applicant that is:

10 (1) Either accompanied by a deposit of cash or
11 executed by a person authorized to conduct a surety
12 business in this State;

14 (2) In an amount equal to 1 1/2 times the value of the
15 vehicle as determined by the Secretary of State; and

16 (3) Conditioned to indemnify a prior or subsequent
17 owner or lienholder against any expense, loss or
18 damage, including reasonable attorney's fees, by reason
19 of the issuance of the certificate or on account of any
20 defect in or undisclosed security interest in the
21 interest of the applicant to the vehicle.

24 **2. Recovery of bond for breach.** An interested person may
25 recover on a bond required under this section for a breach of its
26 conditions, but the aggregate liability of the surety to all
27 persons may not exceed the amount of the bond.

28 **3. Return of bond or deposit.** Unless the Secretary of
29 State has been notified of the pendency of an action to recover
30 against the bond, a bond or deposit required under this section
31 must be returned at the end of 3 years or earlier, if the vehicle
32 is no longer registered in this State and the current certificate
33 ~~of title or salvage~~ is surrendered to the Secretary of State.

36 **Sec. 19. 29-A MRSA §660**, as amended by PL 1995, c. 482, Pt.
37 A, §13, is further amended to read:

38 **§660. Refusal of certificate**

40 The Secretary of State shall refuse to issue a certificate
41 ~~of title or salvage~~ or may withdraw an application for a
42 certificate ~~of title or salvage~~ if the required fee is not paid
43 or if the Secretary of State has reason to believe that:

46 **1. Applicant not owner.** The applicant is not the owner of
47 the vehicle;

48 **2. False statement.** The application contains a false or
49 fraudulent statement; or

2 **3. Insufficient information.** The application fails to
3 furnish required information or documents or additional
4 information the Secretary of State reasonably requires.

6 **Sec. 20. 29-A MRSA §661**, as enacted by PL 1993, c. 683, Pt.
7 A, §2 and affected by Pt. B, §5, is amended to read:

8 **§661. Duplicate certificate**

10 **1. Application.** If a certificate ~~of title or certificate~~
11 ~~of salvage~~ is lost, stolen, mutilated or destroyed or becomes
12 illegible, the owner or legal representative of the owner named
13 in the certificate, as shown by the records of the Secretary of
14 State, shall promptly make application for and may obtain a
15 duplicate upon furnishing information satisfactory to the
16 Secretary of State. A duplicate certificate ~~of title or~~
17 ~~certificate of salvage~~ must contain the legend, "This is a
18 duplicate certificate and may be subject to the rights of a
19 person under the original certificate." It must be mailed to the
20 owner named on the certificate unless that owner gives written
21 authorization to mail the certificate to another person. ~~If a~~
22 ~~certificate of lien has been lost, stolen, mutilated or destroyed~~
23 ~~or becomes illegible, the first lienholder shown on the~~
24 ~~certificate may apply for and obtain a duplicate upon furnishing~~
25 ~~information satisfactory to the Secretary of State. If a~~
26 lienholder is shown on the certificate, the duplicate must be
27 mailed to the first lienholder.

30 **2. Time.** The Secretary of State may not issue a duplicate
31 until 15 days after receipt of the application.

32 **3. Surrender of original.** A person recovering an original
33 certificate for which a duplicate has been issued shall promptly
34 surrender the original to the Secretary of State. Violation of
35 this subsection is a Class E crime.

38 **Sec. 21. 29-A MRSA §662, sub-§2**, as enacted by PL 1993, c.
39 683, Pt. A, §2 and affected by Pt. B, §5, is amended to read:

40 **2. Delivery of certificate by lienholder.** Unless the
41 transfer was a breach of the security agreement, upon request of
42 the owner or transferee, a lienholder in possession of the
43 certificate ~~of title, certificate of salvage or certificate of~~
44 ~~lien~~ shall deliver a certificate to the transferee or, upon
45 receipt of the assignment, the application for a new certificate
46 and the fee, the lienholder shall deliver them to the Secretary
47 of State. The delivery of the certificate does not affect the
48 rights of a lienholder.

50 **Sec. 22. 29-A MRSA §664-A, sub-§§1, 2, 4 and 5**, as enacted by PL
51 1997, c. 437, §20, are amended to read:

2 1. **Vehicle sold by dealer.** A vehicle that is sold by a
dealer must be accompanied by a properly assigned and valid
4 certificate ~~of title or certificate of salvage~~ at the time of its
sale.

6
8 2. **Vehicle held by dealer.** If a dealer holds a vehicle for
resale and obtains the certificate ~~of title or certificate of~~
10 salvage, the dealer is not required to deliver the certificate to
the Secretary of State.

12 4. **Unreleased security interest.** If a certificate ~~of title~~
shows an unreleased security interest, a dealer may not transfer
14 possession of the vehicle unless the dealer possesses a properly
released certificate of lien.

16
18 5. **Sold or displayed for sale at auction.** A vehicle that
is sold or displayed for sale at an auction must be accompanied
20 by a valid certificate ~~of title~~ at the time of its sale or
display. A salvage vehicle or total loss sold or displayed for
22 sale at an auction or insurance salvage pool must be accompanied
by a valid certificate of salvage or certificate of total loss at
24 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.~~

26
28 **Sec. 23. 29-A MRSA §665**, as amended by PL 1995, c. 645, Pt.
A, §10, is further amended to read:

30 **§665. Involuntary transfers of interest in motor vehicle**

32 1. **Other than voluntary transfer.** If the interest of an
owner in a vehicle passes to another, other than by voluntary
34 transfer, the owner shall immediately surrender the certificate
~~of title or certificate of salvage~~ to the transferee or the
36 Secretary of State. Except as otherwise provided in this
section, the transferee shall promptly deliver to the Secretary
38 of State the last certificate, if available, proof of the
transfer and an application for a new certificate.

40
42 2. **Interest terminated by lienholder.** If the interest of
the owner is terminated or the vehicle is sold under a security
44 agreement by a lienholder named in the certificate ~~of title or~~
salvage, the following provisions apply.

46 A. If the owner has the certificate ~~of title or certificate~~
~~of salvage~~, the owner shall immediately surrender the
48 certificate to the lienholder or the Secretary of State.

2 B. The transferee shall promptly deliver to the Secretary
of State the last certificate ~~of title or certificate of~~
4 salvage, an application for a new certificate and an
affidavit made on behalf of the lienholder that the vehicle
6 was repossessed and the interest of the owner was lawfully
terminated or sold pursuant to the terms of the security
agreement.

8
10 C. If the last certificate ~~of title or certificate of~~
salvage is not available, the lienholder may execute an
assignment in the space provided on the certificate of lien.

12
14 D. The lienholder may apply for a certificate ~~of title or~~
certificate of salvage in the lienholder's name and execute
an assignment in the space provided on the certificate of
16 title or certificate of salvage.

18 E. If the lienholder holds the vehicle for resale, the
lienholder need not apply for a new certificate. Upon
20 transfer to another person, the lienholder shall promptly
mail or deliver to the transferee or to the Secretary of
22 State the certificate showing the lien to be released and
the affidavit and other documents required to be sent to the
24 Secretary of State by the transferee.

26 **3. Interest transferred.** A person who holds a certificate
of title or certificate of salvage and whose interest has been
28 extinguished or transferred other than by voluntary transfer
shall deliver the certificate to the Secretary of State on
30 request.

32 The delivery of the certificate does not affect the rights of a
person surrendering it.

34
36 The issuance of a new certificate is not conclusive of the rights
of an owner or lienholder named in the old certificate.

38 **4. Forfeiture of interest.** If the interest of an owner is
forfeited to the State under Title 15, chapter 517, the following
40 provisions apply.

42 A. The owner shall promptly deliver to the Secretary of
State the certificate ~~of title~~.

44
46 B. If the owner is unknown, the State may proceed to
perfect title.

48 C. If the forfeited vehicle is resold, the Secretary of
State shall issue a new certificate ~~of title~~ to the
50 purchaser.

2 D. If the forfeiting owner fails to comply with this
3 subsection, the Secretary of State shall revoke the owner's
4 certificate ~~of title~~ and issue a new certificate ~~of title~~ to
5 the purchaser.

6
7 **5. Divorce.** When a divorce decree awards a vehicle to an
8 individual, the following provisions apply.

10 A. Ownership of the vehicle passes to that individual and
11 the ownership of the vehicle by any other person named on a
12 certificate ~~of title, certificate of salvage, certificate of~~
13 ~~lien or certificate of registration~~ for the vehicle is
14 extinguished.

16 B. The person whose ownership is extinguished shall
17 surrender the certificate ~~of title or salvage~~ to the
18 individual awarded the vehicle by the divorce decree.

20 C. If there is a lien on the vehicle, the lienholder shall
21 surrender a certificate ~~of title or salvage or certificate~~
22 ~~of lien~~ for the vehicle to the Secretary of State. The
23 delivery of the certificate to the Secretary of State does
24 not affect the rights of the lienholder.

26 D. The individual awarded the vehicle shall apply for a
27 certificate ~~of title or certificate of salvage~~ and, if there
28 was an unsatisfied lien at the time of the divorce decree,
29 shall state the lien on the application. Upon receipt of
30 the application, the required fee, the certificate ~~of title~~
31 ~~or salvage~~ and proof of the award of the vehicle in a
32 divorce, the Secretary of State shall issue a title in the
33 name of the individual awarded the vehicle and, if there is
34 a lien on the vehicle, shall issue mail a certificate ~~of~~
35 ~~lien, certificate of title or certificate of salvage~~ to the
36 lienholder.

38 **Sec. 24. 29-A MRSA §667, sub-§1,** as amended by PL 1997, c.
39 776, §25, is further amended to read:

40
41 **1. Certificate of salvage; certificate of total loss.**
42 When, by reason of its condition or circumstance, a vehicle for
43 which a certificate of title has been issued by this State is
44 declared a salvage vehicle or total loss:

46 A. By an insurer, the insurer or its designee shall
47 surrender the certificate of title to the Secretary of State
48 and apply for a certificate of salvage or certificate of
49 total loss, in accordance with section 654, within 20 days
50 of the settlement of the insurance claim;

2 B. By the owner of the vehicle, the owner shall surrender
the certificate of title to the Secretary of State and apply
4 for a certificate of salvage or certificate of total loss in
accordance with section 654 prior to the transfer of the
6 vehicle, unless the owner transfers the vehicle to a
recycler licensed under this chapter; or

8
10 C. By a towing company, if the towing company makes clear
that the vehicle is a total loss or a salvage vehicle, while
claiming the vehicle pursuant to chapter 15, subchapter
12 III. Any certificate of ownership issued to a towing
company under section 1856, ~~which~~ that the towing company
14 has declared a total loss or a salvage vehicle, must bear
the legend "salvage vehicle" or "total loss."

16 **Sec. 25. 29-A MRSA §667, sub-§1-A** is enacted to read:

18 **1-A. Prohibition.** A total loss may not be registered or
20 retitled in this State.

22 **Sec. 26. 29-A MRSA §667, sub-§2**, as enacted by PL 1993, c.
683, Pt. A, §2 and affected by Pt. B, §5, is amended to read:

24 **2. Assignment of ownership.** At the time the salvage
26 vehicle or total loss is transferred, the insurer, the insurer's
designee or the owner shall endorse the assignment of ownership
28 on the certificate ~~of~~-salvage and surrender it to the transferee
of the salvage vehicle. If a vehicle owner retains a salvage or
30 total loss vehicle as part of a settlement with an insurer, the
insurer shall comply with this section and endorse the assignment
32 of ownership on the certificate ~~of~~-salvage and surrender it to
the vehicle owner. The owner shall comply with subsection 3.

34 **Sec. 27. 29-A MRSA §667, sub-§3**, as enacted by PL 1993, c.
36 683, Pt. A, §2 and affected by Pt. B, §5, is amended to read:

38 **3. Surrender and cancellation of certificate.** Surrender and
cancellation of a certificate ~~of title or certificate of salvage~~
40 must be as follows.

42 A. An owner who scraps or dismantles a vehicle shall
immediately surrender the certificate ~~of~~---title---~~of~~
44 ~~certificate~~---~~of~~---salvage to the Secretary of State for
cancellation.

46
48 B. A person who acquires a vehicle to be scrapped or
dismantled shall immediately surrender the certificate to
the Secretary of State. If an owner transfers a vehicle for

2 which a certificate of salvage or certificate of total loss
has not been issued to a ~~salvage-dealer-or~~ recycler licensed
4 under this chapter, the vehicle is deemed declared by the
owner to be a salvage vehicle or total loss, and the salvage
6 ~~dealer-or~~ recycler shall immediately apply for a certificate
of salvage or certificate of total loss for the vehicle in
8 accordance with section 654, unless the vehicle's
certificate of title is surrendered in compliance with this
subsection.

10 C. A person who repairs or rebuilds for operation on public
12 ways a salvage vehicle shall comply with subsection 4 and
shall:

14 (1) If the vehicle was not insured, obtain the
16 certificate of title from the owner; or

18 (2) If the vehicle was insured, obtain a certificate
of salvage or a certificate of title from the insurer
20 and apply for a certificate of salvage.

22 **Sec. 28. 29-A MRSA §667, sub-§5**, as amended by PL 1997, c.
776, §26, is repealed.

24 **Sec. 29. 29-A MRSA §667, sub-§5-A** is enacted to read:

26 **5-A. Distinctive.** The following legends apply to
28 certificates issued.

30 **A. The legend "salvage" must appear on a certificate if:**

32 (1) A vehicle is transferred to an insurance company
34 as the result of a claim settlement;

36 (2) A vehicle by reason of its condition or
38 circumstance is declared a salvage vehicle by an
insurer or an owner; or

40 (3) A certificate previously issued by the Secretary
of State or any other jurisdiction bearing the legend
42 "salvage" accompanies an application to the State of a
subsequent certificate.

44 **B. The legend "total loss" must appear on a certificate if**
a vehicle is declared a total loss.

46 **C. The legend "rebuilt salvage" must appear on a**
48 certificate for a rebuilt or repaired salvage vehicle if:

- 2 (1) Any repairs as defined in section 602, subsection
12 are completed;
- 4 (2) A salvage vehicle has component parts replaced;
- 6 (3) Two or more vehicles with different frames are
joined;
- 8 (4) A salvage vehicle has been repaired by the use of
10 a front or rear clip; or
- 12 (5) A certificate with the legend "rebuilt salvage,"
14 "rebuilt" or "repaired" issued by the Secretary of
16 State or any other jurisdiction with a comparable
legend accompanies an application to the State for a
subsequent certificate.

18 If a salvage vehicle for which a certificate has been issued by
20 this State with any of the legends described in this subsection
is subsequently titled in another jurisdiction and later retitled
22 in this State, any subsequent certificate from this State must
also contain the legends appearing on the previous certificate.

24 **Sec. 30. 29-A MRSA §668**, as amended by PL 1995, c. 482, Pt.
26 A, §15, is further amended to read:

28 **§668. Suspension or revocation of certificate**

30 **1. Findings.** The Secretary of State may suspend or revoke
32 a certificate ~~of title, certificate of salvage, certificate of~~
~~lien~~ or certificate of registration on notice and reasonable
opportunity to be heard, if the Secretary of State finds:

34 A. A certificate ~~of title or certificate of salvage~~ was
36 fraudulently procured or erroneously issued;

38 B. A vehicle has been scrapped or dismantled;

40 C. A person failed to deliver a certificate ~~of title or~~
~~certificate of salvage~~ or an application for a certificate
42 ~~of title or certificate of salvage~~ or fails to furnish
information the Secretary of State requests within 10 days
44 after the time required; or

46 D. A person failed to mail or deliver a certificate ~~of~~
~~title or certificate of salvage~~ to the Secretary of State
48 following the creation of a security interest by court order
or other governmental action or following an involuntary
50 transfer.

2 **2. Validity.** Suspension or revocation of a certificate
does not affect the validity of a security interest noted on it.

4 **3. Certificate delivered.** When the Secretary of State
suspends or revokes a certificate of title, certificate of
6 salvage, certificate of lien or certificate of registration, the
owner or person in possession of that document, immediately upon
8 receiving notice of the suspension or revocation, shall deliver
the document and registration plates to the Secretary of State.

10 **4. Seizure.** The Secretary of State may seize the
12 certificate, registration document or registration plate that has
been suspended or revoked.

14 **5. Hearing, judicial review.** A person aggrieved by an act
or omission to act of the Secretary of State under this chapter
16 is entitled, upon request, to a hearing before the Secretary of
State or the secretary's deputies in accordance with sections
18 2483 and 2484. After a hearing, a person aggrieved by the final
action taken by the Secretary of State is entitled to judicial
20 review of that action, as provided in section 2485, subsection 5.

22 **Sec. 31. 29-A MRSA §751,** as enacted by PL 1993, c. 683, Pt.
24 A, §2 and affected by Pt. B, §5, is amended to read:

26 **§751. Altering, forging or counterfeiting certificates**

28 A person is guilty of a Class D crime if that person:

30 **1. Certificate.** Alters, forges or counterfeits a
certificate ~~of title, certificate of salvage or certificate of~~
32 ~~lien;~~

34 **2. Assignment.** Alters or forges an assignment of a
certificate ~~of title or certificate of salvage~~ or an assignment
36 or release of a security interest on a certificate ~~of title,~~
~~certificate of salvage, certificate of lien~~ or an official form
38 of the Secretary of State;

40 **3. Possession of forgery.** Has possession of or uses a
certificate knowing that the certificate ~~of title, certificate of~~
42 ~~salvage or certificate of lien~~ had been altered, forged or
counterfeited;

44 **4. False statement.** Uses a false or fictitious name or
46 address, makes a material false statement, fails to disclose a
security interest or conceals any other material fact in an
48 application for a certificate ~~of title, certificate of salvage,~~
~~certificate of lien~~ or on any documents in support of that
50 application; or

2 5. It clarifies what information must be or may be on a
certificate.

4 6. It allows the Secretary of State to withdraw an
application for a certificate for just cause.

6 7. It clarifies the procedure for obtaining a duplicate
title.

8 8. It clarifies that a dealer needs a release of lien on
any certificate.

10 9. It specifies that a total loss that is sold or displayed
at auction must be accompanied by a certificate of total loss.

12 10. It specifies that a total loss vehicle can not be
registered or retitled in the State.

14 11. It clarifies what the insurer and the owner must do
with a salvage vehicle.

16 12. It clarifies what a recycler does to obtain a
certificate of salvage or total loss.

18 13. It specifies the legends that must appear on
certificates issued for salvage vehicles, total losses and
rebuilt salvage vehicles.

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