

# MAINE STATE LEGISLATURE

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**BUSINESS AND ECONOMIC DEVELOPMENT**

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**STATE OF MAINE  
HOUSE OF REPRESENTATIVES  
120TH LEGISLATURE  
FIRST REGULAR SESSION**

COMMITTEE AMENDMENT "A" to H.P. 845, L.D. 1117, Bill, "An Act Concerning Motor Vehicle Dealer Sale Practices"

Amend the bill by striking out all of section 2 and inserting in its place the following:

'Sec. 2. 10 MRSA §1194 is enacted to read:

**§1194. Dealer sale practices for new or used motor vehicles**

When selling new or used motor vehicles a dealer must adhere to the following sale practices.

1. Dealer revocation of sale. If a dealer sells a new or used motor vehicle and allows the buyer to take possession of it, the dealer can not at a later date inform the buyer of that vehicle that the dealer is canceling the sale unless the dealer has disclosed at the time of the sale and at the time of cancellation that if financing can not be procured according to the terms agreed upon in the contract, the consumer shall receive:

A. Reimbursement of the entire vehicle purchase price or, if a leased vehicle, the lease payments made to date, including any paid finance charges on the purchased or leased vehicle;

B. Reimbursement of all charges pertinent to the contract, including, but not limited to, sales tax, license and registration fees and similar government charges; and

**COMMITTEE AMENDMENT**

2 C. The vehicle traded in or, if the vehicle is not  
4 available, the trade-in value of the vehicle established in  
the contract.

6 This subsection does not apply to any sale canceled by the dealer  
8 due to material misrepresentation made by the buyer.'

Further amend the bill by inserting at the end before the  
10 summary the following:

12  
**'FISCAL NOTE**

14  
16 This bill may increase the number of civil suits filed in  
18 the court system. The additional workload and administrative  
20 costs associated with the minimal number of new cases filed can  
be absorbed within the budgeted resources of the Judicial  
Department. The collection of additional filing fees may also  
increase General Fund revenue by minor amounts.'

22  
**SUMMARY**

24  
26 This amendment amends the original bill by requiring a motor  
28 vehicle dealer to disclose to the buyer, both at the time of the  
purchase of a new or used vehicle and at the time of cancellation  
30 of a sale, that if financing can not be obtained on the terms  
32 agreed to in the sales contract, then the dealer must reimburse  
the consumer for the vehicle purchase price or for lease payments  
34 made in the case of a lease and all other charges pertinent to  
the sale and must return the vehicle traded in or the value of  
the traded-in vehicle as established in the contract in the event  
the vehicle is no longer available. It also adds a fiscal note  
to the bill.