



120th MAINE LEGISLATURE

FIRST REGULAR SESSION-2001

Legislative Document

No. 1117

H.P. 845

House of Representatives, February 22, 2001

An Act Concerning Motor Vehicle Dealer Sale Practices.

Submitted by the Department of the Attorney General pursuant to Joint Rule 204. Reference to the Committee on Business and Economic Development suggested and ordered printed.

Millicent M. Mac Jailand

MILLICENT M. MacFARLAND, Clerk

Presented by Representative RICHARDSON of Brunswick.

	Be it enacted by the People of the State of Maine as follows:
2	Sec. 1. 10 MRSA c. 204-A, as amended, is amended by repealing
4	the chapter headnote and enacting the following in its place:
6	<u>CHAPTER 204-A</u>
8	DEALER PRACTICES FOR CERTAIN MOTOR VEHICLES
10	Sec. 2. 10 MRSA §1194 is enacted to read:
12	<u>§1194. Dealer sale practices for new or used motor vehicles</u>
14	When selling new or used motor vehicles a dealer must adhere to the following sale practices.
16	1 Disclosure of declarity share of financian shares)
18	1. Disclosure of dealer's share of financing charges. A dealer who sells or leases new or used motor vehicles and who, in order to facilitate a sale to a buyer, arranges financing with a
20	lender shall disclose to the buyer prior to completing any financing agreement the total amount of any finance charge that
22	will be paid to the dealer by the lender in return for arranging financing.
24	
26	2. Dealer revocation of sale. If a dealer sells a new or
26	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
28	vehicle that the dealer is canceling the sale unless the dealer
	also offers to reimburse the buyer the following amounts:
30	
	A. The entire vehicle purchase price or, if a leased
32	vehicle, the lease payments made to date, including any paid finance charges on the purchases or leased vehicle;
34	rinance charges on the purchases of reased vehicle,
01	B. All collateral charges, including, but not limited to,
36	sales tax, license and registration fees and similar
	government charges; and
38	
40	C. The full amount paid for any vehicle traded-in by the buyer in conjunction with the sale.
42	This subsection does not apply to any sale canceled by the dealer due to a material misrepresentation made by the buyer.
44	une co a macerial misrepresentation made by the buyer.
46	SUMMARY
48	This bill provides consumers protection against 2 motor vehicle dealer practices. This bill requires dealers to disclose
50	any mark-up in the financing interest rate the dealer receives

from the lender in return for arranging the financing. A dealer who fails to comply commits an unfair trade practice.

4 This bill also restricts the practice of dealers who, following the sale of a motor vehicle, contact the buyer to inform the buyer that the dealer has decided to cancel the б contract and require the buyer to return the vehicle. If a dealer engages in this practice, the dealer must reimburse the 8 buyer the total purchase price of the vehicle, including any 10 money given for a trade-in. This requirement does not apply to a dealer who cancels the contract due to a material misrepresentation by the buyer. A dealer who fails to comply 12 commits an unfair trade practice.