

MAINE STATE LEGISLATURE

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121st MAINE LEGISLATURE

FIRST REGULAR SESSION-2003

Legislative Document

No. 290

H.P. 233

House of Representatives, January 28, 2003

An Act To Ensure That Title Applications are Timely Delivered

Reference to the Committee on Transportation suggested and ordered printed.

Millicent M. MacFarland
MILLICENT M. MacFARLAND
Clerk

Presented by Representative O'NEIL of Saco.
Cosponsored by Senator MAYO of Sagadahoc and
Representatives: CANAVAN of Waterville, PERRY of Calais, SNOWE-MELLO of Poland,
VAUGHAN of Durham, WOODBURY of Yarmouth, YOUNG of Limestone, Senator:
ROTUNDO of Androscoggin.

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

4 **Sec. 1. 29-A MRSA §603, sub-§4**, as enacted by PL 1993, c. 683,
Pt. A, §2 and affected by Pt. B, §5, is amended to read:

6 **4. Penalties.** If an application, certificate of title or
7 other document required to be delivered to the Secretary of State
8 is not delivered to the Secretary of State within 20 days, the
Secretary of State shall collect, as a penalty, an amount equal
9 to the fee required for the transaction. If a dealer fails to
10 deliver an application to the Secretary of State in accordance
11 with section 654, subsection 2, the dealer shall pay to the
12 Secretary of State, as an additional penalty for each such
13 failure, the sum of \$250, plus an additional \$100 for every 10
14 days that the dealer fails to deliver the application, and shall
15 pay actual damages to the lienholder.

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19 **SUMMARY**

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21 Under the Maine Revised Statutes, Title 11, section 9-1317,
22 subsection 5 and section 9-1324, subsection 1, if a lender loans
money for the purchase of a motor vehicle, the lender must ensure
23 that the motor vehicle is covered by a certificate of title
within 20 days of the purchase in order to have priority over
24 other claims to the vehicle. The vehicle becomes covered by a
certificate of title only when a valid application and the
25 applicable fee are delivered to the Secretary of State. Current
law requires motor vehicle dealers to deliver applications for
26 title to purchased vehicles to the Secretary of State within 20
days in order to ensure that lenders' liens or security interests
27 are protected. Some dealers fail to comply with this 20-day time
period, thereby putting lenders at risk. This bill penalizes
28 those dealers by imposing an initial \$250 penalty, with
additional penalties for continued failure to comply with the
29 law, and requiring restitution to lenders whose liens are
30 affected by the dealer's failure to comply with the law.
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