

MAINE STATE LEGISLATURE

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131st MAINE LEGISLATURE

FIRST SPECIAL SESSION-2023

Legislative Document

No. 1806

S.P. 731

In Senate, April 25, 2023

An Act to Require Online Used Car Dealers to Be Licensed

Reference to the Committee on Innovation, Development, Economic Advancement and Business suggested and ordered printed.

A handwritten signature in black ink, appearing to read 'D M Grant'.

DAREK M. GRANT
Secretary of the Senate

Presented by Senator LAWRENCE of York.

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

2 **Sec. 1. 29-A MRSA §851, sub-§9-A** is enacted to read:

3 **9-A. Online used car dealer.** "Online used car dealer" means a used car dealer that
4 does not have an established place of business in the State, that has a primary place of
5 business in another jurisdiction and that sells used motor vehicles through the use of a
6 publicly accessible website or other Internet platform to a person located in the State.

7 **Sec. 2. 29-A MRSA §901, sub-§3, ¶A,** as enacted by PL 1993, c. 683, Pt. A, §2
8 and affected by Pt. B, §5, is amended to read:

9 A. Whether the applicant intends to sell used motor vehicles and, if so, except for an
10 online used car dealer, whether there is space for servicing and repairs;

11 **Sec. 3. 29-A MRSA §901, sub-§3, ¶B,** as enacted by PL 1993, c. 683, Pt. A, §2
12 and affected by Pt. B, §5, is amended to read:

13 B. A Except for an online used car dealer, a certificate by a state police officer or a
14 representative of the Secretary of State that the applicant has an established place of
15 business at each business location in the State;

16 **Sec. 4. 29-A MRSA §903, sub-§1, ¶C,** as enacted by PL 1993, c. 683, Pt. A, §2
17 and affected by Pt. B, §5, is amended to read:

18 C. For a dealer licensed under this chapter, except for an online used car dealer, failure
19 to have an established place of business;

20 **Sec. 5. 29-A MRSA §903, sub-§1, ¶D,** as enacted by PL 1993, c. 683, Pt. A, §2
21 and affected by Pt. B, §5, is amended to read:

22 D. ~~Failure~~ Except for an online used car dealer, failure to notify the Secretary of State
23 in writing at least 30 days prior to moving the location of an established place of
24 business;

25 **Sec. 6. 29-A MRSA §951, sub-§1, ¶B,** as enacted by PL 1993, c. 683, Pt. A, §2
26 and affected by Pt. B, §5, is amended to read:

27 B. ~~Sells~~ Except for an online used car dealer, sells more than 5 vehicles in any 12-
28 month period; ~~or~~

29 **Sec. 7. 29-A MRSA §951, sub-§1, ¶B-1** is enacted to read:

30 B-1. For an online used car dealer, sells more than 5 vehicles to one or more persons
31 located in the State in any 12-month period; or

32 **Sec. 8. 29-A MRSA §952, sub-§1,** as amended by PL 2021, c. 216, §§24 to 26, is
33 further amended to read:

34 **1. Facilities.** ~~To~~ Except for an online used car dealer, to qualify for a dealer license,
35 an applicant must maintain the following facilities and personnel:

36 A. Facilities for the display of vehicles being handled;

37 B. A repair department for repair of vehicles;

38 C. Sufficient tools and equipment for servicing of the vehicles handled;

1 D. A suitable office in which business is conducted and records of the business are
2 kept; and

3 E. At least one mechanic, who may be the owner, who has a thorough knowledge of
4 the vehicles being handled.

5 **Sec. 9. 29-A MRSA §955, sub-§2-A** is enacted to read:

6 **2-A. Online used car dealers obtaining a place of business in the State.** An online
7 used car dealer that obtains a place of business in the State is subject to the requirements
8 of established places of business under this chapter and of facilities under section 952,
9 subsection 1. This subsection does not apply to a facility owned by a 3rd party that inspects,
10 services or repairs a motor vehicle pursuant to a contract with the online used car dealer.

11 **Sec. 10. 29-A MRSA §957, sub-§1**, as enacted by PL 1997, c. 437, §26, is amended
12 to read:

13 **1. Annex license.** ~~The~~ Except for an online used car dealer, the Secretary of State
14 may issue to a dealer a license to operate an annex facility. An annex facility must be an
15 established place of business, except that books and records may be kept at the dealer's
16 primary location. An annex facility must meet the requirements of section 952, subsection
17 1. The annual fee for an annex license is \$150.

18 **Sec. 11. 29-A MRSA §957, sub-§2**, as amended by PL 2013, c. 381, Pt. A, §3, is
19 further amended to read:

20 **2. Secondary location license.** ~~The~~ Except for an online used car dealer, the Secretary
21 of State may issue to a dealer a license to operate at a secondary location. For the purposes
22 of this subsection, "secondary location" means a display area that complies with applicable
23 building codes and zoning and land use ordinances, is large enough to display at least 2
24 vehicles and contains signs posting the business's name and operating hours. The annual
25 fee for a secondary location license is \$100.

26 **Sec. 12. 29-A MRSA §1001, sub-§3**, as enacted by PL 1993, c. 683, Pt. A, §2 and
27 affected by Pt. B, §5, is amended to read:

28 **3. Display.** A Except for an online used car dealer, a license must be conspicuously
29 displayed at each location. An online used car dealer shall conspicuously display a license
30 on the online used car dealer's publicly accessible website used for the sale of a motor
31 vehicle to a person in the State.

32 **Sec. 13. 29-A MRSA §1003, sub-§1**, as enacted by PL 1993, c. 683, Pt. A, §2 and
33 affected by Pt. B, §5, is amended to read:

34 **1. Application for certificate and plates.** A dealer or an owner of a body shop,
35 transmission shop or garage, except for an online used car dealer, may apply for a loaner
36 license and plates.

37 SUMMARY

38 This bill requires online used car dealers to be licensed to sell motor vehicles to persons
39 located in the State. The bill also sets out that an online used car dealer is a used car dealer
40 that does not have an established place of business in the State, that has a primary place of
41 business in another jurisdiction and that sells used motor vehicles through the use of a

1 website or other Internet platform to a person located in the State. If an online used car
2 dealer obtains a place of business in the State, the online used car dealer is a used car dealer
3 subject to requirements regarding established places of business in the State and facilities,
4 except for a facility owned by a 3rd party that inspects, repairs or services motor vehicles
5 pursuant to a contract with the online used car dealer. An online used car dealer is required
6 to conspicuously post its license on the website used for sales of motor vehicles to persons
7 in the State.