MAINE STATE LEGISLATURE

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LAWS

OF THE

STATE OF MAINE

AS PASSED BY THE

ONE HUNDRED AND FIFTEENTH LEGISLATURE

SECOND SPECIAL SESSION

December 12, 1991 to January 7, 1992

SECOND REGULAR SESSION

January 8, 1992 to March 31, 1992

THE GENERAL EFFECTIVE DATE FOR SECOND REGULAR SESSION NON-EMERGENCY LAWS IS JUNE 30, 1992

PUBLISHED BY THE REVISOR OF STATUTES IN ACCORDANCE WITH MAINE REVISED STATUTES ANNOTATED, TITLE 3, SECTION 163-A, SUBSECTION 4.

> J.S. McCarthy Company Augusta, Maine 1992

PUBLIC LAWS

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1991

factors set forth in section 3128. If the parties fail to reach an agreement for an order, the judgment debtor may ask the court for the entry of an installment payment agreement in consideration of those factors.

Sec. 2. 29 MRSA §783, sub-§2, ¶F, as enacted by PL 1979, c. 430, §3, is amended to read:

F. Upon receipt by the Secretary of State of a copy of any judgment which that has been rendered against either the owner or the operator of the motor vehicle involved in the accident, which judgment resulted from a cause of action that arose from that accident, the Secretary of State shall, pursuant to chapter 17, immediately suspend the license, the right to obtain a license; or the right to operate of any person operating who has thus become a judgment debtor, and the registration ceracates and plates or the right to register any vehicle of any person owning a motor vehicle, trailer or semitrailer involved in the accident who has thus become a judgment debtor, unless the judgment is completely satisfied or until the judgment debtor or debtors shall have secured a written release, in the form required by the Secretary of the State, from the judgment creditors or an installment payment agreement is filed with the Secretary of State pursuant to section 783-A.

Sec. 3. 29 MRSA §783-A is enacted to read:

§783-A. Installment payment of judgments; default

- 1. Installment payment agreement. The Secretary of State may restore any license and registration certificates and plates suspended pursuant to section 783, subsection 2, paragraph F upon receipt of a court order permitting the judgment debtor to make installment payments on the judgment if any installment is not in default and the person files and maintains proof of financial responsibility with the Secretary of State.
- 2. Default. Following notice that the judgment debtor has failed to make any installment payment as specified by the order, the Secretary of State shall suspend the license and registration certificates and plates of the judgment debtor. The suspension must continue until the judgment is completely satisfied or the debtor has secured a written release from the judgment creditor in the form required by the Secretary of State.

Emergency clause. In view of the emergency cited in the preamble, this Act takes effect when approved.

Effective March 20, 1992.

CHAPTER 700

H.P. 1500 - L.D. 2112

An Act to Amend the Motor Vehicle Salvage Laws

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

- **Sec. 1. 29 MRSA §2364, sub-§4,** as amended by PL 1987, c. 485, §10, is further amended to read:
- 4. Vehicle declared total loss. If a vehicle, by reason of its condition or circumstance, is declared a total loss by an owner or insurer, the insurance company insurer or any person who purchases or acquires such a vehicle for operation on the highway owner shall file an application for certificate of salvage pursuant to section 2377. The application shall contain or must be on a form prescribed by the Secretary of State and be accompanied by:
 - A. A certificate of title or manufacturer's certificate of origin; and
 - B. Any other information or documents the Secretary of State reasonably requires; and
 - C. The required fee.

The Secretary of State shall act on an application for a certificate of salvage within 20 days of its receipt.

Sec. 2. 29 MRSA §2373, 2nd ¶, as enacted by PL 1985, c. 401, §19, is amended to read:

Any A vehicle being sold or displayed for sale at an auction, as defined by section 341, subsection 13, must be accompanied by a valid certificate of title at the time of its sale or display for sale. A salvage vehicle sold or displayed for sale at an auction or insurance salvage pool, as described in section 2448, must be accompanied by a valid certificate of salvage at 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.

- Sec. 3. 29 MRSA §2377, sub-§1, as repealed and replaced by PL 1987, c. 485, §12, is amended to read:
- 1. Certificate of salvage. When a vehicle, as defined in section 1, subsection 20, for which a certificate of title has been issued by this State is declared, by reason of condition or circumstance, a salvage vehicle, as defined by this chapter, by an insurer or owner, the insurance company insurer or its authorized agent or, if uninsured, the owner designee shall endorse the assignment of ownership on the certificate of title or certificate

of salvage and surrender it to the buver of the salvage vehicle certificate of title to the Secretary of State and apply for a certificate of salvage, in accordance with section 2364, within 20 days of the settlement of the insurance claim. When the owner of a vehicle for which a certificate of title has been issued by this State declares a vehicle, by reason of its condition or circumstance, a salvage vehicle, the owner shall surrender the certificate of title to the Secretary of State and apply for a certificate of salvage in accordance with section 2364 prior to transfer of the vehicle, unless the owner transfers the vehicle to a salvage dealer or recycler licensed under this chapter. At the time the salvage vehicle is transferred, the insurer, the insurer's designee or the owner shall endorse the assignment of ownership on the certificate of salvage and surrender it to the transferee of the salvage vehicle. If a vehicle owner retains a salvage vehicle as part of a settlement with an insurer, the insurer shall comply with this subsection and endorse the assignment of ownership on the certificate of salvage and surrender it to the vehicle owner. The salvage vehicle may not again be titled or registered for operation on the highways of this State, unless there is compliance with subsection 3.

- **Sec. 4. 29 MRSA §2377, sub-§2,** as amended by PL 1987, c. 485, §13, is further amended to read:
- **2. Surrender and cancellation of certificate.** Surrender and cancellation of a certificate shall <u>must</u> conform to the following.
 - A. An owner who scraps, dismantles, compresses or destroys a vehicle in this State shall surrender the certificate of title or certificate of salvage issued in this State or any other state to the Secretary of State for cancellation at the time he the owner scraps, dismantles, compresses or destroys the vehicle.
 - B. Any A person who purchases or acquires a vehicle to be scrapped, dismantled, compressed or destroyed in this State shall immediately surrender the certificate of title or certificate of salvage issued by this State or any other state to the Secretary of State for cancellation. If an owner transfers a vehicle, for which a certificate of salvage has not been issued, to a salvage dealer or recycler licensed under this chapter, the vehicle is deemed declared by the owner to be a salvage vehicle, and the salvage dealer or recycler shall immediately apply for a certificate of salvage for the vehicle in accordance with section 2364, unless the vehicle's certificate of title is surrendered in compliance with this subsection.
 - C. Any person who repairs or rebuilds for operation on the highway a vehicle which that, by reason of its condition or circumstance, has been declared a salvage vehicle, as defined by this chapter, by an owner or insurance company, shall comply with subsection 3 and shall:

- (1) If the vehicle was not previously insured, obtain the certificate of title from the owner of the vehicle and make application for certificate of salvage in accordance with section 2364; or
- (2) If the vehicle was previously insured, obtain a certificate of salvage from the insurance company if a certificate of salvage was last issued in this State or in another jurisdiction whose laws require the issuance of certificates of salvage; or, if no certificate of salvage was issued by another jurisdiction for a vehicle last registered and titled there, obtain a certificate of title from the insurance company and, in accordance with section 2364, make application for certificate of salvage in this State.
- **Sec. 5. 29 MRSA §2377, sub-§3, ¶C,** as enacted by PL 1981, c. 110, §34, is amended to read:
 - C. Upon demand of the Secretary of State or his authorized agents a transferee, a repairer or rebuilder produces shall produce receipts of purchase of the vehicle or for component parts used in the repairing or rebuilding process, or both. If new parts are not used to rebuild a salvage vehicle, the rebuilder shall produce the vehicle identification number of the vehicles from which the parts were taken and the certificates of title or the certificates of salvage for the vehicles if not already surrendered. The repairer or rebuilder shall disclose, in writing, to the transferee of a repaired or rebuilt salvage vehicle the fact that the vehicle was a salvage vehicle and shall disclose what repairs were made to the vehicle.
- **Sec. 6. 29 MRSA §2377, sub-§6,** as enacted by PL 1987, c. 485, §14, is amended to read:
- 6. Distinctive. The following legends shall apply to title certificates and of title issued subsequent to issuance of certificates of salvage for vehicles:
 - A. The legend "salvage" shall must appear on a salvage certificate of title if:
 - (1) A vehicle has no marketable value other than the value of the basic materials or parts used in the construction of the vehicle;
 - (2) A vehicle is sold with a stipulation that it is only to be used for the benefit of its parts; or
 - (3) A certificate of title or certificate of salvage has previously been issued by the Secretary of State or by any other state jurisdiction bearing the legend "salvage;" "salvage"

accompanies an application to the State for a subsequent certificate of title.

- B. The legend "rebuilt salvage" shall must appear on a salvage certificate of title for a rebuilt salvage vehicle if:
 - (1) Two or more vehicles with different frames are joined; or
 - (2) A salvage vehicle has 5 or more component parts replaced; or
 - (3) A certificate of title with the legend "rebuilt salvage" issued by the Secretary of State or by any other jurisdiction accompanies an application to the State for a subsequent certificate of title.
- C. The legend "rebuilt" shall <u>must</u> appear on a salvage certificate of title for a rebuilt salvage vehicle if a salvage vehicle has at least one, but less than 5, component parts replaced; and:
 - (1) A salvage vehicle has at least one, but less than 5, component parts replaced; or
 - (2) A certificate of title with the legend "rebuilt" issued by the Secretary of State or by any other jurisdiction accompanies an application to the State for a subsequent certificate of title.
- D. If a salvage vehicle, for which a state certificate of salvage title has been issued by this State with any of the legends described in this section, is subsequently titled in another state jurisdiction and later retitled in this State, any subsequent state certificate of title certicate shall from this State must also contain the legends appearing on the original state previous certificate of title from this State.
- **Sec. 7.** Allocation. The following funds are allocated from the Highway Fund to carry out the purposes of this Act.

1992-93

SECRETARY OF STATE, DEPARTMENT OF THE

Administration - Motor Vehicles

All Other

\$400

Provides funds to purchase forms for the motor vehicle salvage title program.

See title page for effective date.

CHAPTER 701

H.P. 1504 - L.D. 2117

An Act Regarding Review and Evaluation of Proposed Mandated Health Legislation

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

- **Sec. 1. 5 MRSA §12004-I, sub-§50,** as repealed and replaced by PL 1989, c. 556, Pt. A, §1, is repealed.
- **Sec. 2. 24 MRSA §2320-A, sub-§4,** as enacted by PL 1989, c. 875, Pt. I, §2, is amended to read:
- 4. Reports. Each nonprofit hospital and medical care service organization subject to this section shall report to the superintendent its experience for each calendar year beginning with 1991 not later than April 30th of the following calendar year. The report must include the information required and be presented in the form prescribed by the superintendent. The report must include the amount of claims paid in this State for services required by this section. The superintendent shall compile this data in an annual report and submit the report to the Mandated Benefits Advisory Commission established by Title 5, section 12004-I, subsection 50 joint standing committee of the Legislature having jurisdiction over banking and insurance matters.
- **Sec. 3. 24 MRSA §2325-B,** as amended by PL 1989, c. 878, Pt. A, §65, is repealed.
- **Sec. 4. 24 MRSA §2332-C,** as enacted by PL 1989, c. 556, Pt. A, §3, is amended to read:

§2332-C. Assessment of mandated benefits proposals

The requirements of Title 24-A, section 2751, shall 2752 apply to any legislative measure which that proposes a mandated health benefit applicable to nonprofit hospital or medical services organizations, to the extent the requirement applies requirements apply to proposals applicable to insurers governed by Title 24-A.

- **Sec. 5. 24-A MRSA §2701, sub-§2, ¶B,** as enacted by PL 1989, c. 556, Pt. A, §4, is amended to read:
 - B. Section 2751 shall apply 2752 applies with respect to mandated benefits for group or blanket health policies.
- **Sec. 6. 24-A MRSA §2745-A, sub-§4,** as enacted by PL 1989, c. 875, Pt. I, §3, is amended to read:
- 4. Reports. Each insurer that issues policies subject to this section shall report to the superintendent its experience for each calendar year beginning