

MAINE STATE LEGISLATURE

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LAWS
OF THE
STATE OF MAINE

AS PASSED BY THE

ONE HUNDRED AND NINETEENTH LEGISLATURE

SECOND REGULAR SESSION
January 5, 2000 to May 12, 2000

THE GENERAL EFFECTIVE DATE FOR
SECOND REGULAR SESSION
NON-EMERGENCY LAWS IS
AUGUST 11, 2000

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
2000

CHAPTER 617

H.P. 1689 - L.D. 2395

**An Act Concerning Disclosure
Requirements Under the Used Car
Information Laws**

Emergency preamble. Whereas, Acts of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, the used car information laws have in the past required dealers to disclose to consumers if a used car had suffered substantial collision damage costing more than \$1,500 to repair; and

Whereas, a law enacted this past legislative session indirectly increased the used car information laws disclosure limit to \$3,000; and

Whereas, consumers could be significantly injured if they agree to purchase a used car without being told that it had suffered collision damage of up to \$3,000; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,

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

Sec. 1. 10 MRSA §1475, sub-§3, as repealed and replaced by PL 1995, c. 625, Pt. A, §16, is amended to read:

3. Written statement. A dealer shall obtain from the seller of a used motor vehicle a written statement containing the following information:

- A. The make, model, model year and any identification or serial numbers of the motor vehicle;
- B. The name and address of the seller, the principal use to which the motor vehicle was put by the seller, such as personal transportation, police car, daily rental car, taxi or other descriptive term;
- C. A statement identifying any and all mechanical defects known to the seller at the time of sale; and
- D. A statement identifying the type of damage, if any, that the vehicle has sustained, such as fire, water or substantial collision damage, if such information is known to the seller.

Any dealer who offers for sale to consumers a repossessed vehicle that has been obtained by the dealer through any transaction other than a retail sale is not subject to the provisions of this subsection.

The seller of the used motor vehicle shall sign and date this written statement and the dealer who buys the vehicle shall maintain a record of it for 2 years following the sale of the motor vehicle.

As used in subsection 2-A and this subsection, "substantial collision damage" means any damage to a motor vehicle from a collision when the costs of repair of that damage, at the time of repair, including replacement of mechanical and body parts, ~~exceeded by 3 times the amount of damage that would at the time of the collision have required a report of the collision to a law enforcement agency under the provisions of Title 29-A, section 2251~~ exceed \$2,000.

Sec. 2. 24-A MRSA §2916-A, sub-§2, as amended by PL 1987, c. 261, is further amended to read:

2. Accidents. When a named insured or any other person who operates a motor vehicle insured under the policy is individually or are aggregately involved in 2 or more vehicle accidents while operating a motor vehicle insured under the policy, resulting in either personal injury or property damage in excess of ~~\$500~~ the amount defined as a reportable accident under Title 29-A, section 2251, subsection 1. For the purpose of this subsection any of the following occurrences involving a motor vehicle operated by a named insured or such other person ~~shall is~~ not be considered an accident when:

- A. The motor vehicle was struck from the rear;
- B. The motor vehicle was struck while parked;
- C. Only the operator of another motor vehicle involved in the accident was convicted of a crime, offense or violation contributing to the accident; or
- D. The named insured or other operator of the motor vehicle insured under the policy or the insurer ~~thereof of the policy,~~ was reimbursed by or on behalf of, a person responsible for the accident or has a judgment against that person.

When more than one motor vehicle in a household is insured by the same insurer, the number of accidents ~~which that~~ which that would permit nonrenewal ~~shall must,~~ for the aggregate, be increased by one for each additional motor vehicle insured.

Emergency clause. In view of the emergency cited in the preamble, this Act takes effect 30 days after approval.

Effective May 3, 2000.

CHAPTER 618

H.P. 1108 - L.D. 1567

An Act to Help Farmers to Protect the Quality of Milk

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

Sec. 1. 7 MRSA §2903-B is enacted to read:

§2903-B. Testing of samples for resolving disputed test results

The commissioner shall develop a process for obtaining and testing a sample of milk when a milk producer disputes the result of a test or a component analysis performed by an employee of a milk plant that is used to determine acceptance of milk by the milk plant or payment to the milk producer.

See title page for effective date.

CHAPTER 619

H.P. 1738 - L.D. 2444

An Act to Clarify the Law on Ownership of Certified Public Accounting Firms and to Establish a Peer Review Program

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

Sec. 1. 32 MRSA §12201, sub-§6-A is enacted to read:

6-A. Peer review. "Peer review" means a study, appraisal or review of one or more aspects of the professional work of a certified public accountancy firm that provides a defined service by a person or persons who are licensed as certified public accountants and who are not affiliated with the certified public accountancy firm being reviewed.

Sec. 2. 32 MRSA §12252, sub-§3, as repealed and replaced by PL 1999, c. 200, §1, is amended to read:

3. Firm permits required. ~~The Notwithstanding Title 13, section 710 and Title 31, section 611, the~~

following provisions apply to the issuance of ~~individual~~ firm permits.

A. An applicant for initial issuance or renewal of a permit to practice under this section shall show that a simple majority of the ownership of the firm, in terms of financial interests and voting rights of all partners, officers, shareholders, members or managers, belongs to holders of certificates who are licensed in a state and that all partners, officers, shareholders, members or managers whose principal place of business is in this State and who perform professional services in this State hold valid individual permits issued by the board. At least a simple majority of the ownership of a public accounting firm, in terms of financial interests and voting rights, must belong to holders of permits issued by the board. Firms may include nonlicensee owners in accordance with paragraph B.

B. A certified public accountancy firm or public accountancy firm may include nonlicensee owners as long as:

- (1) All nonlicensee owners are individuals who actively participate in the certified public accountancy firm or public accountancy firm; and
- (2) The firm complies with such other requirements as the board may impose by rule.

Sec. 3. 32 MRSA §12252, sub-§8 is enacted to read:

8. Peer review for certified public accountancy firms. Effective January 1, 2001, the board shall require, as a condition to the granting or renewal of permits to certified public accountancy firms, that each applicant that provides a defined service other than compilations successfully participate in an approved peer review program. Participation in such a program is governed by the following.

A. If the firm provides a defined service other than compilations as of the date of the initial granting or first renewal of a certified public accountancy firm's permit following December 15, 2000, a peer review must be completed within 18 months after the initial granting or first renewal of the permit following December 15, 2000. After December 15, 2000, the firm must undergo a peer review every 3 years for as long as it provides a defined service other than compilations. The firm may satisfy this requirement by showing evidence of the satisfactory completion of a peer review within 18 months prior to January 1, 2001.