

### THE USE OF RESIDENT AGENTS FOR THE REGISTRATION OF TRAILERS AND SEMI-TRAILERS

#### Report of a Study by the

JOINT STANDING COMMITTEE ON TRANSPORTATION

#### to the

#### 111th Maine Legislature

January, 1984

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Report of the Joint Standing Committee on Transportation

#### To The

Second Regular Session of the 111th Legislature

During the First Regular Session of the 111th Legislature, the Secretary of State presented an amendment to LD 1188, "AN ACT to Amend Certain Motor Vehicle Laws" which was before the Joint Standing Committee on Transportation. This amendment proposed, in part, to allow the Secretary of State to "deal directly" with non-resident owners with respect to trailer and semi-trailer registrations. The Motor Transport Association, Inc. opposed the measure and expressed the fear that there was a lack of standards by which the Secretary of State would decide which companies could be served directly. As a result, the issue was accepted by the Committee for a study.

Present law requires every non-resident owner of trailers or semi-trailers to appoint resident agents in the State to sign registration certificates, and upon whom legal processes may be served as representatives of the owners. There are 12 registered agents who are responsible for the registration of nearly 225,000 long-term (8 & 12 yr) trailers and semi-trailers. The State derives nearly \$3,000,000 per year in registration fees from this source which are deposited in the Highway Fund.

While present law is clear with respect to the appointment of resident agents and the legal obligations of these agents, the law is unclear with respect to the relationship between the Secretary of State and the non-resident owner of a trailer and semi-trailer. The motor vehicle law has been interpreted to authorize only resident agents to register non-resident owned trailers and semi-trailers. Thus, according to this interpretation, nonresident owners may not register their own vehicles with the Secretary of State.

In order to encourage non-resident commercial carriers to register their trailers and semi-trailers in Maine and to enable the Secretary of State to "deal directly" with the owners of the vehicles, the Committee on Transportation recommends legislation to achieve these purposes. It is also a recommendation that the means for defining the process of "direct dealing" be established by rules.

It is not the intention of the Committee on Transportation to eliminate the requirement for resident agents. Resident agents are essential at a minimum for the purpose of serving legal processes.

It is expected that these recommendations will have little effect on non-resident owners of substantial numbers of trailers and semi-trailers. Two companies, together , own in excess of 80,000 trailers, and resident agents are essential to these firms to keep track of these trailers for registration purposes. The non-resident companies most likely to "deal directly" with the Secretary of State for registration purposes are owners of a very small number of trailers and semi-trailers.

## PROPOSED LEGISLATION

Pursuant to rules promulgated by the Secretary of State, every nonresident applying for semitrailer or trailer plates shall appoint and maintain a resident registered agent. That agent shall serve as agent for service of any process, notice or demand required or permitted by law to be served, and that service will be binding upon the registrant. Pursuant to the rules of the Secretary of State, the resident agent or other duly authorized person shall sign each nonresident applicant's registration certificate.

This proposed language requires that nonresidents must appoint and maintain a Maine resident as an agent for service of legal process and, pursuant to rules promulgated by the Secretary of State, allows the registration to be signed by either the resident agent or "other duly authorized person".

Presently, the law requires that the registration certificate must be signed by the resident agent and does not allow for anyone else to be authorized to sign the registration. For example, under the present law, the president of a nonresident company has the power to appoint and authorize an agent to sign his companies registrations, but he does not have the authority to sign the companies registration certificates even though he has the power to authorize someone else to do so.