

MAINE STATE LEGISLATURE

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STATE OF MAINE
125TH LEGISLATURE
FIRST REGULAR SESSION



Summaries of bills, adopted amendments and laws enacted or finally passed

**JOINT STANDING COMMITTEE ON LABOR, COMMERCE,
RESEARCH AND ECONOMIC DEVELOPMENT**

July 2011

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STATE OF MAINE
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LEGISLATIVE DIGEST OF BILL SUMMARIES AND
ENACTED LAWS

This *Legislative Digest of Bill Summaries and Enacted Laws* summarizes all LDs and adopted amendments and all laws enacted or finally passed during the First Regular Session of the 125th Maine Legislature.

The *Digest* is arranged alphabetically by committee and within each committee by Legislative Document (LD) number. The committee report(s), prime sponsor and lead co-sponsor(s), if designated, are listed below each LD title. All adopted amendments are summarized and listed by paper number. A subject index is included with each committee. The appendices include a summary of relevant session statistics, an index of all bills by LD number and an index of enacted laws by law type and chapter number.

Final action on each LD is noted to the right of the LD title. The following describes the various final actions.

CARRIED OVER carried over to a subsequent session of the Legislature
CON RES XXX..... chapter # of constitutional resolution passed by both houses
CONF CMTE UNABLE TO AGREE..... Committee of Conference unable to agree; legislation died
DIED BETWEEN HOUSES..... House & Senate disagreed; legislation died
DIED IN CONCURRENCE..... defeated in each house, but on different motions; legislation died
DIED ON ADJOURNMENT..... action incomplete when session ended; legislation died
EMERGENCY..... enacted law takes effect sooner than 90 days after session adjournment
FAILED, EMERGENCY ENACTMENT or FINAL PASSAGE emergency failed to receive required 2/3 vote
FAILED, ENACTMENT or FINAL PASSAGE..... failed to receive final majority vote
FAILED, MANDATE ENACTMENT legislation proposing local mandate failed required 2/3 vote
HELD BY GOVERNOR..... Governor has not signed; final disposition to be determined at subsequent session
LEAVE TO WITHDRAW..... sponsor's request to withdraw legislation granted
NOT PROPERLY BEFORE THE BODY..... ruled out of order by the presiding officer; legislation died
INDEF PP..... indefinitely postponed; legislation died
ONTP, ACCEPTED, MAJORITY, MINORITY or REPORT X... ought-not-to-pass report accepted; legislation died
P&S XXX..... chapter # of enacted private & special law
PUBLIC XXX..... chapter # of enacted public Law
RESOLVE XXX..... chapter # of finally passed resolve
VETO SUSTAINED..... Legislature failed to override Governor's veto

The effective date for non-emergency legislation enacted in the First Regular Session of the 125th Legislature is September 28, 2011. The effective date for legislation enacted as an emergency measure may be found in the enacted law summary for that legislation.

Joint Standing Committee on Labor, Commerce, Research and Economic Development

inventory by the supplier. It requires repurchase at 100% of net cost for all new and undamaged equipment purchased from the supplier within 36 months of an agreement termination, instead of the current 30-month period. It establishes rates for repurchase of parts and tools not covered under current law.

It extends from 45 to 90 days the time period a supplier is allowed to consider a dealer's request to transfer a dealership. It specifies that a dealer performing work under a supplier's warranty is entitled to compensation at the suggested retail price for parts.

Committee Amendment "A" (H-324)

This amendment changes the title of the bill to include construction and industrial equipment. It also makes the following changes to the bill.

1. It amends the definition of "dealer" to restore the inclusion of persons that sell all industrial equipment, instead of light industrial equipment as in the bill, and adds persons that sell construction equipment. It removes the exclusion in the definition of "dealer" for heavy construction, industrial and utility equipment.
2. It amends the definition of "inventory" to restore the inclusion of all industrial equipment, instead of light industrial equipment as in the bill, and adds construction equipment.
3. It amends the definition of "single-line dealer" by increasing the total annual average sales volume for the previous 3 years to in excess of \$100,000,000 instead of \$20,000,000 for the entire territory subject to the agreement with the supplier.
4. It makes changes to the repurchase terms by decreasing the penalty the supplier is required to pay to the dealer from 2% to 1 1/2% per day on any outstanding balance over 45 days.
5. It makes changes to the laws governing warranty obligations by requiring that the dealer that performs warranty work be compensated for parts in fulfilling the warranty work in an amount that is not less than the dealer's costs for such parts plus 20% or the supplier's suggested retail price for such parts, whichever is greater, plus freight and handling charges.
6. It prohibits a supplier from mandating, coercing or attempting to coerce any dealer to order or accept delivery of equipment or repair parts not required by law that have not been voluntarily ordered by the dealer, unless the equipment or repair parts are comprised of safety features required by the supplier; requiring any dealer to refrain from participation in the management or acquisition of, or investment in, any other business; or preventing, coercing or attempting to coerce a dealer from selling competing products lines or makes of equipment or requiring the dealer to provide separate facilities for competing product lines or makes of equipment.
7. It adds a statement of legislative findings and intent and adds an application section that provides that the provisions of the bill apply to all contracts and agreements in effect on the effective date of the bill that have no expiration date and are continuing contracts and all other contracts and agreements entered into, amended, renewed or extended after the effective date of the bill.

Enacted Law Summary

Public Law 2011, chapter 236 makes the following changes to the laws pertaining to agreements between suppliers and dealers of farm machinery dealerships:

1. It expands the definition of "dealer" in the Maine Revised Statutes, Title 10, chapter 208-B to include persons engaged in retail sales of forestry equipment, industrial equipment, construction equipment and it amends the

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definition of "inventory";

2. It contains repurchase provisions and warranty obligations;
3. It defines "single-line dealer" and excludes a single-line dealer from the protections and obligations under this chapter;
4. It extends from 90 days to 120 days the advance notice required for a supplier or a dealer to notify the other of intent to terminate a supplier-dealer agreement, revises the requirements for a supplier to repurchase inventory from a dealer and reduces the period within which payment must be made from 60 to 45 days after receipt of the inventory by the supplier;
5. It requires repurchase at 100% of net cost for all new and undamaged equipment purchased from the supplier within 36 months of an agreement termination, instead of the current 30-month period;
6. It establishes rates for repurchase of parts and tools not covered under current law and requires the supplier to pay to the dealer a penalty on any outstanding balance of 1 1/2% per day on any outstanding balance over 45 days;
7. It extends from 45 to 90 days the time period a supplier is allowed to consider a dealer's request to transfer a dealership;
8. It specifies that a dealer performing work under a supplier's warranty is entitled to compensation for parts in fulfilling the warranty work in an amount that is not less than the dealer's costs for such parts plus 20% or the supplier's suggested retail price for such parts, whichever is greater, plus freight and handling charges.
9. It prohibits a supplier from mandating, coercing or attempting to coerce any dealer to order or accept delivery of equipment or repair parts not required by law that have not been voluntarily ordered by the dealer, unless the equipment or repair parts are comprised of safety features required by the supplier; requiring any dealer to refrain from participation in the management or acquisition of, or investment in, any other business; or preventing, coercing or attempting to coerce a dealer from selling competing products lines or makes of equipment or requiring the dealer to provide separate facilities for competing product lines or makes of equipment;
10. It adds a statement of legislative findings and intent and adds an application section that provides that the provisions of the bill apply to all contracts and agreements in effect on the effective date of the bill that have no expiration date and are continuing contracts and all other contracts and agreements entered into, amended, renewed or extended after the effective date of the bill.

LD 188 An Act To License Residential Builders and Register Specialty Contractors

**MAJORITY
(ONTP) REPORT**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
PILON JACKSON	ONTP MAJ OTP-AM MIN	

This bill creates the Maine Residential Builders and Specialty Contractors Act and establishes the Maine Residential Builders and Specialty Contractors Board within the Department of Professional and Financial Regulation, Office of Licensing and Registration. Beginning January 1, 2014, the board will authorize persons to practice residential building activities by issuing a license to residential builders and a registration certificate to residential specialty contractors. It establishes the requirements for licensure as a residential builder and for registration as a residential specialty contractor and includes certain specific exemptions from licensure and registration. The bill also provides