

STATE OF MAINE

—
IN THE YEAR OF OUR LORD
TWO THOUSAND TWENTY-SIX

—
S.P. 884 - L.D. 2179

An Act Regarding the Licensing of Online Used Car Dealers

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

Sec. 1. 29-A MRSA §958 is enacted to read:

§958. Online used car dealer licensure and regulation

1. Online used car dealer; definition. As used in this section, unless the context otherwise indicates, "online used car dealer" means a licensed used motor vehicle dealer that conducts sales exclusively through electronic or digital platforms and does not operate a physical retail display location in this State. An online used car dealer may partner with a service center or inspection station licensed in this State as required by law but may not maintain an in-person sales lot.

2. Licensure and regulation. The bureau shall conduct a 2-year pilot program to license and regulate online used car dealers operating under this section. The bureau may license and regulate online used car dealers operating under this section.

3. Eligibility. To qualify for licensure as an online used car dealer, an applicant must:

- A.** Hold valid authority as a corporation or limited liability entity in good standing with the Secretary of State;
- B.** Demonstrate motor vehicle sales in multiple jurisdictions within the United States;
- C.** Provide proof of a minimum of 100 annual motor vehicle sales; and
- D.** Meet all background check requirements established by the Secretary of State.

4. Application for license. The following provisions govern the application for a license for an online used car dealer.

- A.** An online used car dealer shall apply for a license in accordance with the requirements under section 901.
- B.** An online used car dealer is exempt from the established place of business requirements set forth in sections 851 to 952 but may maintain a physical location in this State. If an online used car dealer elects to establish or operate a physical office, inspection station or repair facility in this State, that location must fully comply with

all applicable dealer licensing standards and regulatory requirements in effect for used car dealer licensees.

C. An online used car dealer shall file with the Secretary of State and maintain a surety bond of \$350,000.

D. The annual fee for an online used car dealer license is \$500.

5. License requirements. Unless expressly modified by this section, an online used car dealer is subject to and shall comply with all applicable laws, rules and regulations governing the licensing and sale of new and used motor vehicles in this State.

6. Disclosure requirements. The following provisions govern online used car dealer disclosures.

A. An online used car dealer is exempt from the physical display requirements set forth in Title 10, sections 1474 and 1475. At the time of an electronic or digital display on an electronic or digital platform, an online used car dealer shall provide a consumer with a disclosure consistent with the requirements of Title 10, chapter 217 and the Federal Trade Commission's Used Motor Vehicle Trade Regulation Rule in 16 Code of Federal Regulations, Part 455.

B. A disclosure form authorized by this State must be provided to the purchaser at the time of delivery to the purchaser, signed by the purchaser and retained by the online used car dealer in compliance with the record-keeping requirements of Title 10, chapter 217.

7. Inspection requirements. The following provisions govern inspections of motor vehicles under this section.

A. A motor vehicle sold by an online used car dealer must pass an inspection in this State prior to sale. A reconstructable motor vehicle as defined in Title 10, section 1471, subsection 6-A or an unsafe motor vehicle may not be sold by an online used car dealer.

B. A motor vehicle sold to a purchaser in this State must be inspected by an inspection station licensed in this State prior to delivery to the purchaser and must display a valid inspection sticker issued within 60 days of sale.

8. Inspection stations; repair facilities. The following provisions govern inspection stations and repair facilities in relation to online used car dealers.

A. An online used car dealer may obtain a license for an inspection station in this State. All standards governing inspection stations apply to such an inspection station.

B. An online used car dealer may partner with an inspection station in this State. The partner inspection station must be included in the application for licensure and renewal. The partnership must be set out in writing. Any changes to the partnership must be immediately disclosed to the bureau.

C. The failure of an online used car dealer to obtain a license for an inspection station in this State or to have a partner inspection station in this State is grounds for suspension of a license issued pursuant to subsection 4.

D. An online used car dealer that does not maintain a repair facility in this State shall, in writing, disclose to a vehicle purchaser the name, address and contact information of a designated repair facility or a partner location authorized to perform required

warranty service. The disclosure must be provided at or before the time of the vehicle sale and included in the online used car dealer's warranty documentation.

9. Records. All sales and transaction records must be maintained in accordance with section 956, may be kept electronically and must be produced within one business day upon request of the Secretary of State, the Attorney General or a law enforcement officer.

10. Plates. An online used car dealer is not eligible for dealer plates. Temporary plates issued by this State may be issued only for sales to purchasers in this State.

11. Contact information. An online used car dealer shall:

A. Provide a direct-access telephone number to a designated corporate representative of the online used car dealer who is authorized to assist the bureau and the Office of the Attorney General in resolving consumer complaints and inquiries and in obtaining required records;

B. Provide written customer support contact information, including a toll-free telephone number and electronic communication address, to each purchaser at the time of sale; and

C. Maintain business hours at reasonable times during which a customer can contact the online used car dealer.

12. Enforcement. The following provisions govern enforcement of this section.

A. An online used car dealer's failure to comply with the provisions of this section, including inspection, disclosure, warranty obligations or record retention, constitutes grounds for license suspension or revocation under section 903.

B. Breach of a consumer sales contract by an online used car dealer is expressly grounds for administrative action, including license suspension or revocation under section 903.

C. An online used car dealer shall designate an agent registered in this State to accept service of process. The name and contact information of the registered agent must be provided to the bureau.

13. Rulemaking. The Secretary of State may adopt rules to implement this section, including licensing procedures, disclosure formats, inspection coordination and reporting requirements. Rules adopted under this subsection are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.

14. Repeal. This section is repealed December 31, 2028.

Sec. 2. Report. The Secretary of State shall submit a report to the joint standing committee of the Legislature having jurisdiction over transportation matters no later than January 15, 2028 evaluating the effectiveness, risks and consumer protection outcomes of online used car dealer licensure and regulation established in the Maine Revised Statutes, Title 29-A, section 958. The joint standing committee of the Legislature having jurisdiction over transportation matters may report out legislation regarding the Secretary of State's report to the Second Regular Session of the 133rd Legislature.