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## **An Act To Require the Secretary of State To Issue Certificates of Title for All-terrain Vehicles, Snowmobiles and Watercraft**

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

**Sec. 1. 29-A MRSA §602, sub-§§1-B, 17-A and 21** are enacted to read:

**1-B. All-terrain vehicle or ATV.** "All-terrain vehicle" or "ATV" has the same meaning as in Title 12, section 13001, subsection 3.

**17-A. Snowmobile.** "Snowmobile" has the same meaning as in Title 12, section 13001, subsection 25.

**21. Watercraft.** "Watercraft" means any type of motorized vessel or craft capable of being used as a means of transportation on water, other than a seaplane, including the motor or motors and electronic and mechanical equipment and other machinery, whether permanently or temporarily attached, that are customarily used in the operations of the watercraft. "Watercraft" does not include a canoe, kayak or other vessel or craft propelled or drawn by human power or by electric motor or a vessel or craft located and intended to be permanently docked in one location and not used as a means of transportation on water.

**Sec. 2. 29-A MRSA §603, sub-§1-A** is enacted to read:

**1-A. Fees for ATVs, snowmobiles and watercraft.** The Secretary of State shall establish a fee to title ATVs, snowmobiles and watercraft.

**Sec. 3. 29-A MRSA §651, sub-§7** is enacted to read:

**7. ATVs; snowmobiles; watercraft.** Effective January 1, 2015, the Secretary of State shall issue certificates of title for all new ATVs, snowmobiles and watercraft and all used ATVs, snowmobiles and watercraft with a model year of 2015 or later that were previously issued certificates of title.

**Sec. 4. 29-A MRSA §652, sub-§16**, as amended by PL 2009, c. 598, §27, is further amended to read:

**16. Low-speed vehicle.** A low-speed vehicle loaned by a dealer to a municipality; and

**Sec. 5. 29-A MRSA §652, sub-§17**, as enacted by PL 2009, c. 598, §28, is amended to read:

**17. Off-road vehicle.** An off-road vehicle-, including a snowmobile and an ATV with a model year prior to 2015; or

**Sec. 6. 29-A MRSA §652, sub-§18** is enacted to read:

**18. Watercraft.** A watercraft that is:

A. A model year that is prior to 2015;

B. Less than 12 feet in length; and

C. Registered or required to be registered with the United States Coast Guard pursuant to 46 Code of Federal Regulations, Parts 67, 68 and 69.

**Sec. 7. 29-A MRSA §652**, as amended by PL 2009, c. 598, §§26 to 28, is further amended by inserting at the end a new paragraph to read:

The vehicle exemptions in subsections 1, 2, 3, 4, 8 and 14 apply to ATVs, snowmobiles and watercraft.

**Sec. 8. 29-A MRSA §653, sub-§6** is enacted to read:

**6. ATVs; snowmobiles; watercraft.** The provisions of this section apply to ATVs, snowmobiles and watercraft.

**Sec. 9. 29-A MRSA §654, sub-§6** is enacted to read:

**6. ATVs; snowmobiles; watercraft.** The provisions of this section, except subsection 1, paragraph B-1, apply to ATVs, snowmobiles and watercraft.

**Sec. 10. 29-A MRSA §655, sub-§7** is enacted to read:

**7. ATVs; snowmobiles; watercraft.** The provisions of this section apply to ATVs, snowmobiles and watercraft.

**Sec. 11. 29-A MRSA §657, sub-§8** is enacted to read:

**8. ATVs; snowmobiles; watercraft.** The provisions of this section apply to ATVs, snowmobiles and watercraft.

**Sec. 12. 29-A MRSA §658, sub-§6** is enacted to read:

**6. ATVs; snowmobiles; watercraft.** The provisions of this section, except subsection 1, paragraph E-1, apply to ATVs, snowmobiles and watercraft.

**Sec. 13. 29-A MRSA §659, sub-§5** is enacted to read:

**5. ATVs; snowmobiles; watercraft.** The provisions of this section apply to ATVs, snowmobiles and watercraft.

**Sec. 14. 29-A MRSA §660**, as amended by PL 1995, c. 482, Pt. A, §13, is further amended by inserting at the end a new paragraph to read:

The provisions of this section apply to ATVs, snowmobiles and watercraft.

**Sec. 15. 29-A MRSA §661, sub-§4** is enacted to read:

**4. ATVs; snowmobiles; watercraft.** The provisions of this section apply to ATVs, snowmobiles and watercraft.

**Sec. 16. 29-A MRSA §662, sub-§6** is enacted to read:

**6. ATVs; snowmobiles; watercraft.** The provisions of this section apply to ATVs, snowmobiles and watercraft.

**Sec. 17. 29-A MRSA §664-A, sub-§8** is enacted to read:

**8. ATVs; snowmobiles; watercraft.** The provisions of this section apply to ATVs, snowmobiles and watercraft.

**Sec. 18. 29-A MRSA §665**, as amended by PL 2009, c. 45, §1, is further amended to read:

### **§ 665. Involuntary transfers of interest**

**1. Other than voluntary transfer.** If the interest of an owner in a vehicle passes to another, other than by voluntary transfer, the owner shall immediately surrender the certificate of title or certificate of salvage to the transferee or the Secretary of State. Except as otherwise provided in this section, the transferee shall promptly deliver to the Secretary of State the last certificate, if available, proof of the transfer and an application for a new certificate.

**2. Interest terminated by lienholder.** If the interest of the owner is terminated or the vehicle is sold under a security agreement by a lienholder named in the certificate of title or salvage, the following provisions apply.

A. If the owner has the certificate of title or certificate of salvage, the owner shall immediately surrender the certificate to the lienholder or the Secretary of State.

B. The transferee shall promptly deliver to the Secretary of State the last certificate of title or certificate of salvage, an application for a new certificate and an affidavit made on behalf of the lienholder that the vehicle was repossessed and the interest of the owner was lawfully terminated or sold pursuant to the terms of the security agreement.

C. If the last certificate of title or certificate of salvage is not available, the lienholder may execute an assignment in the space provided on the certificate of lien.

D. The lienholder may apply for a certificate of title or certificate of salvage in the lienholder's name and execute an assignment in the space provided on the certificate of title or certificate of salvage.

E. If the lienholder holds the vehicle for resale, the lienholder need not apply for a new certificate. Upon transfer to another person, the lienholder shall promptly mail or deliver to the transferee or to the Secretary of State the certificate showing the lien to be released and the affidavit and other documents required to be sent to the Secretary of State by the transferee.

**3. Interest transferred.** A person who holds a certificate of title or certificate of salvage and whose interest has been extinguished or transferred other than by voluntary transfer shall deliver the certificate to the Secretary of State on request.

The delivery of the certificate does not affect the rights of a person surrendering it.

The issuance of a new certificate is not conclusive of the rights of an owner or lienholder named in the old certificate.

**4. Forfeiture of interest.** If the interest of an owner is forfeited to the State under Title 15, chapter 517, the following provisions apply.

- A. The owner shall promptly deliver to the Secretary of State the certificate of title.
- B. If the owner is unknown, the State may proceed to perfect title.
- C. If the forfeited vehicle is resold, the Secretary of State shall issue a new certificate of title to the purchaser.
- D. If the forfeiting owner fails to comply with this subsection, the Secretary of State shall revoke the owner's certificate of title and issue a new certificate of title to the purchaser.

**5. Divorce.** When a divorce decree awards a vehicle to an individual, the following provisions apply.

- A. Ownership of the vehicle passes to that individual and the ownership of the vehicle by any other person named on a certificate of title, certificate of salvage, certificate of lien or certificate of registration for the vehicle is extinguished.
- B. The person whose ownership is extinguished shall surrender the certificate of title or salvage to the individual awarded the vehicle by the divorce decree.
- C. If there is a lien on the vehicle, the lienholder shall surrender a certificate of title or salvage or certificate of lien for the vehicle to the Secretary of State. The delivery of the certificate to the Secretary of State does not affect the rights of the lienholder.
- D. The individual awarded the vehicle shall apply for a certificate of title or certificate of salvage and, if there was an unsatisfied lien at the time of the divorce decree, shall state the lien on the application. Upon receipt of the application, the required fee, the certificate of title or salvage and proof of the award of the vehicle in a divorce, the Secretary of State shall issue a title in the name of the individual awarded the vehicle and, if there is a lien on the vehicle, shall issue a certificate of lien, certificate of title or certificate of salvage to the lienholder.

**6. Repossession.** Upon the exercise of the right to take possession of a vehicle by a lienholder that is a creditor as defined in Title 9-A, section 1-301, subsection 17, or the assignee of that creditor, ownership of the vehicle vests in the lienholder, subject to the rights granted to the owner and the duties imposed on the lienholder under Title 9-A, Article 5, Part 1, Title 11, Article 9-A, Part 6 and Title 32, section 11017.

**7. ATVs; snowmobiles; watercraft.**     The provisions of this section apply to ATVs, snowmobiles and watercraft.

**Sec. 19. 29-A MRSA §666**, as enacted by PL 1993, c. 683, Pt. A, §2 and affected by Pt. B, §5, is amended to read:

**§ 666. Records of surrendered certificates of title**

The Secretary of State shall maintain a file for 5 years of every surrendered certificate for tracing title of vehicles, ATVs, snowmobiles and watercraft.

**Sec. 20. 29-A MRSA §667, sub-§8** is enacted to read:

**8. ATVs; snowmobiles; watercraft.**     The provisions of this section apply to ATVs, snowmobiles and watercraft.

**Sec. 21. 29-A MRSA §668, sub-§6** is enacted to read:

**6. ATVs; snowmobiles; watercraft.**     The provisions of this section apply to ATVs, snowmobiles and watercraft.

**Sec. 22. 29-A MRSA §709** is enacted to read:

**§ 709. ATVs; snowmobiles; watercraft**

This subchapter applies to perfection of security interests in ATVs, snowmobiles and watercraft.

**SUMMARY**

This bill creates a titling system to be administered by the Secretary of State to title certain all-terrain vehicles, snowmobiles and watercraft beginning January 1, 2015. The registration system currently administered by the Department of Inland Fisheries and Wildlife remains separate and in effect. The bill also authorizes the Secretary of State to establish a fee to cover the administrative costs of titling ATVs, snowmobiles and watercraft.