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**JOINT STANDING COMMITTEE ON TRANSPORTATION**

Testimony of Shenna Bellows Secretary of State  
Department of the Secretary of State  
*February 7, 2023*

Testifying In Opposition To

L.D. 203 “An Act to Exempt Certain Motor Vehicle Dealers from Display Area Size Requirements”

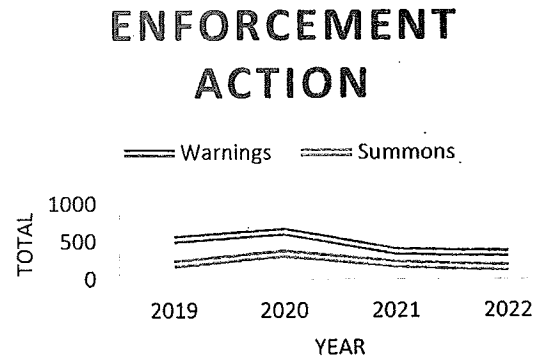
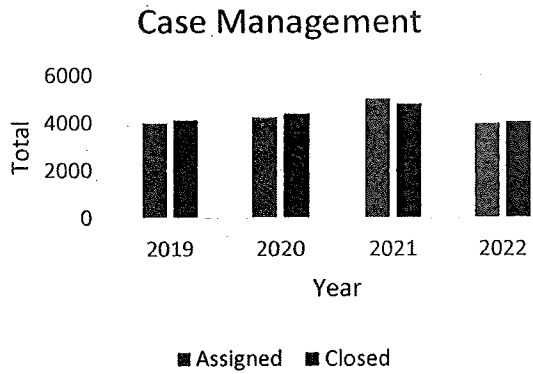
Senator Curry, Representative Roberts, and Members of the Joint Standing Committee on Innovation, Development, Economic Advancement and Business, my name is Shenna Bellows and I am the Secretary of State and chief motor vehicle officer. I am speaking today in opposition to L.D. 203.

At the Bureau of Motor Vehicles safety of our public ways is of paramount importance, and we believe the balanced, diligent enforcement of Maine’s statutory rules of the road is a vital component of that safety. We oversee all aspects of driver licensing from driver education to license issuance, vehicle registration, titles and dealer licensing.

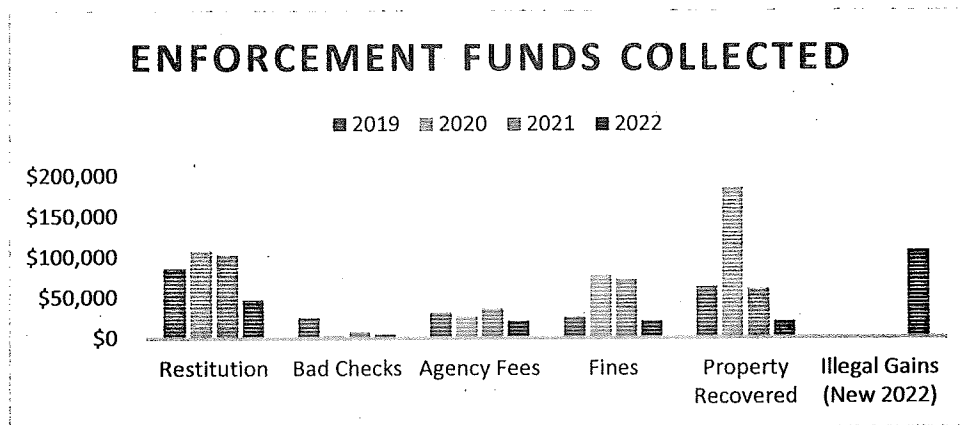
Within the BMV are seven divisions including the Division of Enforcement, Anti-Theft, & Regulations Division, which provides law enforcement investigations for the Bureau and oversees the regulatory compliance for new and used automobile dealers, equipment, light trailer, trailer and motorcycle dealers, vehicle auctions and recyclers. This division has 26 positions including 14 sworn law enforcement officers.

The detectives are uniquely trained, qualified, and authorized to pursue regulatory compliance, and bring to prosecution crimes under motor vehicle and criminal law. Responsibilities include, but are not limited to licensing, regulations and enforcement of laws concerning various types of vehicle dealers and recyclers, title fraud, odometer fraud, automobile identification, auto theft investigations, registration evasion, catalytic converter theft, insurance fraud, consumer complaints, and driver license and state identification card fraud, and potential driver license fraud cases generated by issuance of REAL ID. The BMV’s enforcement unit is the only law enforcement agency that specializes in this area of law enforcement.

Statistical information compiled by this section shows that 3,960 cases have been assigned through December 28, 2022, and 4,046 cases have been closed during the same timeframe.



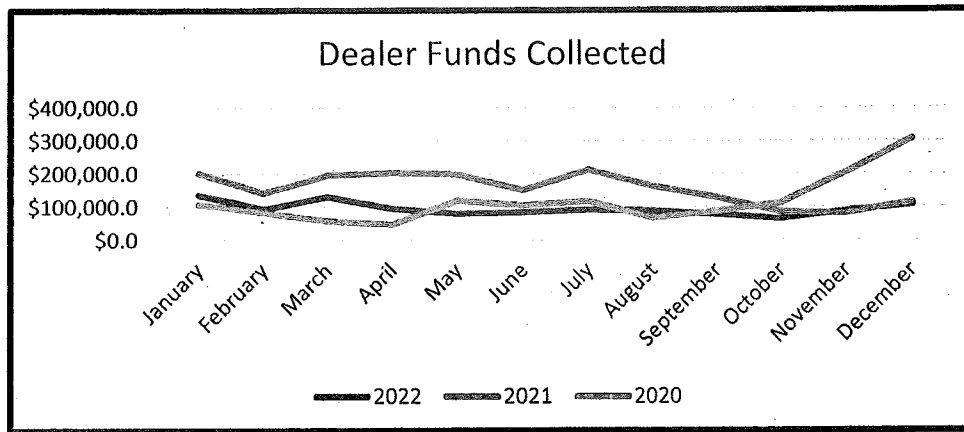
In 2022, the enforcement unit returned \$46,792 to automobile customers in the form of restitution and recovered \$3,521 in bad checks, collected \$20,342 in agency fees, recovered \$19,976 in property, detected \$107,481 in illegal gains, and collected \$20,316 in fines from summonses. All fine revenue goes directly to the general fund.



The detectives also provide training to licensed car dealerships on rules and laws governing vehicle sales. Likewise, in 2022, they were integral in the development of an online training tool for individuals and businesses wishing to become licensed dealers in Maine. Upon request, they participate in speaking engagements for various associations, agencies, and municipalities.

The division also has two detectives who have been active on the national level with one serving on the Law Enforcement Standing Committee for AAMVA and another serving on two different AAMVA working groups.

We also have a dedicated dealer licensing unit comprised of three staff who manage the licensing and renewal program for new and used automobile dealers, equipment, light trailer, heavy trailer, motorcycle dealers, vehicle auctions, and recyclers. There are currently 2,876 active dealerships and over 13,723 active plates. The dealer licensing section administers and issues all automobile dealer related permits to include demonstration of loaded truck authorizations, moving of mobile homes, mobile crushers, and off-sight vehicle sales permits.



Maine’s dealer licensing requirements are contained in Title 29-A and were designed as consumer protection measures to safeguard consumers in a transaction, which for many will be the single-most important purchase they make. We are all familiar with the term “lemon laws” and aware that unscrupulous individuals may try to sell vehicles that are unsafe or otherwise not what was advertised. Dealer displays provide consumers with the ability to see a vehicle and test drive. Minimum display area is just one of several requirements that vehicle dealers must meet to maintain their dealer license, and they should be looked at as a whole to ensure there are appropriate consumer protection mechanisms in place.

We recognize vehicles are being purchased differently than they were 10 years ago. 5,000 sq ft may be too large a requirement, although that is hotly debated among those in the field, but this is a complicated subject and really should be considered carefully with the stakeholders involved.

As an alternative to the language currently drafted in L.D. 203, we strongly recommend that the Committee consider directing the Bureau of Motor Vehicles to convene a working group that includes both small and large automobile dealers as well as other interested parties and stakeholders to examine the dealer display requirements in light of the situation described by the bill sponsor and to address online vehicle sales. The best public policy is developed with a collaborative and thoughtful approach rather than in response to one isolated circumstance.

For the above reasons, we oppose this bill. I thank you and would be happy to answer any questions that the committee may have.