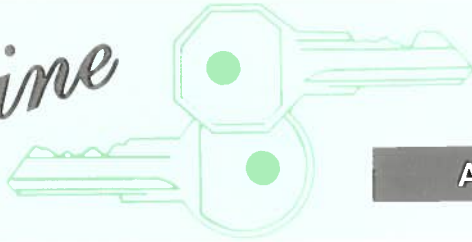


Maine



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Testimony in Support of LD 1104

Good afternoon. Senator Diamond, Representative Martin, Ladies and Gentlemen of the Transportation Committee. My name is Tom Brown and I am President of the Maine Automobile Dealers Association, the statewide organization of 116 franchised new car and truck dealerships with nearly 6000 employees in all parts of Maine. Our dealerships sell and service new as well as used vehicles, with sales volume of nearly 125,000 units annually.

MADA very much appreciates Sen. Farrin's sponsorship of this proposal regarding the length of time a temporary plate is valid. The problem this LD addresses is primarily driven by the inability of dealerships to receive titles on used vehicles from lienholders (mostly national financial institutions) in a timely manner. There are also situations in which some State Motor Vehicle departments have fallen behind due to COVID-related issues, and thus the receipt of the previous title from another State is delayed. Instances involving the need to first obtain a duplicate title because the previous title cannot be found is another point of delay in getting the previous title. In many cases, it is near 30 days, sometimes longer, before the title ultimately arrives.

When a vehicle is traded-in by a customer, and a lien still applies, the dealership pays off the outstanding lien by sending payment to the lienholder. In many instances, the financial institution first waits 7-10 days to make sure the payment is good (even though dealerships might use ACH transfers or bank checks and overnight delivery systems to make the payoff), then begins their internal process to prepare a lien release and send the title to the dealership. Nearly all of the national financial institutions do not use the Bureau of Motor Vehicles electronic lien release program, thus it is a search of the lienholder files, preparation of the lien release, then mailing the title to the dealership. In the majority of cases, that process takes nearly 30 days, and in some situations much longer.

MADA appreciates that this change may slightly delay some registrations and related payment of municipal excise tax, the municipalities will still receive the appropriate amounts, and in most cases within the same calendar month.

Thank you for the opportunity to present our perspective.

Tom Brown