

1993 Assembly Bill 294

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1993 WISCONSIN ACT 63

AN ACT *to renumber and amend* 340.01 (25r), 342.10 (3), 342.15 (2) (a) and 342.15 (2) (b) and (c); *to amend* 340.01 (55g) and 342.16 (3); and *to create* 340.01 (15v), (18p) and (28e), 340.01 (25r) (b), 342.06 (1) (em), 342.06 (1) (hm) and (hr), 342.065 (title), 342.065 (1) (b) and (c), (2) and (4), 342.10 (3) (b) to (g), 342.15 (1) (bm), 342.15 (5m), 342.16 (1r), 342.16 (4) and 342.34 (3m) of the statutes, **relating to:** salvage and junk vehicles, certificates of title for certain vehicles, granting rule-making authority and providing a penalty.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. 340.01 (15v), (18p) and (28e) of the statutes are created to read:

340.01 (15v) "Fair market value" means the value of a vehicle that takes into account the condition of the vehicle immediately before the damage occurred and which has been determined by reliable sources generally accepted within the automotive and insurance industries, limited to price guidebooks, dealer quotations, computerized valuation services and other methods which may be prescribed by the department.

(18p) "Flood damaged vehicle" means any motor vehicle that is not precluded from subsequent registration or titling and which is damaged by flood to the extent that the estimated or actual cost, whichever is greater, of repairing the vehicle exceeds 70% of its fair market value.

(28e) "Manufacturers buyback vehicle" means a motor vehicle repurchased by its manufacturer, or by an authorized distributor or dealer with compensation from the manufacturer, because of a nonconformity that was not corrected after a reasonable attempt to repair the nonconformity under s. 218.015 or under a similar law of another state.

SECTION 1m. 340.01 (25r) of the statutes is renumbered 340.01 (25r) (intro.) and amended to read:

340.01 (25r) (intro.) "Junk vehicle" means a any of the following:

(a) A vehicle which is incapable of operation or use upon a highway and which has no resale value except as a source of parts or scrap.

SECTION 1r. 340.01 (25r) (b) of the statutes is created to read:

340.01 (25r) (b) A vehicle for which an insurance company has taken possession of or title to if the estimated cost of repairing the vehicle exceeds its fair market value.

SECTION 2. 340.01 (55g) of the statutes is amended to read:

340.01 (55g) "Salvage vehicle" means a vehicle less than 7 years old that is not precluded from subsequent registration and titling and which is damaged by collision or other occurrence to the extent that the cost estimated or actual cost, whichever is greater, of repairing the vehicle for safe operation would exceed exceeds 70% of its fair market value.

SECTION 3. 342.06 (1) (em) of the statutes is created to read:

342.06 (1) (em) Any further evidence which may reasonably be required by the department to enable it to determine whether any of the information specified in s. 342.10 (3) (c) to (g) may be applicable to the vehicle.

SECTION 4. 342.06 (1) (hm) and (hr) of the statutes are created to read:

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342.06 (1) (hm) If the applicant for certificate of title for a motor vehicle intends to utilize that vehicle as a police vehicle by a law enforcement agency, the applicant shall state that fact in the application. If the applicant knows that the vehicle has previously been used as a police vehicle by a law enforcement agency and that fact is not noted on the old certificate of title, the applicant shall state in the application that the vehicle has previously been so used.

(hr) If the vehicle less than 7 years old and which is damaged by collision or other occurrence to the extent that the estimated or actual cost, whichever is greater, of repairing the vehicle exceeds 30% of its fair market value was transferred to an insurer upon payment of an insurance claim, the insurer shall state that fact in the application. If the applicant knows that the vehicle had been transferred to an insurer upon payment of an insurance claim and that fact is not noted on the old certificate of title, the applicant shall state in the application that the vehicle has previously been so transferred. This paragraph does not apply to salvage vehicles.

SECTION 5. 342.065 (title) of the statutes is created to read:

342.065 (title) Title for salvage vehicle.

SECTION 6. 342.065 (1) (b) and (c), (2) and (4) of the statutes are created to read:

342.065 (1) (b) The owner of a salvage vehicle that is not currently titled as a salvage vehicle shall promptly apply for a salvage vehicle certificate of title by submitting to the department the certificate of title for the vehicle or other evidence of ownership, the applicant's statement that the vehicle is a salvage vehicle, an application for a salvage certificate of title and the required fee. This paragraph does not apply to a salvage vehicle that is purchased by a salvage vehicle purchaser subject to the requirements of par. (a).

(c) If the interest of an owner in a vehicle that is titled in this state is not transferred upon payment of an insurance claim that, including any deductible amounts, exceeds 70% of the fair market value of the vehicle, any insurer of the vehicle shall, within 30 days of payment of the insurance claim, notify the department in writing of the claim payment and that the vehicle meets the statutory definition of a salvage vehicle, in the manner and form prescribed by the department.

(2) Upon notification from an insurer under sub. (1) (c), the department shall promptly notify the owner of the salvage vehicle that he or she is required to apply for a salvage vehicle certificate of title under sub. (1) (b).

(4) (a) Except as provided in par. (b), any person who violates sub. (1) may be required to forfeit not more than \$1,000.

(b) Any person who violates sub. (1) with intent to defraud may be fined not more than \$5,000 or imprisoned for not more than 5 years or both.

SECTION 7. 342.10 (3) of the statutes is renumbered 342.10 (3) (intro.) and amended to read:

342.10 (3) (intro.) Before issuing a new or duplicate certificate of title for a motor vehicle ~~previously licensed and used as a taxicab or for public transportation~~, the department shall ~~stamp permanently record any of the following information, if applicable~~, on such certificate ~~the words "This motor vehicle has previously been:~~

(a) That the vehicle was previously licensed and used as a taxicab or for public transportation.

SECTION 8. 342.10 (3) (b) to (g) of the statutes are created to read:

342.10 (3) (b) That the vehicle was previously licensed and used as a police vehicle by a law enforcement agency.

(c) That the vehicle was not manufactured in compliance with all federal emission and safety standards applicable at the time of manufacture, whether or not the vehicle was subsequently modified to meet such standards, and that the vehicle is "non-USA standard".

(d) That the vehicle was a flood damaged vehicle.

(e) That the vehicle was a manufacturers buyback vehicle.

(f) That the vehicle was previously a salvage vehicle.

(g) That the vehicle was transferred to an insurer upon payment of an insurance claim. This paragraph does not apply to salvage vehicles.

SECTION 9. 342.15 (1) (bm) of the statutes is created to read:

342.15 (1) (bm) No person may transfer a motor vehicle without disclosing in writing to the transferee whether any of the information specified in s. 342.10 (3) is applicable to the vehicle. No transferor shall knowingly give a false statement to a transferee in making the disclosure. The department shall prescribe the manner in which the written disclosure shall be made and retained.

SECTION 10. 342.15 (2) (a) of the statutes is renumbered 342.15 (2) and amended to read:

342.15 (2) Except as provided in s. 342.16 with respect to a vehicle which is not a salvage vehicle, the transferee shall, promptly after delivery to him or her of the vehicle, execute the application for a new certificate of title in the space provided therefor on the certificate or as the department prescribes, and cause the certificate and application to be mailed or delivered to the department. A salvage vehicle purchaser shall comply with ~~par. (b) s. 342.065 (1) (b)~~.

SECTION 11. 342.15 (2) (b) and (c) of the statutes are renumbered 342.065 (1) (a) and (3) and amended to read:

342.065 (1) (a) A salvage vehicle purchaser of a salvage vehicle that is not currently titled as a salvage vehicle shall, promptly after delivery to him or her of the salvage vehicle, apply for a salvage vehicle certificate of title by submitting to the department the properly assigned certificate of title under ~~sub. s. 342.15 (1) (c)~~ or

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other evidence of ownership, the applicant's statement that the vehicle is a salvage vehicle, an application for a salvage certificate of title and the required fee.

(3) Upon compliance with the requirements of ~~par. (b) sub. (1)~~, the department shall issue ~~the salvage vehicle purchaser~~ a salvage vehicle certificate of title for the vehicle. The certificate shall include the words "This is a salvage vehicle".

SECTION 12. 342.15 (5m) of the statutes is created to read:

342.15 (5m) (a) Except as provided in par. (b), any person who violates sub. (1) (bm) may be required to forfeit not more than \$1,000.

(b) Any person who violates sub. (1) (bm) with intent to defraud may be fined not more than \$5,000.

SECTION 13. 342.16 (1r) of the statutes is created to read:

342.16 (1r) No motor vehicle dealer or motor vehicle salesperson may transfer a motor vehicle without disclosing in writing to the transferee whether any of the information specified in s. 342.10 (3) is applicable to the vehicle. No motor vehicle dealer or motor vehicle salesperson may knowingly give a false statement to a transferee in making the disclosure. The department shall pre-

scribe the manner in which the written disclosure shall be made and retained.

SECTION 14. 342.16 (3) of the statutes is amended to read:

342.16 (3) ~~Any~~ Except as provided in sub. (4), any dealer who fails to comply with this section may be required to forfeit not more than \$200.

SECTION 15. 342.16 (4) of the statutes is created to read:

342.16 (4) (a) Except as provided in par. (b), any dealer who violates sub. (1r) may be required to forfeit not more than \$1,000.

(b) Any dealer who violates sub. (1r) with intent to defraud may be fined not more than \$5,000.

SECTION 16. 342.34 (3m) of the statutes is created to read:

342.34 (3m) In determining whether a vehicle meets the definition of a junk vehicle for purposes of this section or s. 342.15 (1) (a), the department may promulgate rules specifying the conditions under which a vehicle shall be considered incapable of operation or use upon a highway.

SECTION 17. Effective date. This act takes effect on the first day of the 6th month beginning after publication.