

1999 DRAFTING REQUEST

Assembly Amendment (AA-ASA1-AB133)

Received: 06/22/99

Received By: isagerro

Wanted: Soon

Identical to LRB:

For: Assembly Republican Caucus

By/Representing: Dake

This file may be shown to any legislator: NO

Drafter: isagerro

May Contact:

Alt. Drafters:

Subject: **Transportation - mot veh dealers**

Extra Copies: **PEN
TNF**

Pre Topic:

ARC:.....Dake - Am # 15,

Topic:

Salvage vehicle titles

Instructions:

See Attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/1	isagerro 06/23/99	ygeller 06/23/99	hhagen 06/23/99	_____	lrb_docadmin 06/23/99		
/2	isagerro 06/25/99	ygeller 06/25/99	haugeca 06/25/99	_____	lrb_docadmin 06/25/99		

FE Sent For:

<END>

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/1	isagerro 06/23/99	ygeller 06/23/99	hhagen 06/23/99	_____	lrb_docadmin 06/23/99		

FE Sent For:

12/25/99
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 <END>

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Salvage vehicle titles

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/?	isagerro	11/9/23 jlg		_____			

FE Sent For:

<END>

Budget Amendments 1999-2000

Statement of Intent

DOT. Allow motor vehicle dealers to transfer ownership of a salvage vehicle by submitting a properly assigned certificate of title to the Department of Transportation.

Legislator

Ainsworth

Amendment#

15

Staff contact

Kristina

Status

Pass

Agency

DOT

Tax Cut**Summary**

Under current law, a salvage dealer must apply for a new salvage vehicle title upon acquiring a salvage vehicle for resale. When the salvage vehicle is sold, the dealer must execute a title transfer to the buyer of the salvage vehicle.

The amendment would allow motor vehicle dealers to transfer ownership of a salvage vehicle by submitting a properly assigned certificate of title to the Department of Transportation. Upon sale of the salvage vehicle, the dealer would be allowed to assign the existing title to the new owner.

The amendment specifies that a motor vehicle dealer would be required to apply for a new title for a salvage vehicle if the vehicle does not have a salvage vehicle title at the time the vehicle is acquired. This provision would first apply to vehicles acquired on the first day of the first month after publication of the bill.

Fiscal Impact

The amendment would decrease transportation fund revenues by \$45,000 in 1999-00 and \$60,000 in 2000-01 to reflect a reduction in the number of titles issued.

ARC Analyst

Brian Dake



State of Wisconsin
1999 - 2000 LEGISLATURE

LRBb0842/1

ISR:.....

WFO - please fix request
sheet

Jlg

ARC:.....Dake - Am # 15 ^① Salvage vehicle titles

FOR 1999-01 BUDGET — NOT READY FOR INTRODUCTION

CAUCUS AMENDMENT

TO ASSEMBLY SUBSTITUTE AMENDMENT 1,

TO 1999 ASSEMBLY BILL 133

soon

1 At the locations indicated, amend the substitute amendment as follows:

2 1. Page 1340, line 20: after that line insert:

→ (Insert 1-2) ✓

3 2. Page 1341, line 9: after that line insert:

→ (Insert 1-3) ✓

4 3. Page 1602, line 6: after that line insert:

→ (Insert 1-4) ✓

5 4. Page 1615, line 14: after that line insert:

→ (Insert 1-5) ✓

6 (END)

1999 BILL

1 ~~AN ACT to renumber and amend 342.07 (1); and to amend 340.01 (55r),~~
2 ~~342.065 (1) (a), 342.065 (1) (b), 342.07 (2) (a), 342.15 (2), 342.15 (3), 342.15 (6),~~
3 ~~342.16 (1) (a), 342.16 (1) (c) and 342.16 (1) (d) of the statutes; relating to:~~
4 ~~transfer of salvage vehicles to or from a dealer.~~

Analysis by the Legislative Reference Bureau

Under current law, a dealer, who acquires for resale or for sale on consignment a new or used vehicle that is not a salvage vehicle, is not required to apply for a new certificate of title for the vehicle. Upon transfer of the new or used vehicle, the dealer must mail to the department of transportation (DOT) the certificate of title or application for a certificate of title and the transferee's application for a certificate of title.

Current law requires a dealer who acquires a salvage vehicle to apply to DOT for a salvage vehicle certificate of title. A salvage vehicle is defined as a vehicle less than seven years old that is damaged so that the estimated or actual cost of repairing the vehicle exceeds 70% of its fair market value.

Also under current law, to receive a certificate of title for a repaired salvage vehicle, the owner must submit to DOT an application for a new certificate of title, a properly assigned salvage certificate of title, a certificate of inspection and the required fees. The new certificate of title will specify that the vehicle was previously a salvage vehicle.

This bill eliminates the requirement that a dealer who acquires a salvage vehicle apply for a new certificate of title and treats salvage vehicles acquired by a

BILL

dealer the same as new or used vehicles acquired by a dealer. Upon transferring a salvage vehicle, a dealer must submit to DOT the certificate of title or application for certificate of title and the transferee's application for certificate of title. This bill also allows an applicant for a certificate of title for a repaired salvage vehicle to submit a properly assigned certificate of title transferred from a dealer in place of a salvage vehicle title.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

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

1 **SECTION 1.** 340.01 (55r) of the statutes is amended to read:

2 340.01 (55r) "Salvage vehicle purchaser" means a person, including an insurer
3 or motor vehicle dealer, who purchases or otherwise obtains possession of a salvage
4 vehicle, but does not include a motor vehicle dealer.

5 **SECTION 2.** 342.065 (1) (a) of the statutes is amended to read:

6 342.065 (1) (a) ~~A~~ Except as provided in s. 342.16, a purchaser of a salvage
7 vehicle that is not currently titled as a salvage vehicle shall, promptly after delivery
8 to him or her of the salvage vehicle, apply for a salvage vehicle certificate of title by
9 submitting to the department the properly assigned certificate of title under s.
10 342.15 (1) (c) or other evidence of ownership, the applicant's statement that the
11 vehicle is a salvage vehicle, an application for a salvage certificate of title and the
12 required fee.

13 **SECTION 3.** 342.065 (1) (b) of the statutes is amended to read:

14 342.065 (1) (b) ~~The~~ Except as provided in s. 342.16, the owner of a salvage
15 vehicle that is not currently titled as a salvage vehicle shall promptly apply for a
16 salvage vehicle certificate of title by submitting to the department the certificate of
17 title for the vehicle or other evidence of ownership, the applicant's statement that the
18 vehicle is a salvage vehicle, an application for a salvage certificate of title and the

BILL

1 required fee. This paragraph does not apply to a salvage vehicle that is purchased
2 by a salvage vehicle purchaser subject to the requirements of par. (a).

3 ^{2734 hdm} SECTION 4. 342.07 (1) of the statutes is renumbered 342.07 (1) (intro.) and
4 amended to read:

5 342.07 (1) Application for registration of and a new certificate of title for a
6 repaired salvage vehicle must be accompanied by the all of the following:

7 (a) The required fees, a.

8 (b) A properly assigned salvage certificate of title or a properly assigned
9 certificate of title by a dealer under s. 342.16 (1) (a) for the vehicle and any.

10 (c) Any other transfer document required by law, and by the.

11 (d) The certificate of inspection under sub. (4).

12 ^{2734 hdp} SECTION 5. 342.07 (2) (a) of the statutes is amended to read:

13 342.07 (2) (a) To determine whether the vehicle is the same vehicle for which
14 the salvage title in submitted under sub. (1) was issued;”.

15 ^{2734 hgd} SECTION 6. 342.15 (2) of the statutes is amended to read:

16 342.15 (2) Except as provided in s. 342.16 ~~with respect to a vehicle which is not~~
17 ~~a salvage vehicle~~, the transferee shall, promptly after delivery to him or her of the
18 vehicle, execute the application for a new certificate of title in the space provided
19 therefor on the certificate or as the department prescribes, and cause deliver or mail
20 ~~the certificate and application to be mailed or delivered~~ to the department. A salvage
21 vehicle purchaser shall comply with s. 342.065 (1) (b) (a).

22 ^{2734 hgf} SECTION 7. 342.15 (3) of the statutes is amended to read:

23 342.15 (3) Except as provided in s. 342.16 ~~with respect to a vehicle which is not~~
24 ~~a salvage vehicle~~ and as between the parties, a transfer by an owner is not effective
25 until the provisions of this section have been complied with. An owner who has

insert
1-2

insert
1-3



BILL

Insert 1-3 (cont)

1 delivered possession of the vehicle to the transferee and has complied with the
2 provisions of this section ~~requiring action by him or her~~ is not liable as owner for any
3 damages thereafter resulting from operation of the vehicle.

4 ^{2734 hqs} SECTION ~~8~~. 342.15 (6) of the statutes is amended to read:

5 342.15 (6) (a) Except as provided in s. 342.16 ~~with respect to a vehicle which~~
6 ~~is not a salvage vehicle~~, any transferee of a vehicle who fails to make application for
7 a new certificate of title immediately upon transfer to him or her of a vehicle may be
8 required to forfeit not more than \$200. A certificate is considered to have been
9 applied for when the application accompanied by the required fee has been delivered
10 to the department or deposited in the mail properly addressed with postage prepaid.

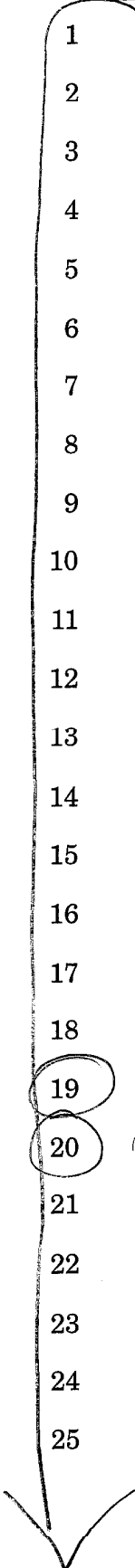
11 (b) Except as provided in s. 342.16 ~~with respect to a vehicle which is not a~~
12 ~~salvage vehicle~~, any transferee of a vehicle who with intent to defraud fails to make
13 application for a new certificate of title immediately upon transfer to him or her of
14 a vehicle may be fined not more than \$1,000 or imprisoned for not more than 30 days
15 or both. A certificate is considered to have been applied for when the application
16 accompanied by the required fee has been delivered to the department or deposited
17 in the mail properly addressed with postage prepaid.

18 ^{2734 hqs} SECTION ~~9~~. 342.16 (1) (a) of the statutes is amended to read:

19 342.16 (1) (a) Except as provided in par. (c), if a dealer acquires a new or used
20 ~~vehicle that is not a salvage vehicle~~ and holds it for resale or accepts a vehicle for sale
21 on consignment, the dealer may not submit to the department the certificate of title
22 or application for certificate of title naming the dealer as owner of the vehicle. Upon
23 transferring the vehicle to another person, the dealer shall immediately give the
24 transferee on a form prescribed by the department a receipt for all title, registration,
25 security interest and sales tax moneys paid to the dealer for transmittal to the

stat

or acquires a salvage vehicle that is currently titled as a salvage vehicle and holds it for resale



BILL

Insert 13 (cont)

1 department when required. The dealer shall promptly execute the assignment and
 2 warranty of title, showing the name and address of the transferee and of any secured
 3 party holding a security interest created or reserved at the time of the resale or sale
 4 on consignment, in the spaces provided therefor on the certificate or as the
 5 department prescribes. Within 7 business days following the sale or transfer, the
 6 dealer shall mail or deliver the certificate or application for certificate to the
 7 department with the transferee's application for a new certificate. A nonresident
 8 who purchases a motor vehicle from a dealer in this state may not, unless otherwise
 9 authorized by rule of the department, apply for a certificate of title issued for the
 10 vehicle in this state unless the dealer determines that a title is necessary to protect
 11 the interests of a secured party. The dealer is responsible for determining whether
 12 a title and perfection of security interest is required. The dealer is liable for any
 13 damages incurred by the department or any secured party for the dealer's failure to
 14 perfect a security interest which the dealer had knowledge of at the time of sale.

2734 hgm
 15 SECTION ~~10~~ 342.16 (1) (c) of the statutes is amended to read:

16 342.16 (1) (c) Except when all available spaces for a dealer's or wholesaler's
 17 reassignment on a certificate of title have been completed or as otherwise authorized
 18 by rules of the department, a dealer or wholesaler who acquires a new or used vehicle
 19 that is not a salvage vehicle and holds it for resale or accepts a vehicle for sale on
 20 consignment may not apply for a certificate of title naming the dealer or wholesaler
 21 as owner of the vehicle. The rules may regulate the frequency of application by a
 22 dealer or wholesaler for transfer of registration or credits for registration from a
 23 previously registered vehicle to another vehicle that the dealer or wholesaler intends
 24 to register in his or her own name.

2734 hgo
 25 SECTION ~~11~~ 342.16 (1) (d) of the statutes is amended to read:

*or acquires a salvage vehicle
 that is currently titled as a
 salvage vehicle and holds it
 for resale*

BILL

Insert 1-3 (cont)

1 342.16 (1) (d) Unless exempted by rule of the department, a dealer or
 2 wholesaler who acquires a ~~new or used~~ ^{stat} vehicle that is not a salvage vehicle and holds
 3 it for resale shall make application for a certificate of title naming the dealer or
 4 wholesaler as owner of the vehicle when all of the available spaces for a dealer's or
 5 wholesaler's reassignment on the certificate of title for such vehicle have been
 6 completed." .

or acquires a salvage vehicle currently titled as a salvage vehicle and holds it for resale

SECTION 12. Initial applicability

Insert 1-4

init app

7 ~~SECTION 12. Initial applicability~~ ^(CS)
 8 ~~(1) This act first applies to salvage vehicles acquired by a dealer on the effective~~
 9 date of this subsection."

SECTION 13. Effective date

Insert F-5

eff date

10 ~~(1) This act takes effect on the first day of the 4th month beginning after~~
 11 ~~publication.~~ ^(CS) ^{first}
 12 ^(4 mo) ^{first} [✓]

(END)

The treatment of sections 342.07(1) and (2)(a), 342.15(2), (3) and (6) and 342.16(1)(a), (c) and (d) of the statutes and Section 9350(10) of this act

The treatment of sections 342.07(1) and (2)(a), 342.15(2), (3) and (6) and 342.16(1)(a), (c) and (d) of the statutes



State of Wisconsin
1999 - 2000 LEGISLATURE

LRBb0842/1²
ISR:jlg:ksh

RMR

ARC:.....Dake - Am # 15, Salvage vehicle titles

FOR 1999-01 BUDGET — NOT READY FOR INTRODUCTION

CAUCUS AMENDMENT

TO ASSEMBLY SUBSTITUTE AMENDMENT 1,

TO 1999 ASSEMBLY BILL 133

seem

1 At the locations indicated, amend the substitute amendment as follows:

2 1. Page 1340, line 20: after that line insert:

3 "SECTION 2734hdm. 342.07 (1) of the statutes is renumbered 342.07 (1) (intro.)

4 and amended to read:

5 342.07 (1) Application for registration of and a new certificate of title for a
6 repaired salvage vehicle must be accompanied by ~~the~~ all of the following:

7 (a) The required fees, ~~a.~~

8 (b) A properly assigned salvage certificate of title or a properly assigned
9 certificate of title by a dealer under s. 342.16 (1) (a) for the vehicle ~~and any.~~

10 (c) Any other transfer document required by law, ~~and by the.~~

1 (d) The certificate of inspection under sub. (4).

2 **SECTION 2734hdp.** 342.07 (2) (a) of the statutes is amended to read:

3 342.07 (2) (a) To determine whether the vehicle is the same vehicle for which
4 the salvage title ~~is~~ submitted under sub. (1) was issued;”.

5 **2.** Page 1341, line 9: after that line insert:

6 **“SECTION 2734hgd.** 342.15 (2) of the statutes is amended to read:

7 342.15 (2) Except as provided in s. 342.16 ~~with respect to a vehicle which is not~~
8 ~~a salvage vehicle~~, the transferee shall, promptly after delivery to him or her of the
9 vehicle, execute the application for a new certificate of title in the space provided
10 therefor on the certificate or as the department prescribes, and cause deliver or mail
11 the certificate and application ~~to be mailed or delivered~~ to the department. A salvage
12 vehicle purchaser shall comply with s. 342.065 (1) ~~(b)~~ (a).

13 **SECTION 2734hgf.** 342.15 (3) of the statutes is amended to read:

14 342.15 (3) Except as provided in s. 342.16 ~~with respect to a vehicle which is not~~
15 ~~a salvage vehicle~~ and as between the parties, a transfer by an owner is not effective
16 until the provisions of this section have been complied with. An owner who has
17 delivered possession of the vehicle to the transferee and has complied with the
18 provisions of this section ~~requiring action by him or her~~ is not liable as owner for any
19 damages thereafter resulting from operation of the vehicle.

20 **SECTION 2734hgh.** 342.15 (6) of the statutes is amended to read:

21 342.15 (6) (a) Except as provided in s. 342.16 ~~with respect to a vehicle which~~
22 ~~is not a salvage vehicle~~, any transferee of a vehicle who fails to make application for
23 a new certificate of title immediately upon transfer to him or her of a vehicle may be
24 required to forfeit not more than \$200. A certificate is considered to have been

1 applied for when the application accompanied by the required fee has been delivered
2 to the department or deposited in the mail properly addressed with postage prepaid.

3 (b) Except as provided in s. 342.16 ~~with respect to a vehicle which is not a~~
4 ~~salvage vehicle~~, any transferee of a vehicle who with intent to defraud fails to make
5 application for a new certificate of title immediately upon transfer to him or her of
6 a vehicle may be fined not more than \$1,000 or imprisoned for not more than 30 days
7 or both. A certificate is considered to have been applied for when the application
8 accompanied by the required fee has been delivered to the department or deposited
9 in the mail properly addressed with postage prepaid.

10 **SECTION 2734hgj.** 342.16 (1) (a) of the statutes is amended to read:

11 342.16 (1) (a) Except as provided in par. (c), if a dealer acquires a new or used
12 vehicle that is not a salvage vehicle ^{plain} and holds it for resale, or acquires a salvage
13 vehicle that is currently titled as a salvage vehicle and holds it for resale or accepts
14 a vehicle for sale on consignment, the dealer may not submit to the department the
15 certificate of title or application for certificate of title naming the dealer as owner of
16 the vehicle. Upon transferring the vehicle to another person, the dealer shall
17 immediately give the transferee on a form prescribed by the department a receipt for
18 all title, registration, security interest and sales tax moneys paid to the dealer for
19 transmittal to the department when required. The dealer shall promptly execute the
20 assignment and warranty of title, showing the name and address of the transferee
21 and of any secured party holding a security interest created or reserved at the time
22 of the resale or sale on consignment, in the spaces provided therefor on the certificate
23 or as the department prescribes. Within 7 business days following the sale or
24 transfer, the dealer shall mail or deliver the certificate or application for certificate
25 to the department with the transferee's application for a new certificate. A

1 nonresident who purchases a motor vehicle from a dealer in this state may not,
2 unless otherwise authorized by rule of the department, apply for a certificate of title
3 issued for the vehicle in this state unless the dealer determines that a title is
4 necessary to protect the interests of a secured party. The dealer is responsible for
5 determining whether a title and perfection of security interest is required. The
6 dealer is liable for any damages incurred by the department or any secured party for
7 the dealer's failure to perfect a security interest which the dealer had knowledge of
8 at the time of sale.

9 **SECTION 2734hgm.** 342.16 (1) (c) of the statutes is amended to read:

10 342.16 (1) (c) Except when all available spaces for a dealer's or wholesaler's
11 reassignment on a certificate of title have been completed or as otherwise authorized
12 by rules of the department, a dealer or wholesaler who acquires a new or used vehicle
13 that is not a salvage vehicle and holds it for resale, or acquires a salvage vehicle that
14 is currently titled as a salvage vehicle and holds it for resale or accepts a vehicle for
15 sale on consignment may not apply for a certificate of title naming the dealer or
16 wholesaler as owner of the vehicle. The rules may regulate the frequency of
17 application by a dealer or wholesaler for transfer of registration or credits for
18 registration from a previously registered vehicle to another vehicle that the dealer
19 or wholesaler intends to register in his or her own name.

20 **SECTION 2734hgo.** 342.16 (1) (d) of the statutes is amended to read:

21 342.16 (1) (d) Unless exempted by rule of the department, a dealer or
22 wholesaler who acquires a new or used vehicle that is not a salvage vehicle and holds
23 it for resale or acquires a salvage vehicle currently titled as a salvage vehicle and
24 holds it for resale shall make application for a certificate of title naming the dealer
25 or wholesaler as owner of the vehicle when all of the available spaces for a dealer's

1 or wholesaler's reassignment on the certificate of title for such vehicle have been
2 completed.”.

3 **3.** Page 1602, line 6: after that line insert:

4 “(10d) SALVAGE VEHICLE TITLES. The treatment of sections 342.07 (1) and (2) (a),
5 342.15 (2), (3) and (6) and 342.16 (1) (a), (c) and (d) of the statutes act first applies
6 to salvage vehicles acquired by a dealer on the effective date of this subsection.”.

7 **4.** Page 1615, line 14: after that line insert:

8 “(4c) SALVAGE VEHICLE TITLES. The treatment of sections 342.07 (1) and (2) (a),
9 342.15 (2), (3) and (6) and 342.16 (1) (a), (c) and (d) of the statutes and SECTION 9350
10 (10d) of this act take effect on the first day of the first month beginning after
11 publication.”.

12

(END)



State of Wisconsin
1999 - 2000 LEGISLATURE

LRBb0842/2
ISR;jlg:ch

ARC:.....Dake - Am # 15, Salvage vehicle titles

FOR 1999-01 BUDGET — NOT READY FOR INTRODUCTION

CAUCUS AMENDMENT

TO ASSEMBLY SUBSTITUTE AMENDMENT 1,

TO 1999 ASSEMBLY BILL 133

1 At the locations indicated, amend the substitute amendment as follows:

2 1. Page 1340, line 20: after that line insert:

3 "SECTION 2734~~hdm.~~ 342.07 (1) of the statutes is renumbered 342.07 (1) (intro.)

4 and amended to read:

5 342.07 (1) Application for registration of and a new certificate of title for a
6 repaired salvage vehicle must be accompanied by ~~the~~ all of the following:

7 (a) The required fees, a.

8 (b) A properly assigned salvage certificate of title or a properly assigned
9 certificate of title by a dealer under s. 342.16 (1) (a) for the vehicle and any.

10 (c) Any other transfer document required by law, and by the.

1 (d) The certificate of inspection under sub. (4).

2 **SECTION 2734hdp.** 342.07 (2) (a) of the statutes is amended to read:

3 342.07 (2) (a) To determine whether the vehicle is the same vehicle for which
4 the salvage title in submitted under sub. (1) was issued;”.

5 **2.** Page 1341, line 9: after that line insert:

6 **“SECTION 2734hgd.** 342.15 (2) of the statutes is amended to read:

7 342.15 (2) Except as provided in s. 342.16 ~~with respect to a vehicle which is not~~
8 ~~a salvage vehicle~~, the transferee shall, promptly after delivery to him or her of the
9 vehicle, execute the application for a new certificate of title in the space provided
10 ~~therefor~~ on the certificate or as the department prescribes, and ~~cause deliver or mail~~
11 the certificate and application ~~to be mailed or delivered~~ to the department. A salvage
12 vehicle purchaser shall comply with s. 342.065 (1) ~~(b)~~ (a).

13 **SECTION 2734hgf.** 342.15 (3) of the statutes is amended to read:

14 342.15 (3) Except as provided in s. 342.16 ~~with respect to a vehicle which is not~~
15 ~~a salvage vehicle~~ and as between the parties, a transfer by an owner is not effective
16 until the provisions of this section have been complied with. An owner who has
17 delivered possession of the vehicle to the transferee and has complied with the
18 provisions of this section ~~requiring action by him or her~~ is not liable as owner for any
19 damages thereafter resulting from operation of the vehicle.

20 **SECTION 2734hgh.** 342.15 (6) of the statutes is amended to read:

21 342.15 (6) (a) Except as provided in s. 342.16 ~~with respect to a vehicle which~~
22 ~~is not a salvage vehicle~~, any transferee of a vehicle who fails to make application for
23 a new certificate of title immediately upon transfer to him or her of a vehicle may be
24 required to forfeit not more than \$200. A certificate is considered to have been

1 applied for when the application accompanied by the required fee has been delivered
2 to the department or deposited in the mail properly addressed with postage prepaid.

3 (b) Except as provided in s. 342.16 ~~with respect to a vehicle which is not a~~
4 ~~salvage vehicle~~, any transferee of a vehicle who with intent to defraud fails to make
5 application for a new certificate of title immediately upon transfer to him or her of
6 a vehicle may be fined not more than \$1,000 or imprisoned for not more than 30 days
7 or both. A certificate is considered to have been applied for when the application
8 accompanied by the required fee has been delivered to the department or deposited
9 in the mail properly addressed with postage prepaid.

10 **SECTION 2734hgj.** 342.16 (1) (a) of the statutes is amended to read:

11 342.16 (1) (a) Except as provided in par. (c), if a dealer acquires a new or used
12 vehicle that is not a salvage vehicle and holds it for resale, or acquires a salvage
13 vehicle that is currently titled as a salvage vehicle and holds it for resale or accepts
14 a vehicle for sale on consignment, the dealer may not submit to the department the
15 certificate of title or application for certificate of title naming the dealer as owner of
16 the vehicle. Upon transferring the vehicle to another person, the dealer shall
17 immediately give the transferee on a form prescribed by the department a receipt for
18 all title, registration, security interest and sales tax moneys paid to the dealer for
19 transmittal to the department when required. The dealer shall promptly execute the
20 assignment and warranty of title, showing the name and address of the transferee
21 and of any secured party holding a security interest created or reserved at the time
22 of the resale or sale on consignment, in the spaces provided therefor on the certificate
23 or as the department prescribes. Within 7 business days following the sale or
24 transfer, the dealer shall mail or deliver the certificate or application for certificate
25 to the department with the transferee's application for a new certificate. A

1 nonresident who purchases a motor vehicle from a dealer in this state may not,
2 unless otherwise authorized by rule of the department, apply for a certificate of title
3 issued for the vehicle in this state unless the dealer determines that a title is
4 necessary to protect the interests of a secured party. The dealer is responsible for
5 determining whether a title and perfection of security interest is required. The
6 dealer is liable for any damages incurred by the department or any secured party for
7 the dealer's failure to perfect a security interest which the dealer had knowledge of
8 at the time of sale.

9 **SECTION 2734hgm.** 342.16 (1) (c) of the statutes is amended to read:

10 342.16 (1) (c) Except when all available spaces for a dealer's or wholesaler's
11 reassignment on a certificate of title have been completed or as otherwise authorized
12 by rules of the department, a dealer or wholesaler who acquires a new or used vehicle
13 that is not a salvage vehicle and holds it for resale, or acquires a salvage vehicle that
14 is currently titled as a salvage vehicle and holds it for resale or accepts a vehicle for
15 sale on consignment may not apply for a certificate of title naming the dealer or
16 wholesaler as owner of the vehicle. The rules may regulate the frequency of
17 application by a dealer or wholesaler for transfer of registration or credits for
18 registration from a previously registered vehicle to another vehicle that the dealer
19 or wholesaler intends to register in his or her own name.

20 **SECTION 2734hgo.** 342.16 (1) (d) of the statutes is amended to read:

21 342.16 (1) (d) Unless exempted by rule of the department, a dealer or
22 wholesaler who acquires a new or used vehicle that is not a salvage vehicle and holds
23 it for resale or acquires a salvage vehicle currently titled as a salvage vehicle and
24 holds it for resale shall make application for a certificate of title naming the dealer
25 or wholesaler as owner of the vehicle when all of the available spaces for a dealer's

1 or wholesaler's reassignment on the certificate of title for such vehicle have been
2 completed.”.

3 **3.** Page 1602, line 6: after that line insert:

4 “(10d) SALVAGE VEHICLE TITLES. The treatment of sections 342.07 (1) and (2) (a),
5 342.15 (2), (3) and (6) and 342.16 (1) (a), (c) and (d) of the statutes act first applies
6 to salvage vehicles acquired by a dealer on the effective date of this subsection.”.

7 **4.** Page 1615, line 14: after that line insert:

8 “(4c) SALVAGE VEHICLE TITLES. The treatment of sections 342.07 (1) and (2) (a),
9 342.15 (2), (3) and (6) and 342.16 (1) (a), (c) and (d) of the statutes and SECTION 9350
10 (10d) of this act take effect on the first day of the first month beginning after
11 publication.”.

12

(END)