



WISCONSIN LEGISLATIVE COUNCIL ACT MEMO

2019 Wisconsin Act 4
[2019 Senate Bill 3]

**Denial, Suspension, and
Revocation of Certain Licenses
Related to Motor Vehicle Dealers**

Under current law, “[n]o motor vehicle dealer, motor vehicle wholesaler, motor vehicle salesperson, motor vehicle buyer, or sales finance company may engage in business as a motor vehicle dealer, motor vehicle wholesale, motor vehicle salesperson, motor vehicle buyer, or sales finance company in this state without a license therefore as provided [by statute.]” [s. 218.0114 (1), Stats.] In some cases the licensor is the Department of Transportation (DOT) and in others, it is the Division of Banking. 2019 Wisconsin Act 4 makes changes to the procedures for denials, suspensions, and revocations of certain of these licenses.

LICENSE DENIAL

Under current law, the licensor may deny an application for a license within 60 days after receipt of the application by written notice to the applicant, stating the grounds for the denial. Within 30 days after receiving the notice of denial, the applicant may petition the Division of Hearings and Appeals (DHA) to conduct a hearing to review the denial. A hearing shall be scheduled with reasonable promptness.

Under the act, if the denial is by DOT, the applicant may petition DOT to review the denial. Under these circumstances, a hearing shall be held within 45 days. If the applicant receives an adverse decision from DOT at that hearing, the applicant may appeal the decision to DHA and DHA shall hold an appeal hearing and issue a hearing within 30 days of receiving the appeal.

LICENSE REVOCATIONS AND SUSPENSIONS

Under current law, a license generally may not be suspended or revoked until a hearing has been held on the suspension or revocation. The licensor must give the licensee at least five days’ notice of the time and place of the hearing. A hearing on the suspension or revocation

This memo provides a brief description of the act. For more detailed information, consult the text of the law and related legislative documents at the Legislature’s Web site at: <http://www.legis.wisconsin.gov>.

brought before DOT shall be heard and decided upon by DHA. When DOT requests DHA to hear a matter brought before DOT, DHA shall hear and decide the matter within 30 days after the date of DOT's request.

Also under current law, an order suspending or revoking a license is not effective until 10 days' written notice of the order to the licensee, after the hearing has been held. One exemption under current law provides that a licensor may suspend a license upon not less than 24 hours' notice of the hearing and with not less than 24 hours' notice of suspension of the license if, in the licensor's opinion, the best interest of the public or the trade demands it.

The act makes two changes to the procedure for revoking or suspending a license. First, the act provides that matters involving suspensions or revocations brought before DOT shall be heard by DOT. A decision of suspension or revocation is then appealable to DHA within 30 days of that decision. DHA must then hold an appeal hearing and issue a decision within 30 days of receiving the appeal.

Second, the act specifies that a license suspension or revocation takes effect immediately if DOT determines that immediate suspension or revocation is appropriate and alleges any of the following:

- A violation of the motor vehicle dealer law in the course of a consignment sale.
- A sale of a motor vehicle without a license.
- Intentionally fraudulent conduct related to certificates of title, mileage disclosure, or use of personal identifying information, as defined by statute.

Effective date: The act first applies to a license denial occurring on the act's effective date, which is May 3, 2019, and first applies to a license suspension or revocation proceeding commenced on that date.

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